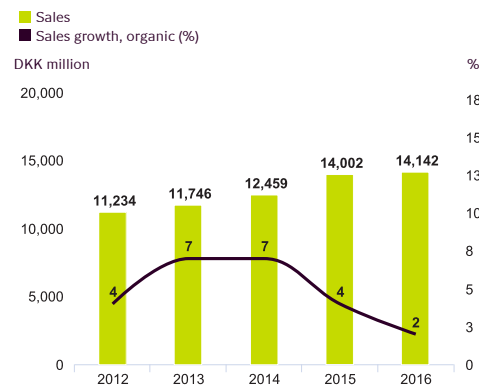


# Sales and earnings

## Sales

Total sales in 2016 were DKK 14,142 million, an increase of 2% organically and 1% in DKK. Sales to Agriculture & Feed and Technical & Pharma were the most significant contributors to organic sales growth.

### Sales and sales growth



## Gross profit and margin

Gross profit was flat at DKK 8,126 million compared with 2015, and the gross margin was 57.5%, a decrease of 0.6 percentage points from 58.1% in 2015. Productivity improvements increased the gross margin, offset by product mix changes. Adjusting for the one-time reorganization costs and a DKK 40 million write-down, the gross margin would have been around 58%, on par with 2015.

## Operating costs

Operating costs decreased by 1% to DKK 4,297 million. Operating costs as a percentage of sales was 30%.

- Sales and distribution costs increased by 3%, representing 11% of sales
- Research and development costs decreased by 2%, representing 13% of sales
- Administrative costs decreased by 8%, representing 6% of sales

## Other operating income

Other operating income was DKK 117 million, compared with DKK 98 million in 2015. Other operating income was related to income received across businesses and secondary sources of income.

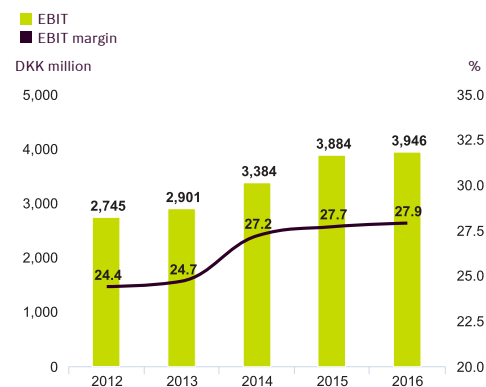
## EBITDA

EBITDA decreased by 1% to DKK 4,960 million, down from DKK 5,011 million in 2015. Depreciation and Amortization were DKK 1,014 million in 2016, down 10% from DKK 1,127 million in 2015. The lower level was due to the absence of the write-down in 2015 related to intangible assets associated with the Beta Renewables partnership.

## EBIT

EBIT increased by 2% to DKK 3,946 million, up from DKK 3,884 million in 2015. Adjusting for the one-time reorganization costs, EBIT grew by more than 3%.

### EBIT and EBIT margin



## EBIT margin

The EBIT margin was 27.9%, an increase of 0.2 percentage points from 27.7% in 2015. Adjusting for the one-time reorganization costs, the EBIT margin was above 28%.

## Net profit

Net profit grew by 8% to DKK 3,050 million in 2016, up from DKK 2,825 million in 2015, driven by higher EBIT and lower net financial costs.

## Earnings per share

Earnings per share increased by 10% to DKK 10.15, compared with DKK 9.23 in 2015, due to higher net profit and cancellation of shares.

# Consolidated statements of income

## Income statement

DKK million	Note	2016	2015
Revenue	2.1, 2.2	14,142	14,002
Cost of goods sold	2.3, 3.1, 3.2, 4.1	(6,016)	(5,873)
<b>Gross profit</b>		<b>8,126</b>	<b>8,129</b>
Sales and distribution costs	2.3, 3.1,3.2	(1,622)	(1,571)
Research and development costs	2.3, 2.4,3.1, 3.2	(1,865)	(1,896)
Administrative costs	2.3, 3.1,3.2	(810)	(876)
Other operating income, net	2.5	117	98
<b>Operating profit / EBIT</b>		<b>3,946</b>	<b>3,884</b>
Share of losses in associates	3.4	(31)	(6)
Financial income	5.2	32	4
Financial costs	5.2	(66)	(261)
<b>Profit before tax</b>		<b>3,881</b>	<b>3,621</b>
Tax	2.6	(831)	(796)
<b>Net profit</b>		<b>3,050</b>	<b>2,825</b>
<b>Attributable to</b>			
Shareholders in Novozymes A/S		3,050	2,823
Non-controlling interests		-	2
		<b>3,050</b>	<b>2,825</b>
Proposed dividend per share		DKK 4.00	DKK 3.50
Earnings per share	2.7	DKK 10.15	DKK 9.23
Earnings per share, diluted	2.7	DKK 10.06	DKK 9.12

## Statement of comprehensive income

DKK million	Note	2016	2015
<b>Net profit</b>		<b>3,050</b>	<b>2,825</b>
Items that may be reclassified subsequently to the income statement:			
<b>Currency translation adjustments</b>			
Subsidiaries and non-controlling interests		140	399
Hedges of net investments in foreign subsidiaries		-	(315)
Tax on currency translation adjustments		(8)	23
<b>Currency translation adjustments</b>		<b>132</b>	<b>107</b>
<b>Cash flow hedges</b>			
Fair value adjustments		(70)	(113)
Tax on fair value adjustments		15	24
Fair value adjustments reclassified to financial costs		(8)	152
Tax on reclassified fair value adjustments		2	(33)
<b>Cash flow hedges</b>		<b>(61)</b>	<b>30</b>
<b>Other comprehensive income</b>		<b>71</b>	<b>137</b>
<b>Comprehensive income for the year</b>		<b>3,121</b>	<b>2,962</b>
<b>Attributable to</b>			
Shareholders in Novozymes A/S		3,121	2,960
Non-controlling interests		-	2
		<b>3,121</b>	<b>2,962</b>