



2016 full-year earnings outlook maintained; organic sales outlook adjusted to 2-4%

August 10, 2016

Interim report for the first half of 2016. Company announcement No. 39

In the first half of 2016, sales grew by 3% organically and were flat in DKK compared with the first half of 2015. EBIT was on par, and the EBIT margin was 27.2%, also on par with the first half of 2015. Adjusting for the restructuring costs in Q1, the EBIT margin would have expanded to above 28% and EBIT growth to around 4% compared with the first half of 2015. Net profit grew by 8%. Net investments were DKK 542 million, free cash flow before acquisitions was DKK 1,354 million and ROIC (incl. goodwill) was 25.4%.

The outlook for full-year organic sales growth is adjusted to 2-4%, down from previously 3-5%. The adjustment reflects uncertainty in most of the industries in which Novozymes operates. The outlook for sales in DKK is unchanged. The outlook for each of EBIT, EBIT margin, net profit, net investments, free cash flow and ROIC is also unchanged.

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

“Our business improved in the second quarter. We delivered strong earnings, and we increased our sales growth although we had aimed higher. We’re on track to reach our full-year profit target, but we adjust our sales expectations due to the performance in the second quarter and the uncertainty facing many of our markets. Our pipeline of sustainable biological solutions remains strong, and we’ll soon launch exciting, new innovation in BioAg.”

	Realized		2016 outlook	2016 outlook
	1H 2016	1H 2015	August 10*	April 20
Sales, DKKm	7,038	7,028		
Sales growth, organic	3%	5%	2-4%	3-5%
Sales growth, DKK	0%	15%	1-3%	1-3%
Gross margin	57.9%	57.9%		
EBIT, DKKm	1,911	1,909		
EBIT growth	0%	12%	1-3%	1-3%
EBIT margin	27.2%	27.2%	~28%	~28%
Net profit, DKKm	1,496	1,389		
Net profit growth	8%	8%	8-10%	8-10%
Net investments excl. acquisitions, DKKm	542	371	1,100-1,200	1,100-1,200
Free cash flow before acquisitions, DKKm	1,354	1,616	2,400-2,600	2,400-2,600
ROIC (including goodwill)	25.4%	26.4%	25-26%	25-26%
Avg. USD/DKK	668	669	670	661
EPS, DKK	4.94	4.51		
EPS (diluted), DKK	4.90	4.47		

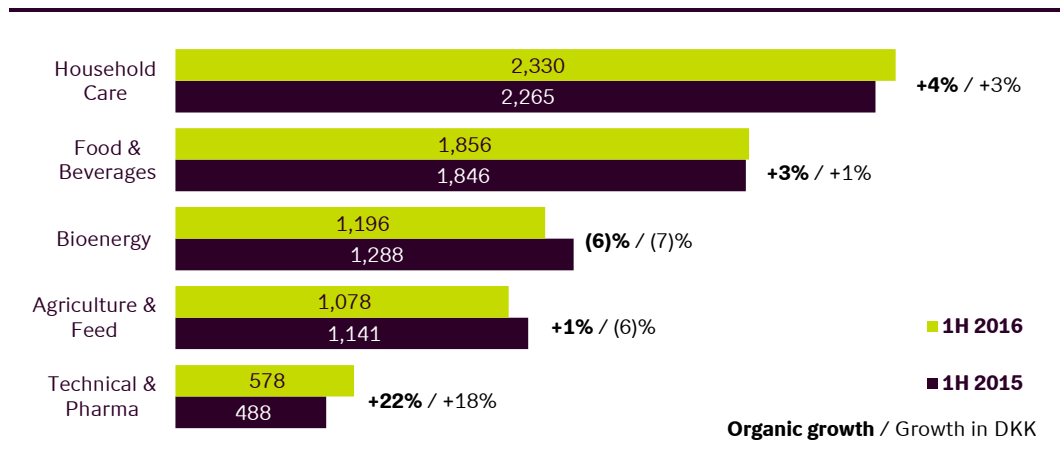
* Assumes exchange rates for the company’s key currencies remain at the closing rates on August 9 for the rest of 2016.

Sales and markets

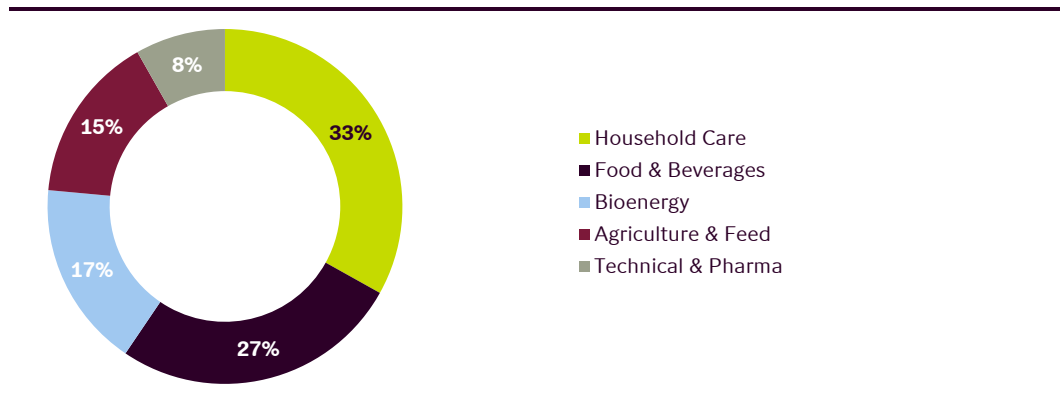
Total sales in the first half of the year increased by 3% organically compared with the first half of 2015, and sales in DKK were flat. Sales to Household Care and Technical & Pharma were the most significant contributors to organic sales growth in the period.

Total sales:
Organic: +3%
DKK: 0%

Sales in DKK million and growth rates, 1H 2016



Distribution of sales, 1H 2016



Household Care

Sales to the Household Care industry increased by 4% organically and by 3% in DKK compared with the first half of 2015.

Household Care:
Organic: +4%
DKK: +3%

Sales in Asia grew due to continued penetration in liquid formulas. Sales in Latin America stabilized and showed slight growth. Sales in North America grew solidly because of a continued demand for premium detergent products, while the European market was slightly positive.

Food & Beverages

Sales to the Food & Beverages industries increased by 3% organically and by 1% in DKK compared with the first half of 2015. Sales to the starch and brewing industries were the

Food & Beverages:
Organic: +3%
DKK: +1%

main contributors to sales growth. Sales to the baking industry also grew moderately, whereas sales for the production of healthy foods declined.

Bioenergy

Sales to the Bioenergy industry decreased by 6% organically and by 7% in DKK compared with the first half of 2015. U.S. ethanol production in the first half of 2016 is estimated to have been up by around 3% compared with the first half of 2015.

Bioenergy:
Organic: (6)%
DKK: (7)%

The margins for ethanol producers remained low in the first half of 2016. Novozymes' customers continued to focus on low-cost solutions, resulting in further negative product mix changes, and price competition in enzymes is tough. The recently launched products Avantec® Amp and Liquozyme® LpH contributed positively to the product mix, but not enough to offset the overall negative impacts from product mix and pricing.

Agriculture & Feed

Sales to the Agriculture & Feed industries increased by 1% organically and declined by 6% in DKK compared with the first half of 2015. This development was driven by strong growth in animal feed, although some of the growth was positively impacted by timing.

Agriculture & Feed:
Organic: +1%
DKK: (6)%

Sales development in BioAg was negative, primarily due to the changed production and sales pattern to our partner, as well as weaker demand for inoculants for soybeans in the U.S. Poor economics for farmers caused some to forgo the inoculant treatment, resulting in the lower demand.

Novozymes recognized DKK 84 million of deferred income as revenue compared with DKK 149 million in the first half of 2015.

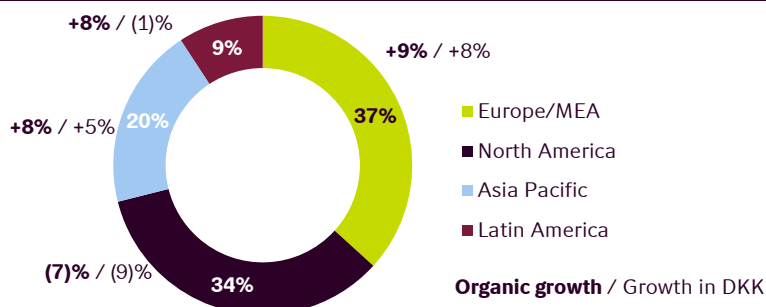
Enzyme sales to the animal feed market grew strongly in the first half, driven by both protein-enhancing solutions and energy uptake products, whereas sales of phytases were flat. There is growing interest from poultry farmers in trialing the new probiotic Alterion®, but sales are still low.

Technical & Pharma

Sales to the Technical & Pharma industries increased by 22% organically and by 18% in DKK compared with the first half of 2015, driven mainly by Pharma. The strong growth was mainly driven by sales of enzymes for pharmaceutical production, shipment of hyaluronic acid in Q1 and continued contributions from the royalty agreement with GSK.

Technical & Pharma:
Organic: +22%
DKK: +18%

Sales by geography, 1H 2016



Europe, the Middle East & Africa

Sales grew by 9% organically and by 8% in DKK compared with the first half of 2015. All areas contributed to growth, but the most significant areas were Technical & Pharma and Food & Beverages.

Europe/MEA:
Organic: +9%
DKK: +8%

North America

Sales decreased by 7% organically and by 9% in DKK compared with the first half of 2015. Sales to Household Care increased, whereas all other areas decreased.

North America:
Organic: (7)%
DKK: (9)%

Asia Pacific

Sales increased by 8% organically and by 5% in DKK compared with the first half of 2015. All areas contributed to growth, but the most significant areas were Household Care and Food & Beverages.

Asia Pacific:
Organic: +8%
DKK: +5%

Latin America

Sales increased by 8% organically, but decreased by 1% in DKK compared with the first half of 2015. All areas contributed to growth, but the most significant areas were Food & Beverages and Agriculture & Feed.

Latin America:
Organic: +8%
DKK: (1)%

Costs and profit

Total costs excluding net financials, share of losses in associates and tax were DKK 5,161 million, on par with the first half of 2015.

Total costs: 0%

Gross profit was on par with the first half of 2015, as was the gross margin at 57.9%. Productivity improvements increased the gross margin, offset by the one-time reorganization costs. The severance pay in Supply Operations was DKK 32 million and, adjusting for this, the gross margin would have been above 58%.

Gross margin: 57.9%

Operating costs were DKK 2,200 million and were also on par with the first half of 2015, as were operating costs as a percentage of sales at 31%.

Operating costs: 0%

- Sales and distribution costs increased slightly, representing 12% of sales
- R&D costs decreased by 2%, representing 14% of sales. The severance pay in R&D was DKK 32 million
- Administrative costs decreased by 2%, representing 6% of sales

Other operating income totaled DKK 34 million, down from DKK 41 million in the first half of 2015.

Depreciation, writedowns and amortization were DKK 464 million, down 9% from DKK 512 million in the first half of 2015. The lower level was due to the absence of writedowns in 2016.

Depreciation, writedowns and amortization: DKK 464 million

EBIT was on par at DKK 1,911 million, up from DKK 1,909 million in the first half of 2015. The EBIT margin was 27.2%, in line with the first half of 2015. Adjusting for the one-time reorganization costs, EBIT grew by around 4%, and the EBIT margin was above 28%.

EBIT: DKK 1,911 million

EBIT margin: 27.2%

Net financial income was DKK 9 million, an increase of DKK 122 million on the first half of 2015. This was mainly the result of a gain of DKK 33 million on net currency hedging/revaluation compared with a loss of DKK 65 million in the first half of 2015. Furthermore, Novozymes had a share of losses in associates of DKK 14 million, up from a loss of DKK 4 million in the first half of 2015.

Net financial gain and share of losses in associates: DKK 14 million

Profit before tax was DKK 1,906 million, up 6% from the first half of 2015. The effective tax rate in the first half of 2016 was ~22%, against ~23% in the first half of 2015, benefiting from a lower tax rate in Denmark.

Effective tax rate: ~22%

Net profit was DKK 1,496 million, an increase of 8% from DKK 1,389 million in the first half of 2015, primarily driven by the gain from net finance.

Net profit: DKK 1,496 million

Cash flow and balance sheet

Cash flow from operating activities was DKK 1,896 million in the first half of 2016 compared with DKK 1,987 million in the first half of 2015.

Operating cash flow: DKK 1,896 million

Net investments excluding acquisitions totaled DKK 542 million compared with DKK 371 million in the first half of 2015. In the second quarter of 2016, Novozymes paid DKK 226 million for the land for the new Danish innovation campus.

Net investments: DKK 542 million

Free cash flow before acquisitions was DKK 1,354 million compared with DKK 1,616 million in the first half of 2015. The decrease is primarily due to the investment in land.

Free cash flow before acquisitions: DKK 1,354 million

Shareholders' equity at June 30, 2016, was DKK 10,963 million, down 5% from year-end 2015 because of lower comprehensive income and an increased dividend payout. Shareholders' equity was 62% of the balance sheet total, a decrease of 4 percentage points from year-end 2015.

Equity ratio: 62%

At June 30, 2016, Novozymes had net interest-bearing debt of DKK 1,136 million compared with DKK 437 million at year-end 2015. Net interest-bearing debt-to-EBITDA, based on an extrapolated full-year EBITDA, was 0.2 at June 30, 2016.

Net interest-bearing debt-to-EBITDA: 0.2

Return on invested capital (ROIC), including goodwill, was 25.4%, 1 percentage point lower than for the first half of 2015. The decrease in ROIC was mainly a result of a higher capital base due to higher net working capital, and an increase in property, plant and equipment in the first half of 2016.

ROIC: 25.4%

At June 30, 2016, the holding of treasury stock was 9.6 million B shares, equivalent to 3.1% of the common stock. In the first half of 2016, Novozymes repurchased 3.4 million shares with a transaction value of DKK 1,020 million under the stock buyback program initiated on February 15, 2016. The full program has a framework of DKK 2,000 million and is expected to be completed by the end of the year.

Treasury stock: 3.1%

Sustainability

Sustainability performance in the first half of 2016 was slightly below target for most parameters. Occupational accidents is an area of concern, and new initiatives with focus on improvements have been undertaken. Water and energy efficiency indicators were below the full-year targets and will be challenging to meet by the end of the year. The CO₂ intensity performance was on target.

	1H 2016	2016 target
Water efficiency improvement on 2014	11%	12%
Energy efficiency improvement on 2014	15%	18%
CO ₂ intensity reduction on 2014	20%	20%
Occupational accidents with absence per million working hours	2.8	≤1.7
Rate of absence	2.0%	≤2%

2016 outlook

	2016 outlook August 10*	2016 outlook April 20
Sales growth, organic	2-4%	3-5%
Sales growth, DKK	1-3%	1-3%
EBIT growth	1-3%	1-3%
EBIT margin	~28%	~28%
Net profit growth	8-10%	8-10%
Net investments excl. acquisitions, DKKm	1,100-1,200	1,100-1,200
Free cash flow before acquisitions, DKKm	2,400-2,600	2,400-2,600
ROIC (including goodwill)	25-26%	25-26%
Avg. USD/DKK	670	661

* Assumes that exchange rates for the company's key currencies remain at the closing rates on August 9 for the rest of 2016.

Sales outlook

The organic sales outlook has been adjusted to 2-4% from previously 3-5%. This change is a reflection of the sales performance in Q2 and also the outlook for the rest of the year. Many of the industries in which Novozymes operates face uncertainties. The sales outlook in DKK for 2016 is unchanged. Novozymes still expects all areas except Bioenergy to deliver organic sales growth. However, the expectations for Agriculture & Feed have been reduced, primarily due to the performance in BioAg in the first half of 2016. Novozymes expects that growth will be skewed toward the end of the year due to the change in production pattern and seasonality in BioAg.

Organic sales growth: 2-4%
DKK sales growth: 1-3%

Household Care sales growth is expected to improve moderately compared with the 1% organic sales growth realized in 2015. Sales growth is expected to be driven by higher enzyme inclusion in liquid detergents across tiers and markets.

Food & Beverages sales growth is expected to be driven by a continued good performance by all major segments – baking, brewing and starch. Organic growth for the full year is expected to be in line with the company sales guidance.

Bioenergy sales are now expected to contract organically more than previously expected in 2016, as the competitive market for enzymes is expected to continue, driving prices down and offering lower in-use cost for ethanol producers. U.S. ethanol production in 2016 is expected to increase by around 2% compared with 2015. Novozymes expects to launch more innovation in the U.S. conventional ethanol market in the second half of the year.

Agriculture & Feed sales are now expected to deliver moderate sales growth, whereas Novozymes previously expected Agriculture & Feed growth to be solid. Both areas are expected to contribute positively. Expectations for the upcoming launch of the new corn inoculant are unchanged, and the intention is still to start selling the product to our partner this year. Novozymes now expects to recognize less than DKK 200 million of the deferred BioAg income as revenue in 2016, down from DKK ~210 million. Deferred income does not impact the calculation of organic sales growth rates; it impacts realized sales growth in DKK and has no cash flow impact.

Technical & Pharma sales are expected to grow, primarily driven by the realized increase in sales to the pharmaceutical industries in the first half. Sales to the technical industries are also expected to increase.

Profit outlook

The outlook for EBIT growth and EBIT margin is unchanged. EBIT growth is expected to be 1-3%. Novozymes expects to maintain the high level of profitability from 2015 and an EBIT margin of ~28%.

The effective tax rate is expected to be ~22%.

The expectation for net profit growth is still 8-10%, driven by growth in EBIT and an expectation of lower net financial costs compared with 2015.

Net investments are expected to be DKK 1,100-1,200 million. Besides maintenance, most CAPEX will be spent on production capacity expansions and the new innovation campus in Lyngby, Denmark.

Free cash flow before acquisitions is expected to be DKK 2,400-2,600 million.

Return on invested capital including goodwill is expected at 25-26%.

EBIT growth: 1-3%

EBIT margin: ~28%

Effective tax rate: ~22%

Net profit growth: 8-10%

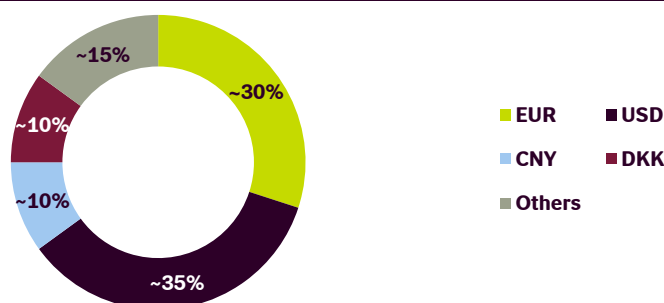
**Net investments:
DKK 1,100-1,200 million**

**Free cash flow before acq.:
DKK 2,400-2,600 million**

ROIC: 25-26%

Currency exposure

Sales by currency, 2015



From a currency perspective, 2016 EBIT is most exposed to fluctuations in the USD and EUR.

Other things being equal, a +5% movement in USD/DKK is expected to have an annual positive impact on EBIT of DKK 90-110 million, and vice versa.

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

Hedging of net currency exposure

	2016				2017					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
USD	~100% hedged; ~90% via forward contracts at 6.75 USD/DKK and ~10% via options at 6.58				~100% hedged via forward contracts at 6.65 USD/DKK				-	-
EUR	~40% hedged via forward contracts at 7.39 EUR/DKK	-	-	-	-	-	-	-	-	

The outlook is based on exchange rates for the company's key currencies remaining at the closing rates on August 9, 2016, for the full year.

(DKK)	EUR	USD	BRL	CNY
Average exchange rate 2015	746	673	205	107
Average exchange rate 1H 2015	746	669	226	108
Average exchange rate 1H 2016	745	668	181	102
Closing rate August 9, 2016	744	671	212	101
Estimated average exchange rate 2016*	744	670	196	101
Change in estimated exchange rate 2016 compared with average exchange rate 2015	0%	0%	-4%	-5%

* Estimated average exchange rate is calculated as the average exchange rate Jan-Jun 2016 combined with the closing rate on August 9 for the rest of 2016.

Accounting policies

The Interim report for the first half of 2016 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 2016 follows the same accounting policies as the annual report for 2015, 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, 2016. 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 2016. The interim report has not been audited or reviewed by the company's independent auditor.

The interim report for the first half of 2016 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, 2016, and of the results of the Group's operations and cash flow for the first half of 2016.

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 10, 2016

EXECUTIVE MANAGEMENT

Peder Holk Nielsen
President & CEO

Benny D. Loft
CFO

Thomas Videbæk
COO

BOARD OF DIRECTORS

Henrik Gürtler
Chairman

Jørgen Buhl Rasmussen
Vice Chairman

Heinz-Jürgen Bertram

Lars Green

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Lars Bo Køppler

Agnete Raaschou-Nielsen

Mathias Uhlén

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Appendix 1 Main items and key figures

1.1 Key figures

(DKK million)	1H 2016	1H 2015	% change	Q2 2016	Q2 2015	% change
Revenue	7,038	7,028	0%	3,429	3,449	(1)%
Gross profit	4,077	4,069	0%	1,998	2,005	(0)%
Gross margin	57.9%	57.9%		58.3%	58.1%	
EBITDA	2,375	2,421	(2)%	1,194	1,215	(2)%
EBITDA margin	33.7%	34.4%		34.8%	35.2%	
Operating profit / EBIT	1,911	1,909	0%	961	930	3%
EBIT margin	27.2%	27.2%		28.0%	27.0%	
Share of losses in associates	(14)	(4)		(4)	(2)	
Net financials	9	(113)		(6)	(48)	
Profit before tax	1,906	1,792	6%	951	880	8%
Tax	(410)	(403)	2%	(200)	(198)	1%
Net profit	1,496	1,389	8%	751	682	10%
Earnings per DKK 2 share	4.94	4.51	10%	2.49	2.22	12%
Earnings per DKK 2 share (diluted)	4.90	4.47	10%	2.46	2.20	12%
Net investments	542	371				
Free cash flow before acq. and purchase of financial assets	1,354	1,616				
Return on invested capital (ROIC), incl. goodwill	25.4%	26.4%				
Net interest-bearing debt	1,136	(62)				
Equity ratio	61.7%	61.1%				
Return on equity	26.5%	24.7%				
Debt-to-equity	10.4%	(0.6)%				
NIBD/EBITDA	0.2	0.0				
Number of employees	6,385	6,536				
Novozymes' stock				Jun. 30, 2016	Jun. 30, 2015	
Common stock (million)				310.0	313.0	
Net worth per share (DKK)				35.32	35.73	
Denomination of share (DKK)				2.00	2.00	
Nominal value of common stock (DKK million)				620.0	626.0	
Treasury stock (million)				9.6	6.9	

1.2 Income statement

(DKK million)	1H 2016	1H 2015	Q2 2016	Q2 2015
Revenue	7,038	7,028	3,429	3,449
Cost of goods sold	(2,961)	(2,959)	(1,431)	(1,444)
Gross profit	4,077	4,069	1,998	2,005
Sales and distribution costs	(810)	(788)	(392)	(380)
Research and development costs	(958)	(974)	(456)	(507)
Administrative costs	(432)	(439)	(214)	(213)
Other operating income, net	34	41	25	25
Operating profit / EBIT	1,911	1,909	961	930
Share of losses in associates	(14)	(4)	(4)	(2)
Net financials	9	(113)	(6)	(48)
Profit before tax	1,906	1,792	951	880
Tax	(410)	(403)	(200)	(198)
Net profit	1,496	1,389	751	682
Attributable to				
Shareholders in Novozymes A/S	1,494	1,388	750	682
Non-controlling interests	2	1	1	-
Specification of net financials				
Foreign exchange gain/(loss), net	33	(65)	17	(28)
Interest income/(costs)	(13)	(21)	(8)	(10)
Other financial items	(11)	(27)	(15)	(10)
Net financials	9	(113)	(6)	(48)
Earnings per DKK 2 share	4.94	4.51	2.49	2.22
Average no. of A/B shares outstanding (million)	302.3	307.6	301.4	306.9
Earnings per DKK 2 share (diluted)	4.90	4.47	2.46	2.20
Average no. of A/B shares, diluted (million)	305.2	310.7	304.4	310.5

1.3 Statement of comprehensive income

(DKK million)	1H 2016	1H 2015	Q2 2016	Q2 2015
Net profit	1,496	1,389	751	682
Currency translation of subsidiaries and non-controlling interests	(154)	236	169	(311)
Tax on currency translation of subsidiaries	2	21	(8)	1
Currency translation adjustments	(152)	257	161	(310)
Cash flow hedges				
Fair value adjustments	29	26	(16)	91
Tax on fair value adjustments	(7)	(5)	2	(33)
Fair value adjustments reclassified to Financial income/costs	(26)	(31)	(33)	-
Tax on reclassified fair value adjustments	6	7	8	14
Cash flow hedges	2	(3)	(39)	72
Other comprehensive income	(150)	254	122	(238)
Comprehensive income	1,346	1,643	873	444
Attributable to				
Shareholders in Novozymes A/S	1,345	1,641	873	445
Non-controlling interests	1	2	-	(1)

Appendix 2 Distribution of revenue

2.1 By industry

(DKK million)	2016 1H	2015 1H	% change	% currency impact	% M&A impact	% organic growth
Household Care	2,330	2,265	3	(1)	0	4
Food & Beverages	1,856	1,846	1	(2)	0	3
Bioenergy	1,196	1,288	(7)	(1)	0	(6)
Agriculture & Feed	1,078	1,141	(6)	(8) *	1	1
Technical & Pharma	578	488	18	(4)	0	22
Sales	7,038	7,028	0	(3)	0	3

* The effect from changes in deferred income is included in the currency impact. Realized currency impact was -1.7%.

(DKK million)	2016 Q2	2015 Q2	% change	% currency impact	% M&A impact	% organic growth
Household Care	1,154	1,138	1	(3)	0	4
Food & Beverages	930	925	1	(3)	0	4
Bioenergy	570	628	(9)	(3)	0	(6)
Agriculture & Feed	496	492	1	(14) *	2	13
Technical & Pharma	279	266	5	(4)	0	9
Sales	3,429	3,449	(1)	(5)	0	4

* The effect from changes in deferred income is included in the currency impact. Realized currency impact was -4.3%.

(DKK million)	2016		2015				% change
	Q2	Q1	Q4	Q3	Q2	Q1	Q2/Q1
Household Care	1,154	1,176	1,148	1,219	1,138	1,127	1
Food & Beverages	930	926	900	969	925	921	1
Bioenergy	570	626	616	639	628	660	(9)
Agriculture & Feed	496	582	524	465	492	649	1
Technical & Pharma	279	299	264	230	266	222	5
Sales	3,429	3,609	3,452	3,522	3,449	3,579	(1)

2.2 By geography

(DKK million)	2016 1H	2015 1H	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	2,586	2,400	8	(1)	0	9
North America	2,416	2,654	(9)	(2)	0	(7)
Asia Pacific	1,387	1,320	5	(3)	0	8
Latin America	649	654	(1)	(9)	0	8
Sales	7,038	7,028	0	(3)	0	3

(DKK million)	2016 Q2	2015 Q2	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	1,246	1,186	5	(2)	0	7
North America	1,141	1,291	(12)	(5)	1	(8)
Asia Pacific	695	662	5	(5)	0	10
Latin America	347	310	12	(9)	0	21
Sales	3,429	3,449	(1)	(5)	0	4

The effect from changes in deferred income is included in the currency impact.

(DKK million)	2016		2015				% change
	Q2	Q1	Q4	Q3	Q2	Q1	Q2/Q1
Europe, Middle East & Africa	1,246	1,340	1,162	1,300	1,186	1,214	5
North America	1,141	1,275	1,241	1,118	1,291	1,363	(12)
Asia Pacific	695	692	679	669	662	658	5
Latin America	347	302	370	435	310	344	12
Sales	3,429	3,609	3,452	3,522	3,449	3,579	(1)

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

(DKK million)	1H 2016	1H 2015
Net profit	1,496	1,389
Reversals of non-cash items	937	795
Tax paid	(295)	(265)
Interest received	2	3
Interest paid	(15)	(26)
Cash flow before change in working capital	2,125	1,896
Change in working capital		
(Increase)/decrease in receivables	103	(129)
(Increase)/decrease in inventories	(74)	(79)
Increase/(decrease) in trade payables and other liabilities	(266)	284
Increase/(decrease) in exchange gain/loss	8	15
Cash flow from operating activities	1,896	1,987
Investments		
Purchase of intangible assets	(59)	(7)
Sale of property, plant and equipment	17	6
Purchase of property, plant and equipment	(500)	(370)
Cash flow from investing activities before acquisitions and purchase of financial assets	(542)	(371)
Free cash flow before acquisitions and purchase of financial assets	1,354	1,616
Business acquisitions and purchase of financial assets	-	(35)
Free cash flow	1,354	1,581
Financing		
Borrowings	1,196	74
Repayments of borrowings	(692)	(406)
Hedging of net investments	-	(398)
Purchase of treasury stock	(1,020)	(970)
Sale of treasury stock	26	66
Dividend paid	(1,061)	(925)
Cash flow from financing activities	(1,551)	(2,559)
Net cash flow	(197)	(978)
Unrealized gain/(loss) on currencies and financial assets, included in cash and cash equivalents	(3)	1
Change in cash and cash equivalents, net	(200)	(977)
Cash and cash equivalents, net, at January 1	796	2,453
Cash and cash equivalents, net, at June 30	596	1,476

Undrawn committed credit facilities at June 30, 2016, were DKK 3,500 million.

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

(DKK million)	Jun. 30, 2016	Jun. 30, 2015	Dec. 31, 2015
Completed IT development projects	113	90	87
Acquired patents, licenses and know-how	1,324	1,657	1,425
Goodwill	1,122	1,144	1,140
IT development projects in progress	20	4	24
Intangible assets	2,579	2,895	2,676
Land and buildings	2,831	2,639	2,665
Plant and machinery	4,096	4,065	4,237
Other equipment	575	581	611
Assets under construction and prepayments	705	602	649
Property, plant and equipment	8,207	7,887	8,162
Deferred tax assets	462	485	459
Other financial assets (non-interest-bearing)	139	49	139
Investment in associates	76	21	91
Other receivables	76	122	116
Non-current assets	11,539	11,459	11,643
Raw materials and consumables	325	345	339
Goods in progress	615	550	578
Finished goods	1,401	1,452	1,364
Inventories	2,341	2,347	2,281
Trade receivables	2,471	2,383	2,558
Tax receivables	372	216	156
Other receivables	311	357	294
Receivables	3,154	2,956	3,008
Other financial assets (non-interest-bearing)	12	42	20
Cash and cash equivalents	711	1,522	839
Current assets	6,218	6,867	6,148
Assets	17,757	18,326	17,791

4.2 Balance sheet, Liabilities

(DKK million)	Jun. 30, 2016	Jun. 30, 2015	Dec. 31, 2015
Common stock	620	626	626
Currency translation adjustments	387	687	538
Cash flow hedges	22	(13)	20
Retained earnings	9,920	9,883	10,396
Equity attributable to shareholders in Novozymes AS	10,949	11,183	11,580
Non-controlling interests	14	13	13
Shareholders' equity	10,963	11,196	11,593
Deferred tax liabilities	733	731	715
Provisions	188	180	186
Deferred income	678	811	769
Other liabilities	0	17	12
Other financial liabilities (interest-bearing)	1,717	1,226	1,202
Other financial liabilities (non-interest-bearing)	21	15	14
Non-current liabilities	3,337	2,980	2,898
Other financial liabilities (interest-bearing)	130	234	74
Other financial liabilities (non-interest-bearing)	27	84	42
Provisions	68	123	55
Trade payables	1,060	1,438	1,189
Deferred income	226	241	223
Tax payables	662	596	369
Other payables	1,284	1,434	1,348
Current liabilities	3,457	4,150	3,300
Liabilities	6,794	7,130	6,198
Liabilities and shareholders' equity	17,757	18,326	17,791

4.3 Statement of shareholders' equity

(DKK million)	Attributable to shareholders in Novozymes A/S				Total	Non-controlling interests	Total
	Common stock	Currency translation adjustments	Cash flow hedges	Retained earnings			
Shareholders' equity at January 1, 2016	626	538	20	10,396	11,580	13	11,593
Net profit for the period				1,494	1,494	2	1,496
Other comprehensive income for the period		(151)	2		(149)	(1)	(150)
Total comprehensive income for the period		(151)	2	1,494	1,345	1	1,346
Purchase of treasury stock				(1,020)	(1,020)		(1,020)
Sale of treasury stock				26	26		26
Write-down of common stock	(6)			6	-		-
Dividend				(1,061)	(1,061)	-	(1,061)
Stock-based payment				84	84		84
Tax related to equity items				(5)	(5)		(5)
Changes in shareholders' equity	(6)	(151)	2	(476)	(631)	1	(630)
Shareholders' equity at June 30, 2016	620	387	22	9,920	10,949	14	10,963
Shareholders' equity at January 1, 2015	639	431	(10)	10,209	11,269	11	11,280
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
Changes in shareholders' equity	(13)	256	(3)	(326)	(86)	2	(84)
Shareholders' equity at June 30, 2015	626	687	(13)	9,883	11,183	13	11,196

Appendix 5 Miscellaneous

5.1 Product launches in 2016

Q1 2016	Alterion® – a probiotic solution for poultry that promotes more sustainable animal farming by improving feed conversion and gut health as well as helping to reduce the use of antibiotic growth promoters in poultry farms
Q1 2016	Saphera® – the only lactase on the market that offers better control of lactose elimination, better sweetness stability during shelf life of sugared dairy products and improved suitability in fermented dairy products such as yoghurt
Q2 2016	Amplify Prime® – best-in-class liquid amylase optimized for short wash cycles and in-depth cleaning at low temperatures
Q2 2016	Progress Uno® – a protease for tough conditions that delivers consistent wash performance even in water-rich concentrations, and reduces or eliminates the need for stabilizers as well as increasing the formulation flexibility

5.2 Company announcements for the fiscal year 2016

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

January 19, 2016	Group financial statement for 2015
January 29, 2016	Initiation of stock buyback program 2016
February 8, 2016	Changes in organizational structure and Executive Leadership Team
February 12, 2016	Candidate for the Board of Directors will not seek election
February 24, 2016	Novozymes A/S Annual Shareholders' Meeting 2016
March 30, 2016	Reduction of share capital
April 20, 2016	Interim report for the first 3 months of 2016
August 10, 2016	Interim report for the first half of 2016

5.3 Financial calendar

October 26, 2016	Interim report for the first 9 months of 2016
January 18, 2017	Group financial statement for 2016
February 22, 2017	Novozymes A/S Annual Shareholders' Meeting 2017

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

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