



# CELEBRATING 10 SUCCESSFUL YEARS

A decade has passed since Novozymes was formed as a separate company and introduced on the Copenhagen Stock Exchange. The aim was to bring about a stronger focus on the exciting industrial enzyme business. Looking back, this stronger focus has paid off.

Among many things, the Board makes sure that Novozymes has the means and measures in place to achieve profitable and sustainable growth in both the short and long term. One important way to achieve this is by always keeping innovation and strategic change high on the agenda. We believe that one of the reasons why Novozymes has achieved very good results over the past decade is that the company has not slipped into complacency. We will strive to ensure that Novozymes continues to focus on growth, making the coming decades as exciting as the one just ended.

The strategy we embarked on a decade ago, with the emphasis on using our technology platform to create new business opportunities and looking at acquisitions where we could see a strong match with Novozymes' core technologies, has led to greater diversity in sales and created a stronger growth platform. In 2000, detergent enzymes accounted for roughly half of Novozymes' sales. Today, the same industry accounts for roughly one third of sales. This is not because detergent enzyme sales have stopped growing, but because innovation has enabled other industries to emerge and develop.

## Innovation and recognition

Novozymes' ability to innovate, change, and adapt to our

surroundings has put the company in a strong market position. Novozymes estimates that its share of the enzyme market increased from 42% in 2000 to 47% in 2010, while the market grew from DKK 12 billion to DKK 19 billion. This larger market share is the result of expanding the industrial enzyme market through innovation and penetrating new industries where enzymes have not previously been used.

Novozymes' unique biotechnology and optimization skills have resulted in products that have been repeatedly improved, delivering more efficient and environmentally friendly solutions to our customers. Procter & Gamble named Novozymes its "Supplier of the Year" for the third year in a row in 2010 out of more than 80,000 suppliers. This is the first time ever that a company has received the award three times and is a testimony to our innovative capabilities.

Novozymes is recognized by both customers and financial institutions for our innovative products and for our sustainability efforts. We have been honored for our sustainability work numerous times over the past decade, but to be named by Dow Jones as sustainability sector leader in the biotech area again in 2010 makes us particularly proud.

Novozymes' high standards of financial, social, and environmental performance depend on the activities and actions of our employees around the world. This was emphasized and further developed in 2010 by involving our employees in formulating a revitalized set of corporate values called *Touch the World*.

For the benefit of shareholders, customers, and the environment

We are very proud of what Novozymes has accomplished over the past 10 years. Sales have almost doubled and net profit has more than tripled. Value creation for our shareholders has been even stronger, with our market capitalization more than quadrupling in the same period. In addition, more than DKK 7 billion has been returned to shareholders in the form of dividends and stock buybacks. Novozymes' products, when applied in customers' industrial production processes, have also facilitated a significant worldwide reduction in CO<sub>2</sub> emissions.

The Board has been committed to developing Novozymes' corporate governance practices over the past decade. This includes putting systems in place to ensure that Novozymes maintains high standards of performance and follows the ever-changing recommendations in this area, to the extent that this supports and strengthens Novozymes' business.

#### Setting our sights for the future

New long-term targets were introduced in 2009, replacing those communicated back when Novozymes was first introduced on the stock exchange in 2000. The new targets reflect a changing world where, in particular, Novozymes' advancing R&D technologies, more innovative products, a planet in need of more sustainable solutions, higher commodity prices, and a broader geographical presence permit more ambitious expectations of the future. Well-defined targets for environmental and social performance are also included, ensuring high levels of awareness and regular follow-up in an area we consider an integral and very important part of the way we do business.

Novozyymes' strong performance in 2010 confirms that we are moving in the right direction. Despite being hit by the global recession at the beginning of 2009, we came close to delivering on our 10-in-10 ambition of sales of DKK 10 billion in 2010. The year brought double-digit growth in sales and record growth in earnings. Novozymes also helped customers reduce their CO<sub>2</sub> emissions by 40 million tons.

Novozyymes can look back with pride on a decade of strong and sustainable growth, and we feel confident that the means and measures currently in place will pave the way for decades of exciting progress for Novozymes, our employees, our shareholders, and the world.

*January 2011*

*The Board of Directors  
Novozyymes A/S*

