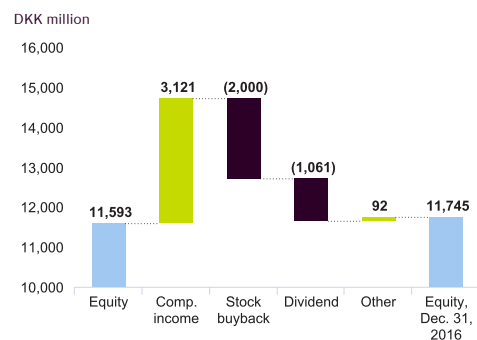


Equity and shareholder return

Shareholders' equity

At December 31, 2016, shareholders' equity was DKK 11,745 million, up 1% from DKK 11,593 million at year-end 2015, as comprehensive income more than offset dividend payments and stock buyback in 2016.

Movements in equity 2016



Equity ratio

Shareholders' equity represented 63% of the balance sheet total, down from 65% at year-end 2015.

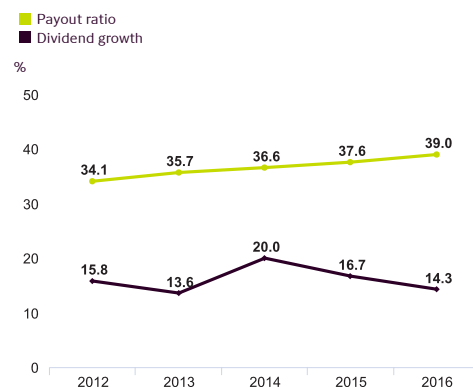
Return on equity

Return on equity was 26.1%, up 1.4 percentage points from 24.7% in 2015. The increase was a result of higher net profit partly offset by an increase in equity.

Dividend

The Board of Directors proposes that the Annual Shareholders' Meeting approve a dividend of DKK 4.00 per share for the 2016 financial year, an increase of 14% compared with 2015. This will result in an expected total dividend payment of approximately DKK 1,190 million, corresponding to a payout ratio of 39.0%.

Payout ratio and dividend growth



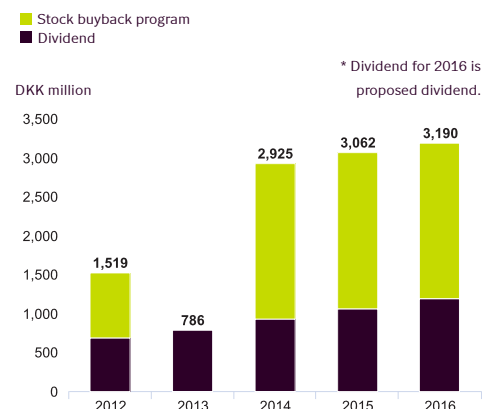
Treasury stock

At December 31, 2016, the holding of treasury stock was 12.4 million B shares, equivalent to 4.0% of the common stock.

Stock buyback program

In 2016, Novozymes bought back 6.8 million B shares with a transaction value of DKK 2,000 million under the stock buyback program initiated on February 15, 2016, and completed on November 15, 2016. The shares acquired within the program will be used to reduce the common stock and to meet obligations arising from employee share-based incentive programs.

Shareholder return



Consolidated statement of shareholders' equity

DKK million	Attributable to shareholders in the company					Non-controlling interests	Total equity
	Common stock	Currency translation adjustments	Cash flow hedges	Retained earnings	Total		
Shareholders' equity at January 1, 2016	626	538	20	10,396	11,580	13	11,593
Net profit for the year				3,050	3,050	-	3,050
Other comprehensive income for the year		132	(61)		71		71
Total comprehensive income for the year	-	132	(61)	3,050	3,121	-	3,121
Purchase of treasury stock				(2,000)	(2,000)		(2,000)
Sale of treasury stock				69	69		69
Write-down of common stock	(6)			6	-		-
Dividend				(1,061)	(1,061)		(1,061)
Stock-based payment				136	136		136
Tax related to equity items				(113)	(113)		(113)
Changes in shareholders' equity	(6)	132	(61)	87	152	-	152
Shareholders' equity at December 31, 2016	620	670	(41)	10,483	11,732	13	11,745
Shareholders' equity at January 1, 2015	639	431	(10)	10,209	11,269	11	11,280
Net profit for the year				2,823	2,823	2	2,825
Other comprehensive income for the year		107	30	-	137	-	137
Total comprehensive income for the year	-	107	30	2,823	2,960	2	2,962
Purchase of treasury stock				(2,000)	(2,000)		(2,000)
Sale of treasury stock				126	126		126
Write-down of common stock	(13)			13	-		-
Dividend				(925)	(925)		(925)
Stock-based payment				101	101		101
Tax related to equity items				49	49		49
Changes in shareholders' equity	(13)	107	30	187	311	2	313
Shareholders' equity at December 31, 2015	626	538	20	10,396	11,580	13	11,593

The proposed dividend of DKK 1,190 million for 2016 is included in Retained earnings.