



## Full-year profit outlook maintained. Sales growth expectations revised

**August 6, 2015**

Interim report for the first half of 2015. Company announcement No. 37

Sales in the first half of 2015 grew by 5% organically and by 15% in DKK compared with 1H 2014. EBIT grew by 12%, and the EBIT margin was 27.2%. Adjusting for the one-time impact from The BioAg Alliance in Q1 2014, EBIT grew by ~20%, and the EBIT margin expanded by ~1 percentage point compared with 1H 2014. The EBIT margin improvement was mainly due to currencies and operational efficiencies. Net profit grew by 8%, and free cash flow before acquisitions came in at DKK 1,616 million.

The 2015 outlook for organic sales growth is revised to 4-7% (7-9% at previous guidance). Sales in DKK are now expected to increase by 13-16% (16-18% at previous guidance). The expectation for EBIT margin is increased to 27-28% (~27% at previous guidance). The expectations for EBIT growth, net profit growth, cash flow and ROIC are unchanged.

**Peder Holk Nielsen,  
President and CEO of  
Novozymes, comments:**

“First-half earnings have been very satisfactory, but we need to increase growth. Some customers in Household Care and Bioenergy are challenged by volatile markets, creating short-term headwinds for us until we have fully adapted. Good developments in other areas such as Agriculture & Feed and Food & Beverages balance things out but don’t make up for the headwinds. We therefore reduce our sales growth expectations for the full year. We maintain our full-year profit outlook, as we see improved productivity and operational efficiencies leading to a higher EBIT margin.”

	Realized		2015 outlook	2015 outlook
	1H 2015	1H 2014	August 6*	April 23
Sales, DKKm	7,028	6,094		
Sales growth, organic	5%	8%	4-7%	7-9%
Sales growth, DKK	15%	4%	13-16%	16-18%
Gross margin	57.9%	57.8%		
EBIT, DKKm	1,909	1,710		
EBIT growth	12%	19%	15-17%	15-17%
EBIT margin	27.2%	28.1%	27-28%	~27%
Net profit, DKKm	1,389	1,285		
Net profit growth	8%	20%	11-13%	11-13%
Net investments excl. acquisitions**, DKKm	371	206	900-1,000	~1,000
Free cash flow before acquisitions, DKKm	1,616	3,417	2,500-2,700	2,500-2,700
ROIC (including goodwill)	26.4%	24.6%	25-26%	25-26%
Avg. USD/DKK	669	544	677	686
EPS, DKK	4.51	4.09		
EPS (diluted), DKK	4.47	4.05		

\* Assumes exchange rates for the company’s key currencies remain at the closing rates on August 5 for the rest of 2015.

\*\* Net investments in 1H 2014 adjusted for The BioAg Alliance impact.

Novozymes A/S CVR number: 10 00 71 27

Rethink Tomorrow

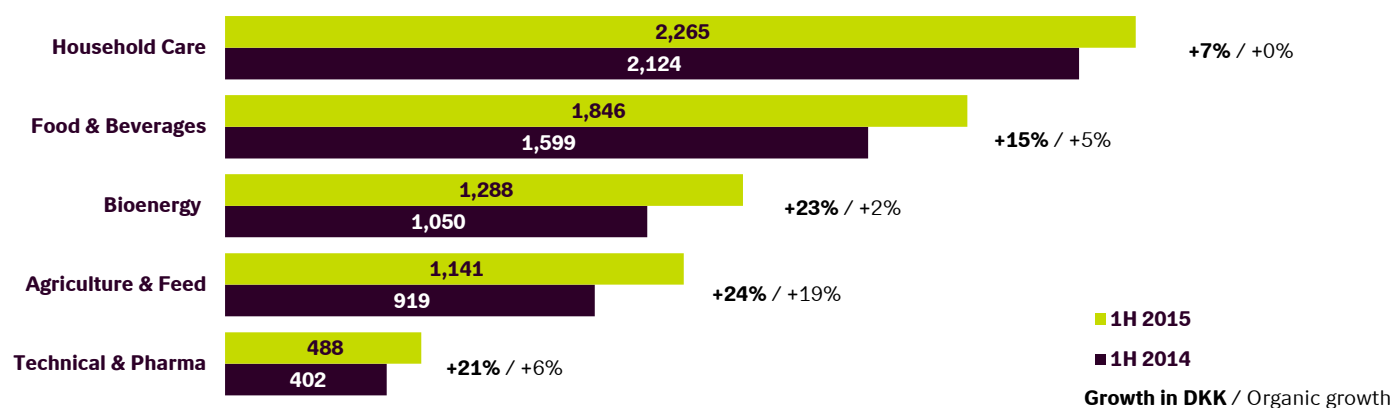
novozymes 

## Sales and markets

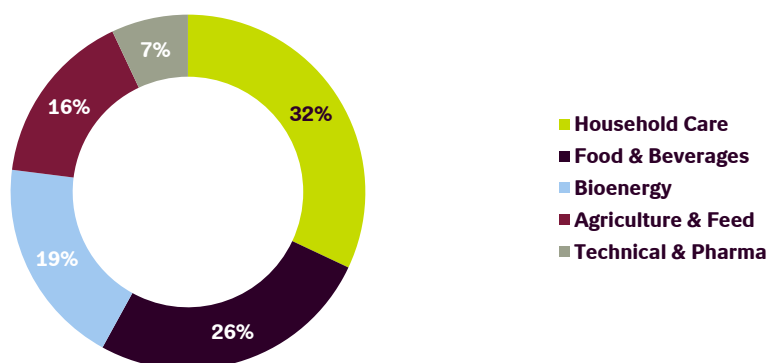
Total sales in the first half of 2015 increased by 5% organically compared with the first half of 2014. Exchange rates had a positive impact on sales, and sales were up by 15% in DKK to a total of DKK 7,028 million. Sales to the Agriculture & Feed and Technical & Pharma industries were the most significant contributors to organic sales growth in the period in relative terms.

**Total sales:**  
**Organic: +5%**  
**DKK: +15%**

### SALES IN DKK MILLION AND GROWTH RATES



### DISTRIBUTION OF SALES, 1H 2015



#### Household Care

Sales to the Household Care industry were flat organically and increased by 7% in DKK compared with the first half of 2014. Sales growth was challenged by slower growth in certain emerging markets, especially in Latin America, and by a dynamic North American market. Furthermore, Household Care sales have been negatively impacted by lower sales with one customer in particular.

**Household Care:**  
**Organic: +0%**  
**DKK: +7%**

Sales in other markets continued to benefit from customers' interest in optimizing detergent formulations to enhance wash performance and sustainability. These trends were present throughout the first half of 2015, and Novozymes experienced strong growth with a number of important customers to address this demand.

### Food & Beverages

Sales to the Food & Beverages industries increased by 5% organically and by 15% in DKK compared with the first half of 2014. Sales to the baking industry and for the production of healthy foods were the main contributors to sales growth, with sales to the baking industry benefiting from increased enzyme demand across product categories and regions.

**Food & Beverages:**  
**Organic: +5%**  
**DKK: +15%**

Sales to the starch industry increased moderately due to customer appreciation of recently launched innovations and continued stabilization of the Chinese starch market.

### Bioenergy

Sales to the Bioenergy industry were up by 2% organically and by 23% in DKK compared with the first half of 2014. Sales growth was supported by an estimated increase in U.S. ethanol production of ~3% compared with the first half of 2014.

**Bioenergy:**  
**Organic: +2%**  
**DKK: +23%**

In the second quarter alone, U.S. ethanol production is estimated to have increased by ~2% compared with the second quarter of 2014. The second quarter of 2015 presented a challenging market environment for Novozymes, and sales declined by 4% organically compared with the second quarter of 2014.

In the second quarter, U.S. ethanol producers continued their strong focus on cost reductions to navigate volatile commodity prices and low operating margins. Novozymes' Bioenergy sales were negatively impacted by the market situation, mainly due to unfavorable mix changes. Novozymes is currently test-marketing a number of innovations to broaden the scope of its solutions and value propositions.

### Agriculture & Feed

Sales to the Agriculture & Feed industries increased by 19% organically and by 24% in DKK compared with the first half of 2014. Sales growth was driven by strong performance in BioAg and a moderate positive contribution from animal feed.

**Agriculture & Feed:**  
**Organic: +19%**  
**DKK: +24%**

BioAg experienced strong sales growth, as The BioAg Alliance benefited from a slight shift from corn to soy acres and a good development in sales for pulse crops in North America. In the first half of 2015, Novozymes recognized DKK 149 million of deferred income as revenue compared with DKK 143 million in the first half of 2014.

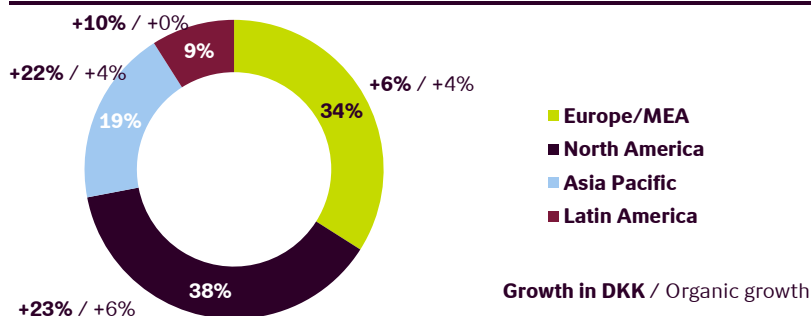
Animal feed sales grew moderately in the first half of 2015 compared with the first half of 2014, driven by a positive development in Asia and Latin America. Sales in the second quarter of 2015 were negatively impacted by destocking.

### Technical & Pharma

Sales to the Technical & Pharma industries increased by 6% organically and by 21% in DKK compared with the first half of 2014. Sales to the pharma and wastewater industries were the most significant growth contributors.

**Technical & Pharma:**  
**Organic: +6%**  
**DKK: +21%**

## SALES BY GEOGRAPHY, 1H 2015



### Europe, the Middle East & Africa

Sales grew by 4% organically and by 6% in DKK compared with the first half of 2014. Sales to the Food & Beverages and Household Care industries were the most significant growth contributors to sales growth.

**Europe/MEA:**  
Organic: +4%  
DKK: +6%

### North America

Sales increased by 6% organically and by 23% in DKK compared with the first half of 2014. Sales to the Agriculture & Feed and Technical & Pharma industries were the main drivers of sales growth. Sales to the Household Care industry were roughly flat.

**North America:**  
Organic: +6%  
DKK: +23%

### Asia Pacific

Sales increased by 4% organically and by 22% in DKK compared with the first half of 2014. Sales to the Agriculture & Feed and Food & Beverages industries were the main drivers of sales growth, whereas sales to the Bioenergy industry were lower.

**Asia Pacific:**  
Organic: +4%  
DKK: +22%

### Latin America

Sales were flat organically and grew by 10% in DKK compared with the first half of 2014. Sales to the Agriculture & Feed and Food & Beverages industries were the main drivers of sales growth, whereas sales to the Household Care industry were lower.

**Latin America:**  
Organic: +0%  
DKK: +10%

## Costs and profit

### Total costs

Total costs excluding net financials and tax were DKK 5,160 million, up 12% compared with the first half of 2014. Total cost of goods sold increased by 15% compared with the same period last year due to a higher activity level and currencies.

**Total costs: +12%**

### Gross profit

Gross profit increased by 15%, and the gross margin was 57.9%, an increase of 0.1 percentage point compared with the same period last year. Productivity improvements and slightly lower raw material costs impacted the gross margin favorably. The improvements were somewhat offset by a number of minor items such as a DKK 25 million write-down and higher duties.

**Gross margin: +57.9%**

### Operating costs

Operating costs increased by 9% to DKK 2,201 million, driven mainly by currencies. Disregarding currency developments, the underlying growth in operating costs is estimated to have been modest. Operating costs as a percentage of sales were 31%, 2 percentage points lower than in the first half of 2014.

**Operating costs: +9%**

- Sales and distribution costs increased by 6%, representing 11% of sales

- R&D costs increased by 13%, representing 14% of sales
- Administrative costs increased by 5%, representing 6% of sales

### Other operating income

Other operating income was DKK 41 million and related mainly to income received across the growth platforms. In the same period last year, other operating income was DKK 208 million, driven largely by the one-time realized gain from the transfer of assets to Monsanto on completion of The BioAg Alliance agreement in February 2014.

**Other operating income:  
DKK 41 million**

### Depreciation and amortization

Depreciation and amortization were DKK 512 million in the first half of 2015, up 9% from DKK 468 million in the same period last year. Depreciation and amortization were higher due to a DKK 50 million write-down on pharma assets in the second quarter of 2015. The DKK 50 million is split equally between cost of goods sold and R&D costs.

**Depreciation and amortization:  
DKK 512 million**

### EBIT

EBIT grew by 12% to DKK 1,909 million, up from DKK 1,710 million in the first half of 2014. Disregarding the positive contribution from the one-time net positive impact of The BioAg Alliance agreement in the first quarter of 2014, EBIT grew by ~20% due to higher organic sales and a positive impact from currencies.

**EBIT: DKK 1,909 million**

### EBIT margin

The EBIT margin was 27.2% compared with 28.1% in the first half of 2014. Disregarding the positive contribution from the one-time net positive impact of The BioAg Alliance agreement in the first quarter of 2014, the EBIT margin expanded by ~1 percentage point compared with the same period last year. The margin expansion was driven by lower operating costs relative to sales, due to currency developments and a modest underlying increase in operating costs.

**EBIT margin: +27.2%**

### Net financial costs

Net financial costs were DKK 117 million, up from DKK 41 million in the first half of 2014. The increase was mainly the result of a loss of DKK 65 million on net currency hedging/revaluation compared with a DKK 29 million gain in the same period last year. Other financial costs including net interest payments decreased slightly.

**Net financial costs:  
DKK 117 million**

### Tax

Profit before tax was DKK 1,792 million, up 7% on the first half of 2014. The effective tax rate in the first half of 2015 was 22.5% against 23.0% in the same period last year, benefiting from a lower tax rate in Denmark.

**Effective tax rate: +22.5%**

### Net profit

Net profit increased by 8% to DKK 1,389 million in the first half of 2015, up from DKK 1,285 million in the same period last year, as the higher EBIT was somewhat offset by higher net financial costs. Disregarding the positive contribution from the one-time net positive impact of The BioAg Alliance agreement in the first quarter of 2014, net profit was up ~16% on the first half of 2014.

**Net profit: DKK 1,389 million**

## Cash flow and balance sheet

### Operating cash flow

Cash flow from operating activities was DKK 1,987 million in the first half of 2015 compared with DKK 3,204 million in the same period last year. Cash flow was driven by higher net profit and lower net working capital due mainly to timing of payables.

**Operating cash flow:  
DKK 1,987 million**

Compared with the first half of 2014, operating cash flow was lower, mainly as a result of the positive impact of The BioAg Alliance agreement in the first quarter of 2014.

### Net investments

Net investments excluding acquisitions totaled DKK 371 million, compared with DKK 206 million in the same period last year when adjusted for The BioAg Alliance agreement in Q1 2014.

**Net investments:  
DKK 371 million**

### Free cash flow before acquisitions

Free cash flow before acquisitions was DKK 1,616 million compared with DKK 3,417 million in the first half of 2014. Compared with the first half of 2014, free cash flow was lower, mainly as a result of the positive impact of The BioAg Alliance agreement in the first quarter of 2014 and higher net investments, whereas lower net working capital, driven by timing of payables, had a positive impact on free cash flow.

**Free cash flow before  
acquisitions: DKK 1,616 million**

### Shareholders' equity

Shareholders' equity at June 30, 2015, was DKK 11,196 million, down 1% from year-end 2014, as comprehensive income in the period was offset by dividend payments and purchase of treasury stock as part of the ongoing stock buyback program. Shareholders' equity was 61% of the balance sheet total, on par with year-end 2014.

**Equity ratio: +61%**

### Net interest-bearing debt

At June 30, 2015, Novozymes had a net positive cash holding of DKK 62 million, compared with a net positive cash holding of DKK 716 million at year-end 2014. Net interest-bearing debt-to-EBITDA was 0.0 at June 30, 2015.

**Net positive cash holding:  
DKK 62 million**

### ROIC

Return on invested capital (ROIC), including goodwill, was 26.4%, ~2 percentage points higher than the first half of 2014. The increase in ROIC was a result of higher net profit and lower average invested capital.

**ROIC: +26.4%**

### Treasury stock

At June 30, 2015, the holding of treasury stock was 6.9 million B shares, equivalent to 2.2% of the common stock. Year-to-date June 30, 2015, Novozymes had repurchased 3.0 million shares worth approximately DKK 979 million within the expected DKK 2,000 million stock buyback program for 2015.

**Treasury stock: 2.2%**

## Sustainability

Environmental performance in the first half of 2015 was satisfactory. Energy-saving initiatives had a positive impact on energy efficiency. Water efficiency and the ratio of occupational accidents also improved, but at a more modest level, and the full-year targets are expected to be challenging to reach.

	1H 2015	1H 2014	2015 target
Water efficiency improvement on 2014	5%	n.a.	10%
Energy efficiency improvement on 2014	7%	n.a.	10%
CO <sub>2</sub> intensity reduction vs. 2014	7%	n.a.	4%
Occupational accidents per million working hours	2.3	1.4	<1.7
Rate of absence	1.9%	1.8%	<2%
Number of employees at June 30, 2015	6,536	6,205	-

## 2015 outlook

	2015 outlook August 6*	2015 outlook April 23*	2015 outlook January 20
Sales growth, organic	4-7%	7-9%	7-9%
Sales growth, DKK	13-16%	16-18%	16-18%
EBIT growth	15-17%	15-17%	15-17%
EBIT margin	27-28%	~27%	~27%
Net profit growth	11-13%	11-13%	11-13%
Net investments excl. acquisitions, DKKm	900-1,000	~1,000	~1,000
Free cash flow before acquisitions, DKKm	2,500-2,700	2,500-2,700	2,500-2,700
ROIC (including goodwill)	25-26%	25-26%	25-26%
Avg. USD/DKK	677	686	686

\* Assumes exchange rates for the company's key currencies remain at the closing rates on August 5 for the rest of 2015.

### Sales outlook

The first half of 2015 has provided a more challenging operating environment than expected, with customers, especially in Household Care and Bioenergy, changing course to address volatile currency, grain and energy markets, as well as uncertainty in emerging markets.

The volatility and macroeconomic uncertainty seem to be persisting, which has increased the uncertainty concerning sales growth rest of year. Novozymes is actively implementing innovation and commercial measures to address developments and accelerate growth, but expects the impact to be felt throughout the year. Our well-diversified business means that a positive development in agriculture and food markets will offset some of the weakness in Household Care and Bioenergy, but not fully. In 2015, we now expect organic sales growth of 4-7%, compared with 7-9% at previous guidance. Based on exchange rates at August 5, 2015, sales growth in DKK is now expected to be 13-16%, compared with 16-18% at previous guidance.

Novozymes expects a positive contribution to sales growth from all five sales areas. In relative terms, Agriculture & Feed is expected to be the most significant growth contributor.

**Household Care** sales growth is expected to be slightly positive for the full year. Growth will be driven by higher enzyme inclusion in detergents across tiers and markets to enhance wash performance and sustainability. However, growth is expected to be almost fully offset by slower growth or a decline in some emerging markets and the dynamic North American market, as well as lower sales with one customer in particular. From a comparison perspective, the third quarter of 2014 is harder than the fourth quarter of 2014.

**Food & Beverages** sales growth is expected to be driven by a continuation of the positive trends and developments seen in baking and a stabilization of the Chinese starch conversion market. Healthy concepts are also expected to contribute to sales growth.

**Bioenergy** sales are expected to increase slightly for the full year. The challenging market environment in the U.S. is expected to continue throughout 2015. To accelerate growth, Novozymes is currently test-marketing a number of innovations to broaden the scope of its solutions and value propositions, and expects one or more of these to be launched in

**Organic sales growth: 4-7%**  
**DKK sales growth: 13-16%**

the second half of 2015. U.S. ethanol production is now expected to increase slightly compared with 2014 due to higher expectations for miles driven in the U.S. and continued strong demand globally for U.S.-produced ethanol.

**Agriculture & Feed** sales are expected to grow strongly. Sales growth will benefit from a positive contribution from Feed, and BioAg sales are expected to grow strongly. As in previous years, Novozymes will start to produce and sell microbial solutions for the upcoming North American season toward the end of the year. This will support sales growth in the fourth quarter. In 2015, Novozymes expects to recognize DKK ~225 million of the deferred income as sales. Deferred income does not impact the calculation of organic sales growth rates; it impacts the realized sales growth in DKK and has no cash flow impact.

**Technical & Pharma** sales are expected to grow, primarily due to an expected increase in Pharma sales.

### Profit outlook

The expectation for EBIT growth is maintained at 15-17%. Higher sales and a positive contribution from currencies are expected to drive the strong EBIT growth. Since previous guidance, Novozymes expects increased productivity and further operational efficiencies due to tight cost management, which are expected to offset the lower expectation for organic sales growth. As a result, the EBIT margin expectation is increased to 27-28% compared with ~27% at previous guidance.

The effective tax rate is expected to be 22-23%.

Net profit growth is still expected at 11-13%.

Net investments are expected to be DKK 900-1,000 million, adjusted from DKK ~1,000 million at previous guidance. Besides maintenance, most CAPEX target operational efficiency improvements and expansions in R&D.

Free cash flow is still expected to be DKK 2,500-2,700 million.

Return on invested capital including goodwill is still expected to be 25-26%.

**EBIT growth: 15-17%**

**EBIT margin: 27-28%**

**Effective tax rate: 22-23%**

**Net profit growth: 11-13%**

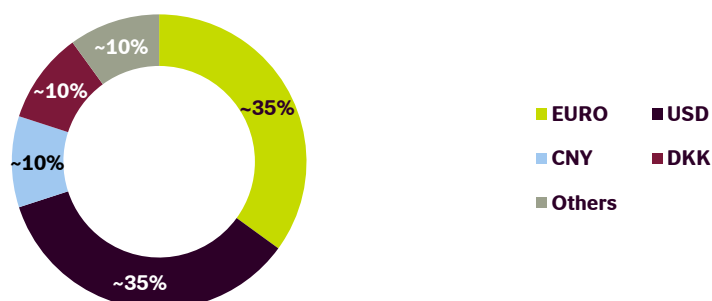
**Net investments:  
DKK 900-1,000 million**

**Free cash flow before acq.:  
DKK 2,500-2,700 million**

**ROIC: 25-26%**

### Currency exposure

#### SALES BY CURRENCY, 2014



From a currency perspective, 2015 EBIT is most exposed to fluctuations in the USD and the EUR.



Other things being equal, a 5% movement in USD/DKK is expected to have an annual impact on EBIT of DKK 80-100 million.

Other things being equal, a 5% movement in EUR/DKK is expected to have an annual impact on EBIT of DKK 150-200 million.

### Hedging positions of net currency exposure

	2015				2016					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
<b>USD</b>	100% hedged: ~45% via options at 5.65 USD/DKK ~55% via forward contracts at 5.79 USD/DKK				~100% hedged via forward contracts at 6.84 USD/DKK				-	-
<b>EUR</b>	~65% hedged via forward contracts at 7.43 EUR/DKK				~40% hedged via forward contracts at 7.39 EUR/DKK				-	-

In 2014, ~75% of the USD/DKK net exposure was hedged using forward contracts at 5.79. No hedges for the EUR/DKK net exposure were in place in 2014.

The outlook is based on exchange rates for the company's key currencies remaining at the closing rates on August 5, 2015, for the full year.

(DKK)	EUR	USD	BRL	CNY
Average exchange rate 2014	745	562	239	91
Average exchange rate 1H 2014	746	544	237	88
Average exchange rate 1H 2015	746	669	226	108
Closing rate August 5, 2015	746	686	198	110
Estimated average exchange rate 2015*	746	677	212	109
Change in estimated exchange rate 2015 compared with average exchange rate 2014	0%	21%	-11%	20%

\* Estimated average exchange rate is calculated as the average exchange rate YTD combined with the closing rate on August 5 for the rest of 2015.

### Sustainability outlook

The following sustainability expectations are included in the outlook for 2015.

Environment	People
<ul style="list-style-type: none"> <li>• 10% improvement in energy efficiency on 2014</li> <li>• 10% improvement in water efficiency on 2014</li> <li>• 4% reduction in CO<sub>2</sub> intensity on 2014</li> <li>• 24% of energy to come from renewable sources</li> <li>• 96.5% adherence to supplier program</li> <li>• Save 50 million tons of CO<sub>2</sub></li> <li>• Obtain Medal Class rating from RobecoSAM in the Sustainability Yearbook</li> <li>• Be included in the Carbon Disclosure Project A List</li> </ul>	<ul style="list-style-type: none"> <li>• ≤ 1.7 occupational accidents per million working hours</li> <li>• ≤ 2.0% employee absence</li> <li>• ≥ 75 score for "satisfaction and motivation" in employee survey</li> <li>• ≥ 75 score for "opportunities for professional and personal development"</li> <li>• ≥ 35% of employees promoted are women</li> </ul>

## Accounting policies

The Interim report for the first half of 2015 has been prepared in accordance with IAS 34 and the additional Danish regulations for the presentation of quarterly interim reports by listed companies. The Interim report for the first half of 2015 follows the same accounting policies as the annual report for 2014, except for all new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on January 1, 2015. These IFRSs have not had any impact on the Group's interim report.

## Forward-looking statements

This company announcement and its related comments contain forward-looking statements, including statements about future events, future financial performance, plans, strategies and expectations. Forward-looking statements are associated with words such as, but not limited to, "believe," "anticipate," "expect," "estimate," "intend," "plan," "project," "could," "may," "might" and other words of similar meaning. Forward-looking statements are by their very nature associated with risks and uncertainties that may cause actual results to differ materially from expectations, both positively and negatively. The risks and uncertainties may, among other things, include unexpected developments in i) the ability to develop and market new products; ii) the demand for Novozymes' products, market-driven price decreases, industry consolidation, and launches of competing products or disruptive technologies in Novozymes' core areas; iii) the ability to protect and enforce the company's intellectual property rights; iv) significant litigation or breaches of contract; v) the materialization of the company's growth platforms, notably the opportunity for marketing biomass conversion technologies or the development of microbial solutions for broad-acre crops; vi) political conditions, such as acceptance of enzymes produced by genetically modified organisms; vii) global economic and capital market conditions, including, but not limited to, currency exchange rates (USD/DKK and EUR/DKK in particular, but not exclusively), interest rates and inflation; viii) significant price decreases for inputs and materials that compete with Novozymes' biological solutions. The company undertakes no obligation to update any forward-looking statements as a result of future developments or new information.

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## Statement of the Board of Directors and Executive Leadership Team

The Board of Directors and the Executive Leadership Team have considered and approved the Interim report for Novozymes A/S for the first half of 2015. The interim report has not been audited or reviewed by the company's independent auditor.

The Interim report for the first half of 2015 has been prepared in accordance with IAS 34 and the additional Danish regulations for the presentation of quarterly interim reports by listed companies.

In our opinion the accounting policies used are appropriate, the Group's internal controls relevant to preparation and presentation of an interim report are adequate, and the Interim report gives a true and fair view of the Group's assets, liabilities, net profit and financial position at June 30, 2015, and of the results of the Group's operations and cash flow for the first half of 2015.

We further consider that the Management review in the preceding pages gives a true and fair view of the development in the Group's activities and business, the profit for the period and the Group's financial position as a whole, and a description of the most significant risks and uncertainties to which the Group is subject.

Bagsvaerd, August 6, 2015

### EXECUTIVE LEADERSHIP TEAM

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Peder Holk Nielsen  
President & CEO

Benny D. Loft

Per Falholt

Andrew Fordyce

Thomas Nagy

Thomas Videbæk

### BOARD OF DIRECTORS

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Chairman

Agnete Raaschou-Nielsen  
Vice Chairman

Heinz-Jürgen Bertram

Lars Green

Lena Bech Holskov

Anders Hentze Knudsen

Lars Bo Køppler

Lena Olving

Jørgen Buhl Rasmussen

Mathias Uhlén

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## Appendix 1 Main items and key figures

### 1.1 Key figures

(DKK million)	1H 2015	1H 2014	% change	Q2 2015	Q2 2014	% change
Revenue	7,028	6,094	15%	3,449	3,061	13%
Gross profit	4,069	3,525	15%	2,005	1,771	13%
Gross margin	57.9%	57.8%		58.1%	57.9%	
EBITDA	2,421	2,178	11%	1,215	1,011	20%
EBITDA margin	34.4%	35.7%		35.2%	33.0%	
Operating profit / EBIT	1,909	1,710	12%	930	787	18%
EBIT margin	27.2%	28.1%		27.0%	25.7%	
Net financials	(117)	(41)		(50)	(20)	
Profit before tax	1,792	1,669	7%	880	767	15%
Tax	403	384	5%	198	176	13%
Net profit	1,389	1,285	8%	682	591	15%
Earnings per DKK 2 share	4.51	4.09	10%	2.22	1.89	18%
Earnings per DKK 2 share (diluted)	4.47	4.05	10%	2.20	1.87	18%
Net investments	371	(213)				
Free cash flow before acq. and purchase of financial assets	1,616	3,417				
Return on invested capital (ROIC), incl. goodwill	26.4%	24.6%				
Net interest-bearing debt	(62)	(961)				
Equity ratio	61.1%	59.5%				
Return on equity	24.7%	23.5%				
Debt-to-equity	(0.6)%	(8.9)%				
NIBD/EBITDA	0.0	(0.2)				
<hr/>						
				<b>June 30, 2015</b>	<b>June 30, 2014</b>	
Novozymes' stock						
Common stock (million)				313.0	319.7	
Net worth per share (DKK)				35.73	33.85	
Denomination of share (DKK)				2.00	2.00	
Nominal value of common stock (DKK million)				626.0	639.4	
Treasury stock (million)				6.9	7.5	

**1.2 Income statement**

(DKK million)	1H 2015	1H 2014	Q2 2015	Q2 2014
Revenue	7,028	6,094	3,449	3,061
Cost of goods sold	2,959	2,569	1,444	1,290
<b>Gross profit</b>	<b>4,069</b>	<b>3,525</b>	<b>2,005</b>	<b>1,771</b>
Sales and distribution costs	788	742	380	363
Research and development costs	974	862	507	441
Administrative costs	439	419	213	212
Other operating income, net	41	208	25	32
<b>Operating profit / EBIT</b>	<b>1,909</b>	<b>1,710</b>	<b>930</b>	<b>787</b>
Net financials	(117)	(41)	(50)	(20)
<b>Profit before tax</b>	<b>1,792</b>	<b>1,669</b>	<b>880</b>	<b>767</b>
Tax	403	384	198	176
<b>Net profit</b>	<b>1,389</b>	<b>1,285</b>	<b>682</b>	<b>591</b>
<b>Attributable to</b>				
Shareholders in Novozymes A/S	1,388	1,284	682	591
Non-controlling interests	1	1	-	-
<b>Specification of net financials</b>				
Foreign exchange gain/(loss), net	(65)	29	(28)	26
Interest income/(costs)	(21)	(24)	(10)	(11)
Other financial items	(31)	(46)	(12)	(35)
<b>Net financials</b>	<b>(117)</b>	<b>(41)</b>	<b>(50)</b>	<b>(20)</b>
<b>Earnings per DKK 2 share</b>	<b>4.51</b>	<b>4.09</b>	<b>2.22</b>	<b>1.89</b>
Average no. of A/B shares outstanding (million)	307.6	313.9	306.9	313.1
<b>Earnings per DKK 2 share (diluted)</b>	<b>4.47</b>	<b>4.05</b>	<b>2.20</b>	<b>1.87</b>
Average no. of A/B shares, diluted (million)	310.7	317.2	310.5	316.3

**1.3 Statement of comprehensive income**

(DKK million)	<b>1H 2015</b>	<b>1H 2014</b>	<b>Q2 2015</b>	<b>Q2 2014</b>
<b>Net profit</b>	<b>1,389</b>	<b>1,285</b>	<b>682</b>	<b>591</b>
Currency translation of subsidiaries and non-controlling interests	236	(10)	(311)	78
Tax on currency translation adjustments	21	1	1	(1)
<b>Currency translation adjustments</b>	<b>257</b>	<b>(9)</b>	<b>(310)</b>	<b>77</b>
<b>Cash flow hedges</b>				
Fair value adjustments	26	(10)	91	(6)
Tax on fair value adjustments	(5)	1	(33)	-
Fair value adjustments reclassified to Financial income/costs	(31)	(36)	-	(20)
Tax on reclassified fair value adjustments	7	9	14	5
<b>Cash flow hedges</b>	<b>(3)</b>	<b>(36)</b>	<b>72</b>	<b>(21)</b>
<b>Other comprehensive income</b>	<b>254</b>	<b>(45)</b>	<b>(238)</b>	<b>56</b>
<b>Comprehensive income</b>	<b>1,643</b>	<b>1,240</b>	<b>444</b>	<b>647</b>
<b>Attributable to</b>				
Shareholders in Novozymes A/S	1,641	1,239	445	647
Non-controlling interests	2	1	(1)	-

## Appendix 2 Distribution of revenue

### 2.1 By industry

(DKK million)	2015 1H	2014 1H	% change	% currency impact	% M&A impact	% organic growth
Household Care	2,265	2,124	7	7	0	0
Food & Beverages	1,846	1,599	15	10	0	5
Bioenergy	1,288	1,050	23	21	0	2
Agriculture & Feed	1,141	919	24	8	(3)	19
Technical & Pharma	488	402	21	15	0	6
<b>Sales</b>	<b>7,028</b>	<b>6,094</b>	<b>15</b>	<b>10</b>	<b>0</b>	<b>5</b>

(DKK million)	2015 Q2	2014 Q2	% change	% currency impact	% M&A impact	% organic growth
Household Care	1,138	1,044	9	7	0	2
Food & Beverages	925	802	15	11	0	4
Bioenergy	628	536	17	21	0	(4)
Agriculture & Feed	492	464	6	9	0	(3)
Technical & Pharma	266	215	24	17	0	7
<b>Sales</b>	<b>3,449</b>	<b>3,061</b>	<b>13</b>	<b>12</b>	<b>0</b>	<b>1</b>

(DKK million)	2015		2014				% change
	Q2	Q1	Q4	Q3	Q2	Q1	Q2/Q2
Household Care	1,138	1,127	1,091	1,138	1,044	1,080	9
Food & Beverages	925	921	827	852	802	797	15
Bioenergy	628	660	640	580	536	514	17
Agriculture & Feed	492	649	422	387	464	455	6
Technical & Pharma	266	222	201	227	215	187	24
<b>Sales</b>	<b>3,449</b>	<b>3,579</b>	<b>3,181</b>	<b>3,184</b>	<b>3,061</b>	<b>3,033</b>	<b>13</b>

### 2.2 By geography

(DKK million)	2015 1H	2014 1H	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	2,400	2,264	6	2	0	4
North America	2,654	2,154	23	18	(1)	6
Asia Pacific	1,320	1,081	22	18	0	4
Latin America	654	595	10	10	0	0
<b>Sales</b>	<b>7,028</b>	<b>6,094</b>	<b>15</b>	<b>10</b>	<b>0</b>	<b>5</b>

(DKK million)	2015 Q2	2014 Q2	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	1,186	1,106	7	2	0	5
North America	1,291	1,109	16	18	0	(2)
Asia Pacific	662	537	23	19	0	4
Latin America	310	309	0	7	0	(7)
<b>Sales</b>	<b>3,449</b>	<b>3,061</b>	<b>13</b>	<b>12</b>	<b>0</b>	<b>1</b>

(DKK million)	2015		2014				% change
	Q2	Q1	Q4	Q3	Q2	Q1	Q2/Q2
Europe, Middle East & Africa	1,186	1,214	1,185	1,257	1,106	1,158	7
North America	1,291	1,363	1,086	1,046	1,109	1,045	16
Asia Pacific	662	658	552	534	537	544	23
Latin America	310	344	358	347	309	286	0
<b>Sales</b>	<b>3,449</b>	<b>3,579</b>	<b>3,181</b>	<b>3,184</b>	<b>3,061</b>	<b>3,033</b>	<b>13</b>



**Appendix 3 Statement of cash flows****3.1 Statement of cash flows**

(DKK million)	<b>1H 2015</b>	<b>1H 2014</b>
<b>Net profit</b>	<b>1,389</b>	<b>1,285</b>
Reversals of non-cash items	795	343
Tax paid	(265)	(206)
Interest received	3	4
Interest paid	(26)	(29)
<b>Cash flow before change in working capital</b>	<b>1,896</b>	<b>1,397</b>
<b>Change in working capital</b>		
(Increase)/decrease in receivables	(129)	230
(Increase)/decrease in inventories	(79)	(20)
Increase/(decrease) in trade payables and other liabilities	284	1,590
Increase/(decrease) in exchange gain/loss	15	7
<b>Cash flow from operating activities</b>	<b>1,987</b>	<b>3,204</b>
<b>Investments</b>		
Purchase of intangible assets	(7)	-
Sale of intangible assets	-	409
Sale of property, plant and equipment	6	10
Purchase of property, plant and equipment	(370)	(206)
<b>Cash flow from investing activities before acquisitions and purchase of financial assets</b>	<b>(371)</b>	<b>213</b>
<b>Free cash flow before acquisitions and purchase of financial assets</b>	<b>1,616</b>	<b>3,417</b>
Business acquisitions and purchase of financial assets	(35)	(5)
<b>Free cash flow</b>	<b>1,581</b>	<b>3,412</b>
<b>Financing</b>		
Borrowings	74	-
Repayments of borrowings	(406)	-
Hedging of net investments	(398)	-
Purchase of treasury stock	(970)	(859)
Sale of treasury stock	66	54
Dividend paid	(925)	(788)
<b>Cash flow from financing activities</b>	<b>(2,559)</b>	<b>(1,593)</b>
<b>Net cash flow</b>	<b>(978)</b>	<b>1,819</b>
Unrealized gain/loss on currencies and financial assets, included in cash and cash equivalents	1	(21)
<b>Net change in cash and cash equivalents</b>	<b>(977)</b>	<b>1,798</b>
Cash and cash equivalents at January 1	2,453	942
<b>Cash and cash equivalents at June 30</b>	<b>1,476</b>	<b>2,740</b>

Undrawn committed credit facilities at June 30, 2015 are DKK 2,000 million

**Appendix 4 Balance sheet and Statement of shareholders' equity****4.1 Balance sheet, Assets**

(DKK million)	Jun. 30, 2015	Jun. 30, 2014	Dec. 31, 2014
Completed IT development projects	90	78	82
Acquired patents, licenses and know-how	1,657	1,856	1,759
Goodwill	1,144	1,048	1,113
IT development projects in progress	4	-	-
<b>Intangible assets</b>	<b>2,895</b>	<b>2,982</b>	<b>2,954</b>
Land and buildings	2,639	2,433	2,537
Plant and machinery	4,065	3,717	3,884
Other equipment	581	495	553
Assets under construction and prepayments	602	327	524
<b>Property, plant and equipment</b>	<b>7,887</b>	<b>6,972</b>	<b>7,498</b>
<b>Deferred tax assets</b>	<b>485</b>	<b>491</b>	<b>485</b>
<b>Other financial assets (non-interest-bearing)</b>	<b>49</b>	<b>18</b>	<b>29</b>
<b>Investment in associate</b>	<b>21</b>	<b>41</b>	<b>24</b>
<b>Other receivables</b>	<b>122</b>	<b>156</b>	<b>125</b>
<b>Non-current assets</b>	<b>11,459</b>	<b>10,660</b>	<b>11,115</b>
Raw materials and consumables	345	287	318
Goods in progress	550	466	431
Finished goods	1,452	1,173	1,435
<b>Inventories</b>	<b>2,347</b>	<b>1,926</b>	<b>2,184</b>
Trade receivables	2,383	2,225	2,244
Tax receivables	216	264	103
Other receivables	357	255	228
<b>Receivables</b>	<b>2,956</b>	<b>2,744</b>	<b>2,575</b>
<b>Other financial assets (non-interest-bearing)</b>	<b>42</b>	<b>43</b>	<b>17</b>
<b>Cash at bank and cash equivalents</b>	<b>1,522</b>	<b>2,840</b>	<b>2,535</b>
<b>Current assets</b>	<b>6,867</b>	<b>7,553</b>	<b>7,311</b>
<b>Assets</b>	<b>18,326</b>	<b>18,213</b>	<b>18,426</b>

**4.2 Balance sheet, Liabilities**

(DKK million)	Jun. 30, 2015	Jun. 30, 2014	Dec. 31, 2014
Common stock	626	639	639
Currency translation adjustments	687	65	431
Cash flow hedges	(13)	59	(10)
Retained earnings	9,883	10,058	10,209
<b>Equity attributable to shareholders in Novozymes A/S</b>	<b>11,183</b>	<b>10,821</b>	<b>11,269</b>
Non-controlling interests	13	12	11
<b>Shareholders' equity</b>	<b>11,196</b>	<b>10,833</b>	<b>11,280</b>
Deferred tax liabilities	731	946	784
Provisions	180	156	212
Deferred income	811	1,027	950
Other liabilities	17	29	17
Other financial liabilities (interest-bearing)	1,226	1,339	1,225
Other financial liabilities (non-interest-bearing)	15	16	17
<b>Non-current liabilities</b>	<b>2,980</b>	<b>3,513</b>	<b>3,205</b>
Other financial liabilities (interest-bearing)	234	540	594
Other financial liabilities (non-interest-bearing)	84	42	136
Provisions	123	151	67
Trade payables	1,438	941	1,122
Deferred income	241	234	258
Tax payables	596	577	389
Other payables	1,434	1,382	1,375
<b>Current liabilities</b>	<b>4,150</b>	<b>3,867</b>	<b>3,941</b>
<b>Liabilities</b>	<b>7,130</b>	<b>7,380</b>	<b>7,146</b>
<b>Liabilities and shareholders' equity</b>	<b>18,326</b>	<b>18,213</b>	<b>18,426</b>

**4.3 Statement of shareholders' equity**

(DKK million)	Attributable to shareholders in Novozymes A/S						Non-controlling interests	Total
	Common stock	Currency translation adjustments	Cash flow hedges	Retained earnings	Total			
<b>Shareholders' equity at January 1, 2015</b>	<b>639</b>	<b>431</b>	<b>(10)</b>	<b>10,209</b>	<b>11,269</b>	<b>11</b>	<b>11,280</b>	
Net profit for the period				1,388	1,388	1	1,389	
Other comprehensive income for the period		256	(3)		253	1	254	
Total comprehensive income for the period	-	256	(3)	1,388	1,641	2	1,643	
Purchase of treasury stock				(970)	(970)		(970)	
Sale of treasury stock				66	66		66	
Write-down of common stock	(13)			13	-		-	
Dividend				(925)	(925)	-	(925)	
Stock-based payment				52	52		52	
Tax related to equity items				50	50		50	
<b>Changes in shareholders' equity</b>	<b>(13)</b>	<b>256</b>	<b>(3)</b>	<b>(326)</b>	<b>(86)</b>	<b>2</b>	<b>(84)</b>	
<b>Shareholders' equity at June 30, 2015</b>	<b>626</b>	<b>687</b>	<b>(13)</b>	<b>9,883</b>	<b>11,183</b>	<b>13</b>	<b>11,196</b>	
<b>Shareholders' equity at January 1, 2014</b>	<b>639</b>	<b>74</b>	<b>95</b>	<b>10,246</b>	<b>11,054</b>	<b>12</b>	<b>11,066</b>	
Net profit for the period				1,284	1,284	1	1,285	
Other comprehensive income for the period		(9)	(36)		(45)		(45)	
Total comprehensive income for the period	-	(9)	(36)	1,284	1,239	1	1,240	
Purchase of treasury stock				(859)	(859)		(859)	
Sale of treasury stock				54	54		54	
Dividend				(787)	(787)	(1)	(788)	
Stock-based payment				47	47		47	
Tax related to equity items				73	73		73	
<b>Changes in shareholders' equity</b>	<b>-</b>	<b>(9)</b>	<b>(36)</b>	<b>(188)</b>	<b>(233)</b>	<b>-</b>	<b>(233)</b>	
<b>Shareholders' equity at June 30, 2014</b>	<b>639</b>	<b>65</b>	<b>59</b>	<b>10,058</b>	<b>10,821</b>	<b>12</b>	<b>10,833</b>	

## Appendix 5 Miscellaneous

### 5.1 Product launches in 2015

Q1 2015	Novozymes Secura® – a thermostable, low-pH beta-amylase enzyme for maltose syrup production that provides higher product activity level and still remains stable during storage
Q1 2015	New pulp and paper xylanase – a bleach booster for paper pulp that can reduce chlorine dioxide dosing, translating into a financial saving for the mill as well as environmental benefits

### 5.2 Company announcements for the fiscal year 2015

(Excluding management's trading in Novozymes' stock, major shareholder announcements and stock buyback status)

January 20, 2015	Group financial statement for 2014
January 29, 2015	Initiation of stock buyback program
February 25, 2015	Novozymes A/S Annual Shareholders' Meeting 2015
March 26, 2015	Reduction of common stock
April 23, 2015	Interim report for the first 3 months of 2015
August 6, 2015	Interim report for the first half of 2015

### 5.3 Financial calendar

October 22, 2015	Interim report for the first 9 months of 2015
January 19, 2016	Group financial statement for 2015
February 24, 2016	Annual Shareholders' Meeting 2016

#### About Novozymes

Novozymes is the world leader in biological solutions. Together with customers, partners and the global community, we improve industrial performance while preserving the planet's resources and helping build better lives. As the world's largest provider of enzyme and microbial technologies, our bioinnovation enables higher agricultural yields, low-temperature washing, energy-efficient production, renewable fuel and many other benefits that we rely on today and in the future. We call it Rethink Tomorrow. [www.novozymes.com](http://www.novozymes.com)

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