

December 10, 2013

Novozymes and Monsanto team up to provide sustainable bioagricultural solutions

The companies establish The BioAg Alliance to discover, develop and sell microbial solutions that enable farmers worldwide to increase crop yields with less input

Copenhagen, Denmark and St. Louis, USA - Novozymes (NASDAQ OMX: NZYM B) and Monsanto Company (NYSE: MON) today announce a long-term strategic alliance to transform research and commercialization of sustainable microbial products that will provide a new platform of solutions for growers around the world. *The BioAg Alliance* will allow the companies to leverage employees, technologies and commercial assets in the companies' agricultural biologicals portfolios. *The BioAg Alliance* is unique in the industry, bringing together Novozymes' commercial BioAg operations and capabilities within microbial discovery, development and production with Monsanto's microbial discovery, advanced biology, field testing and commercial capabilities. The result will be a comprehensive research, development and commercial collaboration to help farmers globally meet the challenge of producing more with less in a sustainable way – for the benefit of agriculture, consumers, the environment and society at large.

"As the world population grows at tremendous pace over the next decades, we need to significantly increase the output from our land without increasing the pressure on the environment," says Peder Holk Nielsen, CEO of Novozymes. "Today, we forge a game-changing alliance with the potential to transform global agriculture. The combined capabilities of Novozymes and Monsanto create an innovation powerhouse with a unique opportunity and approach to unleash the transformational opportunity in naturally derived microbial solutions in agriculture."

"Monsanto, Novozymes and the farmer customers we serve share a need to meet growing demand in a sustainable way, and investing in the research and development of agricultural biological technologies like microbials is another step in that direction and a natural extension of our core business," says Robb Fraley, Ph.D., Chief Technology Officer of Monsanto. "Just as Monsanto has done with leadership investments in our precision agriculture platform, we see this collaboration as being the same type of catalyst for taking our biologicals work from a technology to a full-fledged platform that represents the next layer of opportunity for growers to drive yield and productivity while helping the preservation of finite natural resources in our precious planet."

Sustainable Biological Solutions in Agriculture

Microbial solutions are a significant part of the agricultural biologicals industry, which today represents roughly \$2.3 billion in annual sales and has posted mid-teens sales growth each of the last several years. Microbial-based solutions are derived from various naturally-occurring microorganisms such as bacteria and fungi. They can protect crops from pests and diseases and enhance plant productivity and fertility. With faster development cycles compared to other agricultural innovations, as well as broad geographic and crop applicability, microbial solutions offer tremendous potential to deliver sustainable, cost-effective solutions that can increase yield using less input.

The emerging agricultural biological technologies complement the integrated systems approach that is necessary in modern agriculture, bringing together breeding, biotechnology and agronomic practices to improve and protect crop yields.

The BioAg Alliance

Novozymes has over the last decade leveraged its know-how and experience in industrial enzymes and microbial technologies to build global positions in the agricultural biologicals market with a broad and proven product portfolio and annual revenue of approximately \$120 million in 2012. Combining its strengths within microbial discovery, application development and fermentation and its leadership position in the agricultural biologicals market, Novozymes brings an established and unique starting point for the alliance to accelerate from in both the short and long term.

Monsanto has a research team working on microbial solutions and has one of the most extensive seeds and traits discovery, field-testing and commercial footprints in the industry. All this will help accelerate microbial development through the alliance, enabling more farmers to get more solutions, faster. Last year the company introduced its agricultural biologicals platform and earlier this year acquired the assets of the agricultural company Agradis Inc. as it builds out its discovery capabilities in the microbial space.

In bringing together Novozymes' and Monsanto's capabilities, the companies are poised to deliver an entirely new category of more effective microbial solutions for global broad-acre crops, fruit and vegetables. Under the collaboration:

- Monsanto and Novozymes will maintain independent and complementary internal and external discovery research programs to identify microbial targets with the potential to help farmers.
- Novozymes will be responsible for production and supply of the microbial solutions to Monsanto, building on its expertise within fermentation. Monsanto will serve as the lead for field testing, registration and commercialization of all alliance products.
- The companies will co-manage the alliance and co-fund research and development efforts.
- Monsanto will pay Novozymes an aggregate upfront payment of \$300 million net in recognition of Novozymes' ongoing business and microbial capabilities, and for Novozymes to supply alliance products.
- Marketing responsibility for Novozymes' current product portfolio in agricultural biologicals will be transferred to Monsanto along with much of the Novozymes commercial organization currently responsible for that work. The two companies will work to ensure that existing customer relationships and know-how are maintained and further built on for short- and long-term success.
- Both companies will benefit from profits on commercialized products resulting from this alliance and those products brought into the alliance by the parties. Through the alliance, the companies will also test and sell commercial microbial products purchased from other suppliers to bring additional value to farmers.

The agreement is subject to the approval of the relevant national antitrust authorities to the extent required. The alliance is expected to close in early 2014. Further terms of the alliance were not disclosed.

In conjunction with this announcement, Novozymes and Monsanto will hold a joint conference call for investors. The call is scheduled for 10 a.m. EST today, Tuesday, December 10, 2013. Presentation slides and a simultaneous audio webcast of the conference call may be accessed by visiting the companies' websites at www.monsanto.com/investors or <http://www.novozymes.com/en/investor/Pages/default.aspx>. Visitors may need to download Windows Media Player™ prior to listening to the webcast. Following the live broadcast, a replay of the webcast will be available on the companies' websites.

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About Monsanto Company

Monsanto Company is a leading global provider of technology-based solutions and agricultural products that improve farm productivity and food quality. Monsanto remains focused on enabling both small-holder and large-scale farmers to produce more from their land while conserving more of our world's natural resources such as water and energy. To learn more about our business and our commitments, please visit:

www.monsanto.com. Follow our business on Twitter® at www.twitter.com/MonsantoCo, on the company blog, Beyond the Rows® at www.monsantoblog.com, or subscribe to our [News Release RSS Feed](#).

About Novozymes

Novozymes is the world leader in bioinnovation. Together with customers across a broad array of industries Novozymes creates tomorrow's industrial biosolutions, improving its customers' business and the use of our planet's resources. With over 700 products used in 130 countries, Novozymes' bioinnovations increase industrial performance and safeguard the world's resources by offering superior and sustainable solutions for tomorrow's ever-changing marketplace. Read more at www.novozymes.com.

Monsanto Cautionary Statements Regarding Forward-Looking Information:

Certain statements about Monsanto contained in this release are "forward-looking statements," such as statements concerning the company's anticipated financial results, current and future product performance, regulatory approvals, business and financial plans and other non-historical facts. These statements are based on current expectations and currently available information. However, since these statements are based on factors that involve risks and uncertainties, the company's actual performance and results may differ materially from those described or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, among others: continued competition in seeds, traits and agricultural chemicals; the company's exposure to various contingencies, including those related to intellectual property protection, regulatory compliance and the speed with which approvals are received, and public acceptance of biotechnology products; the success of the company's research and development activities; the outcomes of major lawsuits and the previously-announced SEC investigation; developments related to foreign currencies and economies; successful operation of recent acquisitions; fluctuations in commodity prices; compliance with regulations affecting our manufacturing; the accuracy of the company's estimates related to distribution inventory levels; the company's ability to fund its short-term financing needs and to obtain payment for the products that it sells; the effect of weather conditions, natural disasters and accidents on the agriculture business or the company's facilities; and other risks and factors detailed in the company's most recent Form 10-K Report to the SEC. Undue reliance should not be placed on these forward-looking statements, which are

current only as of the date of this release. The company disclaims any current intention or obligation to update any forward-looking statements or any of the factors that may affect actual results.

Novozymes' Cautionary Statements Regarding Forward-Looking Information:

This company announcement contains forward-looking statements. 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 in Novozymes' core areas.