

GROUP FINANCIAL STATEMENT FOR FIRST HALF OF 2010

August 12, 2010

Increased full-year 2010 expectations after strong first-half performance

The strong sales and earnings growth in the first half of the year came from higher demand in the enzyme business and a continued good cost development across the organization. The strong growth was also the result of a challenged first half in 2009. Based on the first-half performance and currencies that have developed slightly favorably since previous guidance, sales are now expected to grow by 10–12% in DKK (7–9% organically). EBIT is expected to grow by 20–22%, and the EBIT margin is expected to be in the range of 21–22%. Net profit is expected to grow by 22–24%, investments are now expected to be in the range of DKK 1,150–1,250 million, and free cash flow before acquisitions is expected at DKK 800–900 million.

For the first half of 2010:

- Sales increased by 15% in DKK, 13% in local currency (LCY), 14% organically over 1H 2009
- Gross margin reached 56.3% compared to 55.1% for 1H 2009
- EBIT was DKK 1,109 million, an increase of 38% compared to 1H 2009
- EBIT margin reached 23.1% compared to 19.3% for 1H 2009
- Net profit was DKK 825 million, an increase of 43% compared to 1H 2009
- Net investments were DKK 554 million compared to DKK 333 million in 1H 2009
- Free cash flow before acquisitions was DKK 425 million, against DKK 387 million in 1H 2009
- ROIC was 24.0% compared to 19.3% for 1H 2009

"The strong sales and earnings growth in the first quarter continued in the second quarter. I'm very pleased with this development," says Steen Riisgaard, President & CEO. He continues: "Demand was high in the enzyme business, and all industries actually grew double digit if you look at the second quarter in isolation. Earnings continued to benefit from high productivity improvements, better capacity utilization, and tight cost management. However, it must be remembered that the first half of last year was the easier half from a comparison point of view, and there is still some uncertainty as to how markets will develop in the second half of 2010. Despite this uncertainty, with the strong first-half results in the enzyme business and a slightly more favorable currency outlook, we are increasing our expectations for the full year."

	Realized		2010 outlook	2010 outlook
	1H 2010	1H 2009	August 12*	April 29
Sales, DKKm	4,794	4,163		
Sales growth, DKK	15%		10–12%	6–8%
Sales growth, LCY	13%		7–9%	4–6%
Sales growth, organic	14%		7–9%	
EBIT, DKKm	1,109	802		
EBIT growth	38%		20–22%	12–14%
EBIT margin	23.1%	19.3%	21–22%	~ 21%
Net profit, DKKm	825	577		
Net profit growth	43%		22–24%	17–19%
Net investments, DKKm	554	333	1,150–1,250	1,000–1,100
Free cash flow before acquisitions, DKKm	425	387	800–900	800–900
ROIC	24.0%	19.3%	21–22%	~ 21%
Avg. USD/DKK	562	560	567	556
EPS (diluted), DKK	12.93	9.16		

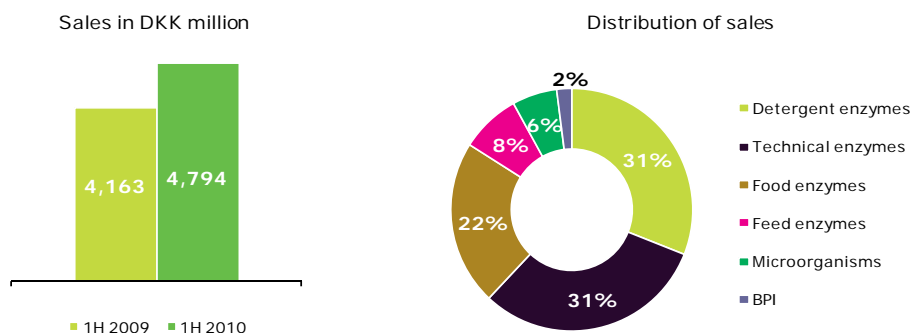
* Assumes exchange rates for the company's key currencies remain at the spot rates on August 11 for the rest of 2010.

Group financial statement for first half of 2010

Sales by industry

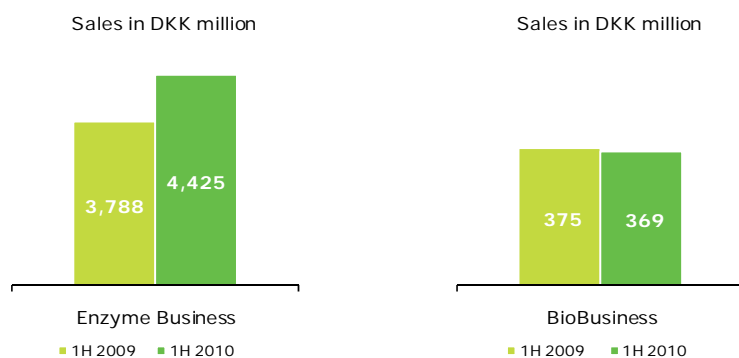
Total sales up 15% in DKK, 13% in LCY

Total sales in the first half rose by 15%, compared to the same period of 2009, to DKK 4,794 million. Exchange rates impacted sales positively, and sales in LCY increased by 13%. Divestments in 2009 impacted growth negatively by approximately 1 %-point.



Enzyme sales up 17% in DKK, 15% in LCY

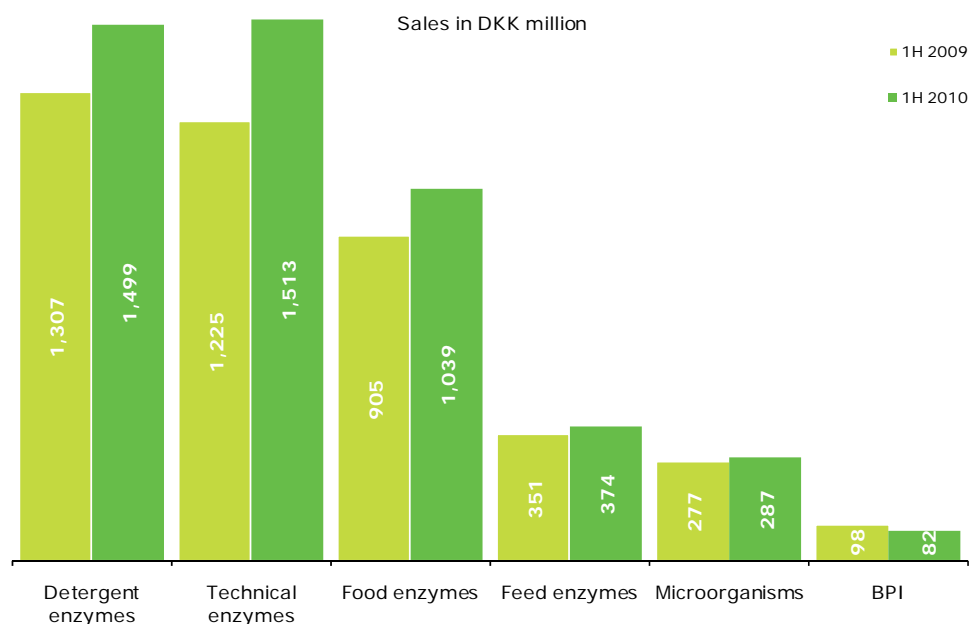
Enzyme Business sales increased by 17% in DKK in the first half of 2010 to DKK 4,425 million. Sales in LCY were up by 15%, and divestments of noncore activities in India had a slightly negative impact on sales growth. All the main industries experienced growth in both DKK and LCY, with detergent and technical enzymes being the strongest growth contributors.



BioBusiness sales down 2% in DKK, 9% in LCY

BioBusiness sales were 2% lower in DKK and 9% lower in LCY compared to the first half of 2009, as a result of divestment of noncore activities in the microorganism business and lower sales of biopharmaceutical ingredients (BPI), mainly due to timing of large orders. Organically, BioBusiness sales were down by 2% compared to the first half of 2009.

Group financial statement for first half of 2010



Detergent enzyme sales up 15% in DKK, 13% in LCY

Detergent enzyme sales increased by 15% in DKK and by 13% in LCY compared to the first half of 2009. The development was driven by continued global enzyme penetration across detergent tiers to enhance washing performance and increasing sales of multienzyme solutions to replace traditional chemicals in detergent formulations.

Technical enzyme sales up 24% in DKK, 22% in LCY

Technical enzyme sales increased by 24% in DKK and by 22% in LCY in the first half. All industries in technical enzymes showed healthy growth rates, and the ethanol, starch, and textile industries continued to be the strongest performers in absolute terms. Enzyme sales to the textile industry, and especially to the textile mills, grew from a challenged first half of 2009. The positive development in enzyme sales to the starch industry was mainly driven by stronger demand from the emerging markets.

26% LCY growth in ethanol enzyme sales

Novozymes' enzyme sales to the ethanol industry were up by 26% in LCY for the first half of 2010 compared to the same period last year and are expected to have been in line with the growth in US ethanol production in the same period. Enzyme sales to the ethanol industry in the first half of last year were negatively affected by specific customers' lower ethanol production. This was not the case for the first half of 2010. Also, favorable blending economics have kept ethanol production and demand at a high level. The industry seems to be well on track to reach and even surpass the RFS mandate of 12 billion gallons for 2010. On the European market, ethanol enzyme sales continued to show good growth, although the market is small compared to the US.

Food enzyme sales up 15% in DKK, 12% in LCY

Food enzyme sales increased by 15% in DKK and by 12% in LCY compared to the first half of 2009. The divestment of noncore ingredient activities in India impacted sales growth negatively by roughly 1 %-point. Higher demand for baking, brewing, and beverage alcohol enzymes to enhance quality and performance was the main driver behind the growth. Newly introduced concepts for the baking and brewing industries continued to gain traction in the market and also contributed to the positive development in the period.

Feed enzyme sales up 7% in DKK, 5% in LCY

Feed enzyme sales were up by 7% in DKK and by 5% in LCY compared to the first half of 2009. The second quarter of 2009 was affected by inventory reduction at the distribution partner, which was a consequence of their inventory buildup in the first quarter of 2009. No such inventory volatility was seen in the first two quarters of 2010. The phytase enzyme market remains under competitive pressure, although the recently EU-approved phytase enzyme RONOZYME® NP has been well received by the market and is starting to take on competition. Other enzyme sales to the feed industry continued to

Group financial statement for first half of 2010

develop well, and RONOZYME® ProAct, a feed enzyme increasing protein uptake from diets by poultry, is gaining interest on the European market, where it was recently approved.

Microorganism sales affected by divestment

Microorganism sales were up by 4% in DKK and down by 3% in LCY compared to the first half of 2009. The turf and landscape business divested in July 2009 impacted sales growth in the first half of 2010 negatively by roughly 9 %-points. Sales to the bioagricultural (BioAg) industry were affected by timing and, after first-quarter sales slightly down on the first quarter of 2009, showed double-digit growth for the first half as a whole. Microorganism sales to the institutional & household cleaning and wastewater treatment industries were on par with the first half of 2009.

BPI sales affected by timing

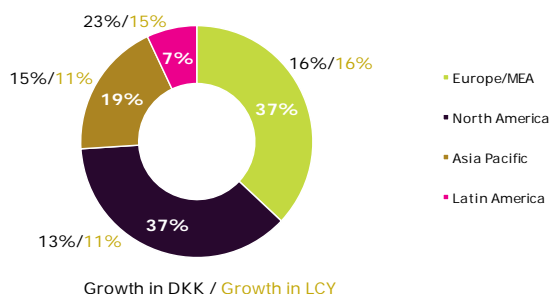
Biopharmaceutical ingredient sales (BPI) improved compared to the first quarter of 2010 and were down by 16% in DKK and by 23% in LCY compared to the first half of 2009. The continued negative sales development was mainly caused by timing of relatively large orders. This industry is subject to substantial quarterly variation in sales patterns, as sales comprise a small number of relatively large transactions.

Two new products launched in Q2 2010

Two new products were launched in the second quarter of 2010:

- Spirizyme® Excel – a saccharification enzyme for the ethanol industry enabling higher conversion of starch into sugars and hence improving productivity for ethanol producers
- Pectinex® Ultra AFP – a new generation of pectinases developed for secondary mash treatment to break down the cell wall of fruits, thus providing improved performance in fruit processing

Sales by geographical area



16% growth in Europe, Middle East, and Africa

Sales in Europe, the Middle East, and Africa (Europe/MEA) increased by 16% in both DKK and LCY compared to the first half of 2009. Detergent and food enzyme sales were the strongest growth contributors in relative terms, but technical and feed enzyme sales also developed well in the period.

North America sales up 11% in LCY

Sales in North America were up by 13% in DKK and by 11% in LCY compared to the first half of 2009. Detergent and technical enzyme sales, including in particular enzyme sales to the US ethanol industry, were the main growth contributors, whereas lower sales of biopharmaceutical ingredients impacted sales negatively in the period.

Double-digit growth in emerging markets

Sales in Asia Pacific increased by 15% in DKK and by 11% in LCY compared to the first half of 2009. Detergent and technical enzyme sales were the largest growth contributors, whereas the development in feed enzymes impacted sales negatively.

Sales in Latin America were up by 23% in DKK and by 15% in LCY compared to the first half of 2009. Sales of technical enzymes and food enzymes continued to be the largest growth contributors.

Costs, Other operating income, and EBIT

Total costs
increased 9%

Total costs excluding net financials and tax increased by 9% to DKK 3,709 million. Cost of goods sold and other operating costs increased due to higher volumes sold and a higher activity level, especially in R&D. The accumulated effect of strong productivity improvements throughout 2009 had a positive impact on cost of goods sold in the first half of 2010.

Gross profit
margin 56.3%

Gross profit increased by 18% compared to the first half of 2009, resulting in a gross profit margin of 56.3% compared to 55.1% for the first half of 2009. Increased sales, productivity improvements, and higher capacity utilization in the enzyme plants were the main reasons behind the strong development compared to the first half of 2009.

Gross profit margin for Enzyme Business was 57.6% in the first half, an improvement of 0.7 %-points compared to the first half of 2009.

Gross profit margin for BioBusiness was 40.8%, compared to 36.5% for the first half of 2009.

Other operating costs increased by 6% to DKK 1,613 million for the first half of 2010. The ratio of other operating costs to sales was 34% for the first half of 2010, compared to 37% in the same period last year.

R&D represents
14% of sales

- Sales, distribution, and business development costs increased by 4%, representing 12% of sales
- R&D costs increased by 12%, representing 14% of sales
- Administrative costs were flat, representing 8% of sales

Other operating income fell by DKK 8 million to DKK 24 million for the first half compared to the same period last year. Most of the income was related to the grant from the US Department of Energy regarding Novozymes' cellulosic biofuel enzyme project DECREASE.

Depreciation and amortization rose to DKK 298 million for the first half, an increase of 6% compared to 2009.

EBIT up by 38%,
EBIT margin
23.1%

EBIT increased by 38% to DKK 1,109 million compared to DKK 802 million in the first half of 2009, and the **EBIT margin** was 23.1% compared to 19.3% for the first half of 2009. Strong underlying sales growth, improved gross profit, and a careful development in other operating costs impacted the development in EBIT positively.

Net financials and Net profit

Net financial
expenses on par
with last year

Net financial expenses were DKK 19 million for the first half, on par with the same period last year. A higher net currency hedging/valuation gain of roughly DKK 38 million contributed positively to the development in the half year, whereas other financials developed negatively by DKK 48 million, mainly explained by the fair value adjustment of employee stock option schemes. Reduced net interest expenses of DKK 10 million impacted net financials positively compared to the first half of 2009.

At the end of the first half of 2010, net interest-bearing debt was DKK 851 million compared to DKK 949 million at year-end 2009.

Profit before tax increased by 39% to DKK 1,090 million from DKK 783 million in the first half of 2009.

Group financial statement for first half of 2010

Tax rate 24.3% In the first half of 2010, the effective tax rate was 24.3% compared to 26.3% in the first half of last year. The lower tax rate is the result of recently negotiated APAs (Advanced Pricing Agreements).

43% net profit growth **Net profit** increased by 43% to DKK 825 million compared to the first half of 2009.

Cash flow and Balance sheet

Operating cash flow DKK 979 million **Cash flow from operating activities** increased by 36% to DKK 979 million compared to the first half of 2009. The positive development was primarily due to higher net profit and a positive development in working capital relative to sales. The development in working capital benefitted from a relative improvement in receivables, inventories and payables compared to the first half of last year. A planned and accrued one-time payment was made in the second quarter of 2010 and related to recently finalized tax agreements. The payment had a negative effect on operating cash flow.

Net investments DKK 554 million **Net investments** excluding acquisitions were DKK 554 million in the first half compared to DKK 333 million in the same period of 2009. The higher investment level is mainly related to the ongoing construction of the cGMP hyaluronic acid (HA) plant built in Tianjin, China, and the new enzyme plant in Nebraska, USA.

Free cash flow before acq. DKK 425 million **Free cash flow before acquisitions** reached DKK 425 million in the first half against DKK 387 million in the first half of 2009. The development in free cash flow was the result of higher operating cash flow and higher net investments.

Shareholders' equity was DKK 6,761 million at June 30, 2010, up from DKK 5,841 million at year-end 2009. Shareholders' equity was increased by comprehensive income and decreased by dividend payments of DKK 359 million. Shareholders' equity represented 59% of the balance sheet total against 54% at year-end 2009.

Net debt-to-equity was 13% at June 30, 2010, compared to 16% at year-end 2009.

ROIC 24.0% **Return on invested capital (ROIC)** was 24.0% for the first half compared to 19.3% for the same period in 2009, primarily explained by higher EBIT and the lower tax rate.

At June 30, 2010, the holding of treasury stock was 2.3 million B shares, equivalent to 3.6% of the total number of shares outstanding.

Corporate Social Responsibility

In 2010, Novozymes has set three new targets for water, energy, and CO₂ efficiency, replacing previous years' water and energy consumption targets. The targets measure percentage improvements on 2005 efficiency levels.

Compared to the first half of 2009, water, energy, and CO₂ efficiency all improved in the first half of 2010. However, they are all falling short of their targets half way into the year.

Employee-related targets improved in the first half compared to the same period last year, and were all within or very close to their target ranges.

Group financial statement for first half of 2010

		2010 1H	2009 1H	2010 Target
Improved water, energy, and CO ₂ efficiency	Water efficiency (compared to 2005 index)	18%	13%	20%
	Energy efficiency (compared to 2005 index)	18%	12%	30%
	CO ₂ efficiency (compared to 2005 index)	19%	6%	25%
Lower level of occupational accidents	CO ₂ emission reduction (million tons) from customers' application of enzymes	~ 15	~ 13	28–29
	Significant spills	-	-	-
	Fatalities	-	-	-
	Frequency of occupational accidents per million working hours	4.5	5.3	< 4.5
Lower rate of employee turnover	Number of employees on June 30	5,325	5,227	
	Rate of employee turnover	6.9%	7.0%	> 4% – < 9%
	Rate of absence	2.2%	2.2%	< 3%

Accounting policies

IAS 34

The Group financial statement for the first half of 2010 has been prepared in accordance with IAS 34 and the additional Danish regulations for the presentation of quarterly financial statements by listed companies. The Group financial statement for the first half of 2010 follows the same accounting policies as the Group financial statement for 2009.

2010 outlook

7–9% organic growth, 10–12% in DKK

Total sales are now expected to grow by 7–9% in LCY and organically. Based on currency rates at August 11, 2010, sales growth in DKK is expected at 10–12%.

The full-year sales growth expectation is based on an average growth rate for the coming two quarters that is lower than the growth seen in the first half. Although no structural changes are expected in Novozymes' business environment, the first half of last year was easier from a comparison point of view, and there is still some uncertainty as to how the markets will develop in the second half of 2010.

Enzyme Business, especially sales of detergent and technical enzymes, is expected to be the strongest contributor to the full-year sales growth. One assumption included in the full-year sales growth expectation is that the US biofuel industry will produce around 12.5 billion gallons of ethanol for the full year.

BioBusiness' sales are now expected to be on par with realized sales in 2009. The main explanation for BioBusiness' lower sales growth expectation compared to previous guidance is the negative impact in BPI from lower milestone payments/clinical material sales for the Plectasin project. Sanofi-Aventis has decided to discontinue its commitment to the antimicrobial peptide (AMP) plectasin project.

The microorganism business is expected to be the growth driver for BioBusiness, where sales of microorganisms to the BioAg industry are expected to reach a double-digit organic growth rate for the year. In August, Novozymes acquired the Brazilian microorganism producer Turfal, giving direct access to the Brazilian agricultural market. The acquisition is expected to impact Novozymes' 2010 sales positively by roughly DKK 10–15 million and has been included in the full-year sales growth expectation.

Short-term volatility and discontinuation of projects – either by Novozymes or one of its partners – are not uncommon when building new business opportunities, especially in an area such as BioBusiness. The quality of BioBusiness' current project portfolio is still high, and Novozymes' strategy, commitment, and long-term expectations for BioBusiness are unchanged.

Group financial statement for first half of 2010

EBIT growth 20–22%	EBIT is now expected to grow by 20–22% in DKK. The increased earnings expectation is the result of higher expectations for full-year sales growth, productivity improvements, higher production capacity utilization in the enzyme business and continued tight cost management across the organization. Slightly more favorable currencies are also expected to impact EBIT growth positively for the full year.
EBIT margin 21–22%	EBIT margin is now expected to be 21–22%.
Net profit growth 22–24%	Net profit in DKK is now expected to grow by 22–24% in 2010. Higher EBIT growth and a lower tax rate are expected to affect net profit growth positively. In late 2008, Novozymes entered into hedging contracts for the USD and the JPY covering 2009 and 2010. Net cash flow for the USD exposure is hedged at a DKK/USD rate of 591 for the full year, whereas DKK/JPY cash flow exposure is hedged at 6.53 for the full year. The expected USD exposure for 2011 has been hedged at 585 DKK/USD.
Investments DKK 1,150–1,250 million	Investments are now expected to be in the range of DKK 1,150–1,250 million. Stronger foreign currencies and the expectation that a higher proportion of the announced investment amount for the enzyme facility in Nebraska, USA, will fall in 2010 instead of 2011 account for the difference compared to previous guidance. The enzyme production plant in Nebraska, initiated in 2009, is expected to be built over a three-year period and cost roughly USD 160–200 million. The hyaluronic acid facility in China is on track and is expected to begin production and sales early 2011.
FCF before acq. DKK 800–900 million	The outlook for free cash flow before acquisitions is retained in the range of DKK 800–900 million, positively impacted by higher net profit expectation but reduced by the higher investment amount.
ROIC 21–22%	Return on invested capital (ROIC) is now expected to be 21–22%, due to the increased net profit expectation.

	August 12	April 29
Sales growth, DKK	10–12%	6–8%
Sales growth, LCY	7–9%	4–6%
Sales growth, organic	7–9%	
EBIT growth	20–22%	12–14%
EBIT margin	21–22%	~ 21%
Net profit growth	22–24%	17–19%
Net investments, DKKm	1,150–1,250	1,000–1,100
Free cash flow before acquisitions, DKKm	800–900	800–900
ROIC	21–22%	~ 21%

The 2010 outlook is based on exchange rates for the company's key currencies remaining at the spot rates on August 11, 2010, for the full year. Novozymes' key currencies are: EUR, USD, JPY, and CNY.

(DKK)	EUR	USD	JPY	CNY
Average exchange rate 2009	745	536	5.73	78.47
Average exchange rate 1H 2010	744	562	6.14	81.30
Spot rate August 11, 2010	745	572	6.74	84.49
Estimated average exchange rate for 2010*	745	567	6.44	82.90
Change in estimated average exchange rate for 2010 compared to average exchange rate in 2009*	0%	6%	12%	6%
Estimated avg. exchange rate for 2010 per 28.04.2010	744	556	5.97	81.45

* Estimated average exchange rate is calculated as the average exchange rate YTD combined with the spot rate ROY.

Note: Other things being equal, a 5% movement in the USD is expected to have an annual impact on operating profit of DKK 45–65 million, which is similar to the sensitivity given for 2009.

Events after the end of the quarter

AMP/plectasin

Sanofi-Aventis has decided not to move ahead with the antimicrobial peptide (AMP) Plectasin NZ2114 into clinical phase 1. In light of their project portfolio, the risk-benefit profile of the compound was not as attractive as hoped. Novozymes has the opportunity to outlicense plectasin to another partner, and the feasibility of this will be clarified during the second half of the year. Meanwhile, the other AMP projects (e.g., arenicin) currently in Novozymes' BPI pipeline are moving ahead as planned.

Acquisition of microorganism producer Turfal in Brazil

In August, Novozymes acquired the Brazil-based microorganism producer Turfal with annual sales of around DKK 15 million. The acquisition gives Novozymes direct access to an agricultural industry with an interesting potential for biological products. Turfal's main products are nitrogen-fixating inoculants for soybean. Novozymes' 2010 sales are expected to be impacted positively by DKK 10–15 million as most of Turfal's sales occur in the second half of the year, which is the Brazilian planting season for soybean. Novozymes' 2010 earnings guidance is not expected to be impacted by the acquisition, and the effect from the acquisition has been included in the full-year guidance for both sales and earnings.

Forward-looking statements

This company announcement contains forward-looking statements, including the financial outlook for 2010. Forward-looking statements are, by their very nature, associated with risks and uncertainties that may cause actual results to differ materially from expectations. The uncertainties may include unexpected developments in the international currency exchange and securities markets, market-driven price decreases for Novozymes' products, and the launch of competing products within Novozymes' core areas.

Contact persons:

Press and media:

Annegrethe M. Jakobsen (Europe)
Tel. (mobile): +45 3077 3050

Paige Donnelly (USA)
Tel. (mobile): +1 919 218 4501

Investor Relations:

Tobias Bjorklund (DK)
Tel. (mobile): +45 3077 8682

Martin Riise (DK)
Tel. (mobile): +45 3077 0738

Thomas Bornhoff (USA)
Tel. (US mobile): +1 919 649 2565
Tel. (DK mobile): +45 3077 1226

Group financial statement for first half of 2010

Statement of the Board of Directors and Executive Management

The Board of Directors and Executive Management have considered and approved the Group financial statement for Novozymes A/S for the first half of 2010.

The Group financial statement has been prepared in accordance with International Financial Reporting Standards (as adopted by the EU), and additional Danish regulations for the presentation of Group financial statements by listed companies.

In our opinion the accounting policies used are appropriate, the Group's internal controls relevant to preparation and presentation of a Group financial statement are adequate, and the Group financial statement gives a true and fair view of the Group's assets, liabilities, net profit, and financial position at June 30, 2010, and of the results of the Group's operations and cash flow for the first half of 2010.

We further consider that the Management's 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 12, 2010

Executive Management:

Steen Riisgaard
President and CEO

Benny D. Loft

Per Falholt

Peder Holk Nielsen

Thomas Nagy

Thomas Videbæk

Board of Directors:

Henrik Gürtler
Chairman

Kurt Anker Nielsen
Vice-Chairman

Paul Petter Aas

Jerker Hartwall

Søren Jepsen

Ulla Morin

Michael Munksø

Walther Thygesen

Mathias Uhlén

Appendices

Appendix 1	Main items and key figures
	1.1 First half of 2010
	1.2 Statement of comprehensive income
	1.3 Segment information
Appendix 2	Distribution of sales
	2.1 By industry
	2.2 By geographical area
	2.3 Quarterly sales by industry
	2.4 Quarterly sales by geographical area
Appendix 3	Statement of cash flows and financial resources
Appendix 4	Balance sheet and Statement of shareholders' equity
	4.1 Balance sheet
	4.2 Statement of shareholders' equity
Appendix 5	Product launches in 2010
Appendix 6	Company announcements for 2010 (excluding management's trading)
Appendix 7	Financial calendar 2010–2011

Group financial statement for first half of 2010

Appendix 1: Main items and key figures

1.1 First half of 2010

(DKK million)	2010 1H	2009 1H	% change	2010 Q2	2009 Q2	% change
Revenue	4,794	4,163	15%	2,469	2,037	21%
Gross profit	2,698	2,294	18%	1,390	1,140	22%
Gross margin	56.3%	55.1%		56.3%	56.0%	
EBITDA	1,407	1,084	30%	721	541	33%
EBITDA margin	29.3%	26.0%		29.2%	26.6%	
EBIT (operating profit)	1,109	802	38%	574	399	44%
EBIT margin	23.1%	19.3%		23.2%	19.6%	
Net financials	(19)	(19)		(17)	(21)	
Profit before tax	1,090	783	39%	557	378	47%
Corporation tax	(265)	(206)	29%	(137)	(99)	38%
Net profit	825	577	43%	420	279	51%
Attributable to:						
Shareholders in the parent company	824	577	43%	420	279	51%
Equity minority interests	1	-		-	-	
Foreign exchange gain/(loss), net, etc.	32	(6)		5	(13)	
Interest income/(costs)	(35)	(45)		(14)	(4)	
Other financial items	(16)	32		(8)	(4)	
Total financial income/(costs)	(19)	(19)	0%	(17)	(21)	19%
Earnings per DKK 10 share	13.19	9.30	42%	6.71	4.50	49%
Earnings per DKK 10 share (diluted)	12.93	9.16	41%	6.58	4.43	48%
Free cash flow before acquisitions	425	387	10%			
Return on invested capital after tax (ROIC), incl. goodwill	24.0%	19.3%				
Net interest-bearing debt	851	1,426	(40)%			
Equity ratio	59.2%	48.5%				
Return on equity	26.2%	24.5%				
Debt-to-equity ratio	12.6%	29.0%				

Group financial statement for first half of 2010

1.2 Statement of comprehensive income

(DKK million)	2010 1H	2009 1H
Net profit	825	577
Other comprehensive income		
Fair value adjustment of Novo Nordisk stock	-	9
- transferred to Financial income/costs	-	(38)
Currency translation of subsidiaries and minority interests	574	18
Tax related to hedges of net investments in foreign subsidiaries	-	19
Cash flow hedges	(317)	183
- transferred to Financial income/costs	(14)	(62)
Tax related to cash flow hedges	5	10
Other comprehensive income, net of tax	248	139
Comprehensive income, total	1,073	716
Attributable to:		
Shareholders in the parent company	1,072	716
Minority interests	1	-

1.3 Segment information

(DKK million)	1H 2010				1H 2009				% change
	Enzyme Business	BioBusiness	Corporate	Total	Enzyme Business	BioBusiness	Corporate	Total	
Revenue	4,425	369		4,794	3,788	375	-	4,163	15%
Cost of goods sold	1,878	218		2,096	1,631	238	-	1,869	12%
Gross profit	2,547	151		2,698	2,157	137	-	2,294	18%
Gross margin	57.6%	40.9%		56.3%	56.9%	36.5%		55.1%	
Sales and distribution costs			586	586			566	566	4%
Research and development costs			661	661			591	591	12%
Administrative costs			366	366			367	367	(0)%
Other operating income, net			24	24			32	32	(25)%
Operating profit				1,109				802	38%
Capital expenditure									
Intangible assets	5	4	1	10	-	-	25	25	
Property, plant and equipment	359	161	27	547	212	34	65	311	
Capital expenditure, total	364	165	28	557	212	34	90	336	

Novozymes' operating segments reflect the way the activities are organized and controlled. Although revenue within Enzyme Business can be subdivided into further activities, the activities are considered to be integrated, as most of the production facilities are common to the segment as a whole. Gross profit is the primary parameter used when the Management evaluates the performance of the segments.

The functions for Sales and distribution, Research and development, and Administrative are considered as working for both segments and their costs are therefore allocated to the Corporate function. Revenue between the individual segments is deducted in the revenue of the selling company and amounts to DKK 7 million in 1H 2010 (DKK 11 million in 1H 2009).

Group financial statement for first half of 2010

Appendix 2: Distribution of sales

2.1 By industry

(DKK million)	2010 1H	2009 1H	% change	% currency impact	% change in local currency
Enzymes	4,425	3,788	17	2	15
- detergent enzymes	1,499	1,307	15	2	13
- technical enzymes	1,513	1,225	24	2	22
- food enzymes	1,039	905	15	3	12
- feed enzymes	374	351	7	2	5
BioBusiness	369	375	(2)	7	(9)
- microorganisms	287	277	4	7	(3)
- BPI	82	98	(16)	7	(23)
Sales	4,794	4,163	15	2	13

2.2 By geographical area

(DKK million)	2010 1H	2009 1H	% change	% currency impact	% change in local currency
Europe, Middle East & Africa	1,749	1,508	16	0	16
North America	1,786	1,577	13	2	11
Asia Pacific	913	796	15	4	11
Latin America	346	282	23	8	15
Sales	4,794	4,163	15	2	13

2.3 Quarterly sales by industry

(DKK million)	2010		2009				% change
	Q2	Q1	Q4	Q3	Q2	Q1	Q2/Q2
Enzymes	2,271	2,154	2,022	1,988	1,877	1,911	21
- detergent enzymes	765	734	680	685	650	657	18
- technical enzymes	784	729	724	651	624	601	26
- food enzymes	545	494	433	463	449	456	21
- feed enzymes	177	197	185	189	154	197	15
BioBusiness	198	171	145	130	160	215	24
- microorganisms	145	142	53	85	117	160	24
- BPI	53	29	92	45	43	55	23
Sales	2,469	2,325	2,167	2,118	2,037	2,126	21

2.4 Quarterly sales by geographical area

(DKK million)	2010		2009				% change
	Q2	Q1	Q4	Q3	Q2	Q1	Q2/Q2
Europe, Middle East & Africa	882	867	881	823	770	738	15
North America	936	850	719	750	740	837	26
Asia Pacific	474	439	403	396	394	402	20
Latin America	177	169	164	149	133	149	33
Sales	2,469	2,325	2,167	2,118	2,037	2,126	21

Group financial statement for first half of 2010

Appendix 3: Statement of cash flows and financial resources

(DKK million)	2010 1H	2009 1H
Net profit	825	577
Reversals of non-cash expenses	630	667
Corporation tax paid	(406)	(142)
Interest received	11	48
Interest paid	(55)	(112)
Cash flow before change in working capital	1,005	1,038
Change in working capital		
(Increase)/decrease in receivables	(80)	(139)
(Increase)/decrease in inventories	91	1
Increase/(decrease) in trade payables and other liabilities	(37)	(180)
Cash flow from operating activities	979	720
Investments		
Purchase of intangible assets	(10)	(25)
Sale of property, plant and equipment	3	3
Purchase of property, plant and equipment	(547)	(311)
Cash flow from investing activities before acquisitions	(554)	(333)
Free cash flow before acquisitions	425	387
Acquisition of activities and companies	-	-
Free cash flow after acquisitions	425	387

Group financial statement for first half of 2010

Appendix 4: Balance sheet and Statement of shareholders' equity

4.1 Balance sheet

Assets (DKK million, end of period)	2010 Q2	2009 Q2	2009 End
Completed IT development projects	34	7	7
Acquired patents, licenses, and know-how	612	669	629
Goodwill	504	432	443
IT development projects in progress	18	81	45
Intangible assets	1,168	1,189	1,124
Land and buildings	2,110	1,962	2,023
Plant and machinery	1,781	1,440	1,549
Other equipment	351	328	326
Property, plant and equipment under construction	1,247	673	906
Property, plant and equipment	5,489	4,403	4,804
Deferred tax assets	76	64	62
Other financial assets (non-interest-bearing)	-	81	1
Total non-current assets	6,733	5,737	5,991
Raw materials and consumables	217	226	237
Goods in progress	452	405	411
Finished goods	888	943	887
Inventories	1,557	1,574	1,535
Trade receivables	1,740	1,468	1,468
Tax receivable	164	65	210
Other receivables	174	220	215
Receivables	2,078	1,753	1,893
Other financial assets (interest-bearing)	-	-	-
Other financial assets (non-interest-bearing)	37	146	187
Total other financial assets	37	146	187
Cash at bank and in hand	1,016	906	1,284
Total current assets	4,688	4,379	4,899
Total assets	11,421	10,116	10,890

Group financial statement for first half of 2010

Liabilities and shareholders' equity (DKK million, end of period)	2010 Q2	2009 Q2	2009 End
Common stock	650	650	650
Treasury stock	(1,481)	(1,777)	(1,624)
Other comprehensive income	402	109	154
Retained earnings	7,178	5,917	6,651
Minority interests	12	11	10
Total shareholders' equity	6,761	4,910	5,841
Deferred tax liabilities	493	847	694
Long-term employee benefits	14	16	13
Non-current provisions	161	154	125
Non-current financial liabilities (interest-bearing)	1,631	1,388	1,674
Non-current financial liabilities (non-interest-bearing)	113	18	22
Total non-current liabilities	2,412	2,423	2,528
Financial liabilities (interest-bearing)	236	944	559
Financial liabilities (non-interest-bearing)	131	75	73
Provisions	34	25	30
Trade payables	513	374	531
Tax payable	59	261	97
Other current liabilities	1,275	1,104	1,231
Total current liabilities	2,248	2,783	2,521
Total liabilities	4,660	5,206	5,049
Total liabilities and shareholders' equity	11,421	10,116	10,890

4.2 Statement of shareholders' equity

(DKK million)	2010 Q2	2009 Q2	2009 End
Shareholders' equity excl. minority interests – beginning of period	5,831	4,465	4,465
Dividend paid	(359)	(326)	(326)
Sale of treasury stock	93	14	36
Stock-based payment	29	30	61
Tax of equity items	83	-	215
Comprehensive income	1,072	716	1,380
Shareholders' equity excl. minority interests	6,749	4,899	5,831
Minority interests – beginning of period	10	11	11
Comprehensive income	1	-	(1)
Currency adjustment	1	-	-
Minority interests – end of period	12	11	10
Total equity – end of period	6,761	4,910	5,841

Group financial statement for first half of 2010

Appendix 5: Product launches in 2010

Q1 2010	Cellic® CTec2 – a unique and improved cellulase complex for cost-effective hydrolysis for commercial production of bioethanol from cellulosic feedstock. High conversion efficiency on acid and neutral pretreated feedstocks
Q1 2010	Cellic® HTec2 – an improved hemicellulase complex for commercial production of ethanol from cellulosic feedstock that provides a hydrolysis boost option over Cellic CTec2, i.e., improves C5 sugar yields
Q1 2010	Novamyl® Steam – an enzyme for the Chinese steamed bread market allowing longer-lasting freshness
Q1 2010	BG Max™ – a combination of microorganisms and enzymes designed to maximize biogas potential and improve the efficiency of anaerobic wastewater systems
Q2 2010	Sprizyme® Excel – a saccharification enzyme for the ethanol industry enabling higher conversion of starch into sugars and hence improving productivity for ethanol producers
Q2 2010	Pectinex® Ultra AFP – a new generation of pectinases developed for secondary mash treatment to break down the cell wall of fruits, thus providing improved performance in fruit processing

Appendix 6: Company announcements for 2010

Excluding management's trading in Novozymes shares

January 21, 2010	Group financial statement for 2009
March 4, 2010	Annual Shareholders' Meeting 2010
April 29, 2010	Group financial statement for first quarter of 2010

Appendix 7: Financial calendar 2010–2011

August 12, 2010	Group financial statement 1H 2010
October 28, 2010	Group financial statement 9M 2010
January 21, 2011	Group financial statement for 2010
March 2, 2011	Annual Shareholders' Meeting