NOVO NORDISK A S
Form 6-K
February 02, 2011

**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

# FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER**
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

**FEBRUARY 2, 2011**

# NOVO NORDISK A/S

(Exact name of Registrant as specified in its charter)

**Novo Allé**
**DK- 2880, Bagsvaerd**
**Denmark**
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F

Form 20-F [X] Form 40-F [ ]

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes [ ] No [X]

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g-32(b):82-_____

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# Company Announcement

Financial statement for 2010

2 February 2011

## Novo Nordisk increased operating profit by 27% in 2010

**Organic sales growth of 19% driven by Victoza®, NovoRapid® and Levemir®**

Sales increased by 19% in Danish kroner and by 13% in local currencies.

- Sales of modern insulins increased by 24% (18% in local currencies).
- Sales of NovoSeven® increased by 14% (8% in local currencies).
- Sales of Victoza® reached DKK 2,317 million in 2010.
- Sales in North America increased by 29% (22% in local currencies).
- Sales in International Operations increased by 24% (15% in local currencies).

Gross margin improved by 1.2 percentage points in Danish kroner to 80.8% in 2010, reflecting a favourable product mix development and a positive currency impact.

Reported operating profit increased by 27% to DKK 18,891 million. Measured in local currencies, operating profit increased by approximately 16%.

Net profit increased by 34% to DKK 14,403 million. Earnings per share (diluted) increased by 38% to DKK 24.60.

The phase 3a programme for Degludec and DegludecPlus has now been completed. In the largest trial, the one-year trial comparing Degludec and insulin glargine when added to oral anti-diabetic therapy in type 2 diabetes, Degludec met the primary endpoint of non-inferior glucose control while reducing nocturnal hypoglycaemia by more than 35% compared to insulin glargine.

For 2011, sales growth measured in local currencies is expected to be 8-10%, and operating profit growth measured in local currencies is expected to be around 15%.

In 2010, Novo Nordisk reached the four long-term financial targets announced in the annual report for 2008. Consequently, three of the four targets have been increased while the core target of 15% annual operating profit growth has been maintained.

At the Annual General Meeting on 23 March 2011, the Board of Directors will propose a 33% increase in dividend to DKK 10 per share. The Board of Directors has furthermore decided to initiate a new share repurchase programme of DKK 10 billion in 2011.

Lars Rebien Sørensen, president and CEO: 2010 was a very good year for Novo Nordisk with strong organic sales growth driven by the modern insulins and Victoza®. We expect continued sales growth from these products and are encouraged by the results from the phase 3 programme with our new generation insulins.

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# Consolidated financial statement 2010

The Board of Directors and Executive Management have approved the audited *Annual Report 2010* of Novo Nordisk A/S. The Board of Directors and Executive Management also approved this financial statement containing condensed financial information for 2010. This financial statement is prepared in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) as issued by IASB, IFRS as endorsed by the EU and the additional Danish disclosure requirements for listed companies. The accounting policies used in this financial statement are consistent with those used in the audited *Annual Report 2010* as well as those applied in the audited *Annual Report 2009*.

| **Profit and loss**<br>(Amounts below in DKK million) | **2010** | **2009** | **2008** | **2007** | **2006** | **% change 2010 vs. 2009** |
|---|---|---|---|---|---|---|
| **Sales** | **60,776** | **51,078** | **45,553** | **41,831** | **38,743** | **19%** |
| **Gross profit** | **49,096** | **40,640** | **35,444** | **32,038** | **29,158** | **21%** |
| *Gross margin* | *80.8%* | *79.6%* | *77.8%* | *76.6%* | *75.3%* | |
| Sales and distribution costs | 18,195 | 15,420 | 12,866 | 12,371 | 11,608 | 18% |
| *Percent of sales* | *29.9%* | *30.2%* | *28.2%* | *29.6%* | *30.0%* | |
| Research and development costs | 9,602 | 7,864 | 7,856 | 8,538 | 6,316 | 22% |
| *Percent of sales* | *15.8%* | *15.4%* | *17.2%* | *20.4%* | *16.3%* | |
| Administrative expenses | 3,065 | 2,764 | 2,635 | 2,508 | 2,387 | 11% |
| *Percent of sales* | *5.0%* | *5.4%* | *5.8%* | *6.0%* | *6.2%* | |
| Licence fees and other operating income | 657 | 341 | 286 | 321 | 272 | 93% |
| **Operating profit** | **18,891** | **14,933** | **12,373** | **8,942** | **9,119** | **27%** |
| *Operating margin* | *31.1%* | *29.2%* | *27.2%* | *21.4%* | *23.5%* | |
| Net financials | (605) | (945) | 322 | 2,029 | 45 | (36%) |
| **Profit before income taxes** | **18,286** | **13,988** | **12,695** | **10,971** | **9,164** | **31%** |
| Income taxes | 3,883 | 3,220 | 3,050 | 2,449 | 2,712 | 21% |
| *Effective tax rate* | *21.2%* | *23.0%* | *24.0%* | *22.3%* | *29.6%* | |
| **Net profit** | **14,403** | **10,768** | **9,645** | **8,522** | **6,452** | **34%** |
| *Net profit margin* | *23.7%* | *21.1%* | *21.2%* | *20.4%* | *16.7%* | |



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# Consolidated financial statement 2010 continued

| **Other key numbers**<br>(Amounts below in DKK million except earnings per share, dividend per share and number of employees) | **2010** | **2009** | **2008** | **2007** | **2006** | **% change 2010 vs. 2009** |
|---|---|---|---|---|---|---|
| Depreciation, amortisation, etc | 2,467 | 2,551 | 2,442 | 3,007 | 2,142 | (3%) |
| Capital expenditure | 3,308 | 2,631 | 1,754 | 2,268 | 2,787 | 26% |
| Free cash flow | 17,013 | 12,332 | 11,015 | 9,012 | 4,707 | 38% |
| Total assets | 61,402 | 54,742 | 50,603 | 47,731 | 44,692 | 12% |
| Equity | 36,965 | 35,734 | 32,979 | 32,182 | 30,122 | 3% |
| *Equity ratio* | *60.2%* | *65.3%* | *65.2%* | *67.4%* | *67.4%* | |
| Diluted earnings per share (in DKK) | 24.60 | 17.82 | 15.54 | 13.39 | 10.00 | 38% |
| Dividend per share (in DKK)[1] | 10.00 | 7.50 | 6.00 | 4.50 | 3.50 | 33% |
| Payout ratio [2] | 39.6% | 40.9% | 37.8% | 32.8% | 34.4% | |
| Payout ratio (adjusted) [3), 4), 5)] | 42.8% | - | 36.6% | 34.9% | - | |
| Average number of full-time employees | 29,423 | 27,985 | 26,069 | 24,344 | 22,590 | 5% |

1) Proposed dividend for the financial year 2010.

2) Dividend for the year as a percentage of net profit.

3) 2010: Adjusted for divestment of shares in ZymoGenetics.

4) 2008: Adjusted for pulmonary diabetes projects discontinuation.

5) 2007: Adjusted for divestment of shares in Dako and AERx® discontinuation.

# Performance versus long-term financial targets

| **Performance against long-term financial targets** | **2010** | **2009** | **2008** | **2007** | **2006** | **Target** |
|---|---|---|---|---|---|---|
| Operating profit growth | **26.5%** | 20.7% | 38.4% | (1.9%) | 12.7% | **15%** |
| Operating profit growth (excl AERx®) [1] | - | - | 23.7% | 12.6% | - | |
| Operating margin | **31.1%** | 29.2% | 27.2% | 21.4% | 23.5% | **30%** |
| Operating margin (excl AERx®) [1] | - | - | 27.9% | 24.5% | - | |
| Return on invested capital | **63.6%** | 47.3% | 37.4% | 27.2% | 25.8% | **50%** |
| Return on invested capital (adjusted)[2), 3), 4)] | **62.4%** | | 38.4% | 29.9% | | |
| Cash to earnings | **118.1%** | 114.5% | 114.2% | 105.7% | 73.0% | |
| Cash to earnings (three years average) | **115.6%** | 111.5% | 97.6% | 87.0% | 80.2% | **80%** |

1) Excluding costs related to the discontinuation of all pulmonary diabetes projects.

2) 2010: Adjusted for tax impact from divestment of shares in ZymoGenetics.

3) 2008: Adjusted for costs related to the discontinuation of pulmonary diabetes projects

4) 2007: Adjusted for tax impact from divestment of shares in Dako and costs related to the discontinuation of AERx®

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# Sales development

Sales increased by 19% in Danish kroner and by 13% measured in local currencies, which is slightly higher than the latest guidance of 11-12% growth in local currencies . All regions contributed to growth measured in local currencies; North America was the main contributor with 62% share of growth measured in local currencies, followed by International Operations and Europe, contributing 24% and 12%, respectively. Sales growth was realised within both diabetes care and biopharmaceuticals, with the majority of growth originating from the modern insulins and Victoza®.

| | Sales 2010 DKK million | Growth as reported | Growth in local currencies | Share of growth in local currencies |
|---|---|---|---|---|
| **The diabetes care segment** | | | | |
| Modern insulins | 26,601 | 24% | 18% | 57% |
| *NovoRapid®* | *11,900* | *22%* | *16%* | *23%* |
| *NovoMix®* | *7,821* | *20%* | *14%* | *14%* |
| *Levemir®* | *6,880* | *32%* | *26%* | *20%* |
| Human insulins | 11,827 | 5% | (1%) | (2%) |
| Protein-related products | 2,214 | 12% | 5% | 2% |
| Victoza® | 2,317 | - | - | 32% |
| Oral antidiabetic products | 2,751 | 4% | (1%) | 0% |
| **Diabetes care total** | **45,710** | **22%** | **16%** | **89%** |
| | | | | |
| **The biopharmaceuticals segment** | | | | |
| NovoSeven® | 8,030 | 14% | 8% | 9% |
| Norditropin® | 4,803 | 9% | 4% | 2% |
| Other products | 2,233 | 6% | (1%) | 0% |
| **Biopharmaceuticals total** | **15,066** | **11%** | **5%** | **11%** |
| | | | | |
| **Total sales** | **60,776** | **19%** | **13%** | **100%** |

# Diabetes care sales development

Sales of diabetes care products increased by 22% measured in Danish kroner to DKK 45,710 million and by 16% in local currencies compared to 2009. In the following sections, market shares are based on moving annual total volume data from November 2010 provided by the independent third-party IMS Health.

**Modern insulins, human insulins and protein-related products**

In 2010, sales of modern insulins, human insulins and protein-related products increased by 17% in Danish kroner to DKK 40,642 million and by 11% measured in local currencies compared to 2009, with North America and International Operations having the highest growth rates. Novo Nordisk is the global leader with 51% of the total insulin market and 46% of the modern insulin market.

Sales of modern insulins increased by 24% in Danish kroner to DKK 26,601 million and by 18% in local currencies compared to 2009, reflecting steady organic sales growth globally. All regions realised solid growth rates, with North America accounting for more than half of the growth, followed by International Operations and Europe. Sales of modern insulins now constitute close to 70% of Novo Nordisk s sales of insulin.



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*North America*

Sales in North America increased by 26% in Danish kroner and by 19% in local currencies in 2010, reflecting a continued solid market penetration of the modern insulins, Levemir®, NovoLog® and NovoLog® Mix 70/30. Novo Nordisk maintains its leadership position in the US insulin market with 42% of the total insulin market and 37% of the modern insulin market. Currently, around 43% of Novo Nordisk s modern insulin volume in the US is being sold in the prefilled device FlexPen®.

*Europe*

Sales in Europe increased by 4% measured in Danish kroner and by 2% in local currencies in 2010, reflecting continued progress for the portfolio of modern insulins and declining human insulin sales. Novo Nordisk holds 53% of the total insulin market and 51% of the modern insulin market. The device penetration in Europe remains high with more than 95% of Novo Nordisk s insulin volume being used in devices, primarily NovoPen® and FlexPen®.

*International Operations*

Sales in International Operations increased by 26% in Danish kroner and by 17% in local currencies in 2010. The main contributor to growth was sales of modern insulins, primarily in China. Sales of human insulins continue to add to overall growth in the region, also driven by China.

As of 1 January 2011 a fifth Novo Nordisk sales region, Region China, has been established comprised of China, Taiwan and Hong Kong; therefore going forward, they will no longer constitute a part of International Operations . In China, Novo Nordisk currently holds 63% of the total insulin market and 70% of the modern insulin market.

*Japan & Korea*

Sales in Japan & Korea increased by 10% measured in Danish kroner and decreased by 2% in local currencies in 2010. The sales development reflects sales growth for all three modern insulins, Levemir®, NovoRapid® and NovoRapid Mix® 30, being offset by a decline in human insulin sales. In a continuously challenging competitive environment, Novo Nordisk now holds 63% of the total insulin market in Japan and 56% of the modern insulin market. The device penetration in Japan remains high with more than 98% of Novo Nordisk s insulin volume being used in devices, primarily NovoPen® and FlexPen®.

**Victoza® (GLP-1 therapy for type 2 diabetes)**

Victoza® sales reached DKK 2,317 million during 2010 reflecting solid market performance in both Europe and the US. The global launch has continued throughout 2010, most recently Russia, Argentina, Mexico and four countries in the Middle East have launched Victoza®. The global market performance has been encouraging with Victoza® reaching solid market shares in the GLP-1 segment as well as significantly increasing the GLP-1 class share of the total diabetes care market in 2010.

**NovoNorm®/Prandin®/PrandiMet® (oral antidiabetic products)**

In 2010, sales of oral antidiabetic products increased by 4% in Danish kroner to DKK 2,751 million and decreased by 1% measured in local currencies compared to 2009. The sales development primarily reflects sales growth in China being offset by lower sales in Europe due to generic competition in several European markets with the main impact in Germany.



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## Biopharmaceuticals sales development

In 2010, sales of biopharmaceutical products increased by 11% measured in Danish kroner to DKK 15,066 million and by 5% measured in local currencies compared to 2009.

**NovoSeven® (bleeding disorders therapy)**

Sales of NovoSeven® increased by 14% in Danish kroner to DKK 8,030 million and by 8% in local currencies compared to 2009. Sales growth for NovoSeven® was primarily realised in North America, but also Japan & Korea and International Operations contributed to the growth.

**Norditropin® (growth hormone therapy)**

Sales of Norditropin® increased by 9% measured in Danish kroner to DKK 4,803 million and by 4% measured in local currencies compared to 2009. Novo Nordisk is the second-largest company in the global growth hormone market with a 24% market share measured in volume.

**Other products**

Sales of other products within biopharmaceuticals, which predominantly consist of hormone replacement therapy (HRT)-related products, increased by 6% in Danish kroner to DKK 2,233 million and decreased by 1% measured in local currencies. This development primarily reflects continued sales progress for Vagifem® being offset by the impact from generic competition to Activella® in the US.

# Development in costs and operating profit

The cost of goods sold grew 12% to DKK 11,680 million in 2010, and thereby providing a gross margin of 80.8% compared to 79.6% in 2009. This improvement primarily reflects a favourable product mix impact due to increased sales of modern insulins and Victoza®, and a positive currency impact of 0.4 percentage point.

In 2010, total non-production-related costs increased by 18% to DKK 30,862 million and by 14% in local currencies compared to 2009.

Sales and distribution costs increased by 18% to DKK 18,195 million, primarily reflecting the launch costs of Victoza® in Europe and the US, as well as a continued expansion of the field sales forces in Europe, Japan, China and the US, and an increase in the provisions for legal cases.

Research and development costs increased by 22% to DKK 9,602 million, primarily reflecting the ongoing phase 3 programme for the new generation of insulins, Degludec and DegludecPlus.

Licence fees and other operating income constituted DKK 657 million in 2010 compared to DKK 341 million in 2009. This development primarily reflects a sustainable higher level of licence fees as well as a non-recurring income of approximately DKK 100 million related to a patent settlement during the first quarter of 2010.

Operating profit in 2010 increased by 27% to DKK 18,891 million compared to 2009. In local currencies the growth was approximately 16% which is in line with the latest guidance of more than 15% .



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# Net financials and tax

Net financials showed a net expense of DKK 605 million in 2010 compared to a net expense of DKK 945 million in 2009. The result for net financial expenses of DKK 605 million in 2010 is higher than the latest guidance of around DKK 300 million . The higher expenses are primarily explained by an increase in the losses on foreign exchange hedging of especially US dollars and Japanese yen due to the appreciation of these currencies versus Danish kroner in the fourth quarter of 2010.

For 2010, the foreign exchange result was an expense of DKK 1,341 million compared to an expense of DKK 751 million in 2009. This development reflects losses on foreign exchange hedging of especially US dollars due to the appreciation versus Danish kroner in 2010 compared to the exchange rate level prevailing in 2009.

Also included in net financials is the result from associated companies with an income of DKK 1,070 million. In the fourth quarter of 2010, Novo Nordisk recorded a non-recurring income of approximately DKK 1.1 billion from the sale of shares in ZymoGenetics, Inc. as announced on 8 October 2010. In 2009, the result from associated companies was an expense of DKK 55 million.

The effective tax rate for 2010 was 21.2% which is in line with the latest guidance of a tax rate of around 21.5% for the full year of 2010. The effective tax rate for 2010 is reduced by a non-recurring effect of approximately 1.5 percentage points from the divestment of Novo Nordisk s ownership share of ZymoGenetics, Inc., which is exempt from tax charges under applicable Danish tax laws.

# Capital expenditure and free cash flow

Net capital expenditure for property, plant and equipment for 2010 was DKK 3.3 billion compared to DKK 2.6 billion in 2009. The main investment projects in 2010 were the insulin filling plant in Tianjin, China, and new device manufacturing lines in Denmark. Net capital expenditure was in line with previously communicated expectations of a net capital expenditure of more than DKK 3 billion .

Free cash flow for 2010 was DKK 17.0 billion compared to DKK 12.3 billion in 2009, hence ending higher than the latest guidance of more than DKK 14 billion . The increase in cash flow compared to guidance is primarily driven by improvement in working capital balances as inventory levels decreased and both trade payables and other current liabilities increased.

# Key developments in the fourth quarter of 2010

Please refer to appendix 1 for an overview of the quarterly numbers in DKK.

Sales in the fourth quarter of 2010 increased by 23% to DKK 16,124 million and by 15% in local currencies compared to the same period in 2009. The growth was driven by the modern insulins, Victoza® and NovoSeven®, and with North America and International Operations representing the majority of the growth from a geographic perspective. International Operations sales growth was primarily driven by modern insulins, especially in China. Victoza® sales of DKK 951 million in the fourth quarter of 2010 were primarily driven by sales in the US and Europe.

The gross margin increased to 80.9% in the fourth quarter of 2010 compared to 79.8% in the same period last year. The increase was primarily driven by a favourable development in



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product mix and a positive currency effect countered by costs related to an employee share programme.

In the fourth quarter of 2010, total non-production-related costs increased by 21% to DKK 8,859 million and by 14% in local currencies compared to the same period last year.

Sales and distribution costs increased by 24% in the fourth quarter of 2010 compared to the same period last year, primarily driven by Victoza® launch costs and field sales force expansions in the US and International Operations and an increase in the provisions for legal cases.

Research and development costs increased by 15% in the fourth quarter of 2010 compared to the same period last year, primarily driven by the phase 3 development programme for Degludec and DegludecPlus.

Reported operating profit increased by 35% in the fourth quarter of 2010 compared to the same period last year, and by around 19% in local currencies. This primarily reflects the sales growth and the improvement in gross margin offset by the costs related to an employee share programme implemented in December 2010.

# Outlook 2011

The current expectations for 2011 are summarised in the table below:

| Expectations are as reported, if not otherwise stated | **Current expectations 2 February 2011** |
|---|---|
| **Sales growth** | |
| - in local currencies | 8-10% |
| - as reported | Around 1.5 percentage points lower |
| **Operating profit growth** | |
| - in local currencies | Around 15% |
| - as reported | Around 2.5 percentage points lower |
| **Net financials** | Expense of around DKK 100 million |
| **Effective tax rate** | Around 23% |
| **Capital expenditure** | Around DKK 3.5 billion |
| **Depreciation, amortisation and impairment losses** | Around DKK 2.7 billion |
| **Free cash flow** | More than DKK 16 billion |

Novo Nordisk expects **sales growth** in 2011 of 8-10% measured in local currencies. This is based on expectations of continued market penetration for Novo Nordisk s key products, as well as expectations of continued intense competition, generic competition to oral antidiabetic products, and an impact from the implementation of healthcare reforms primarily in the US and Europe. Given the current level of exchange rates versus Danish kroner, the reported sales growth is expected to be around 1.5 percentage points lower than growth measured in local currencies.

For 2011, growth in **operating profit** is expected to be around 15% measured in local currencies. Given the current level of exchange rates versus Danish kroner, the reported operating profit growth is expected to be 2.5 percentage points lower than growth measured in local currencies.

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For 2011, Novo Nordisk expects a **net financial expense** of around DKK 100 million. The current expectation reflects that the impact of currency hedging contracts is approximately neutral.

The **effective tax rate** for 2011 is expected to be around 23%.

**Capital expenditure** is expected to be around DKK 3.5 billion in 2011, primarily related to investments in the new insulin formulation and filling plant in China and a new prefilled device production facility in Denmark. Expectations for **depreciation, amortisation and impairment losses** are around DKK 2.7 billion whereas **free cash flow** is expected to be more than DKK 16 billion.

All of the above expectations are based on the assumption that the global economic environment will not significantly change business conditions for Novo Nordisk during the remainder of 2011 and that currency exchange rates, especially the US dollar, will remain at the current level versus the Danish krone during the remainder of 2011. Please refer to appendix 7 for key currency assumptions.

Novo Nordisk has hedged expected net cash flows in a number of invoicing currencies and, all other things being equal, movements in key invoicing currencies will impact Novo Nordisk s operating profit as outlined in the table below.

| Key invoicing currencies | Annual impact on Novo Nordisk s operating profit of a 5% movement in currency | Hedging period (months) |
|---|---|---|
| USD | DKK 620 million | 15 |
| JPY | DKK 155 million | 13 |
| CNY | DKK 120 million | 12* |
| GBP | DKK 85 million | 10 |

* USD used as proxy when hedging Novo Nordisk s CNY currency exposure

The financial impact from foreign exchange hedging is included in Net financials .

# Updated long-term financial targets

Focusing on growth, profitability, financial return and generation of cash, Novo Nordisk introduced four long-term financial targets in 1996 to balance short- and long-term considerations, thereby ensuring a focus on shareholder value creation. The targets were subsequently revised and updated in the annual report for 2000, 2005 and 2008. Novo Nordisk has now reached the performance level stipulated in the four long-term financial targets and has consequently revised the target levels. The revision is based on an assumption of a continuation of the current business environment and given the current scope of business activities and has been prepared assuming that currency exchange rates remain at the current level as outlined in appendix 7. Should any of these assumptions change the time horizon for achieving the long term targets may be prolonged or it may be required to revise the targets.



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| Performance against long-term financial targets | Average* 2006-2010 | Result 2010 | Previous target | New target |
|---|---|---|---|---|
| Operating profit growth | 19% | **27%** | 15% | **15%** |
| Operating margin | 26% | **31%** | 30% | **35%** |
| Return on invested capital | 40% | **64%** | 50% | **70%** |
| Cash to earnings | 105% | **118%** | | |
| Cash to earnings (three years average) | 98% | **116%** | 80% | **90%** |

* Simple average of reported figures for 2006-2010

The target level for operating profit growth remains at 15% on average. The target still allows for deviations in individual years if necessitated by business opportunities, market conditions or exchange rate movements.

The target level for operating margin is increased from 30% to 35%. The enabling factors are expected to be a continued positive product mix development, further productivity improvements in the manufacturing and administrative areas while at the same time ensuring investments in research and development as well as sales and marketing. It should be noted that the achievement of the operating margin target may be influenced by significant changes in market conditions including regulatory requirements, pricing environment, competitive environment, healthcare reforms and exchange rates.

The target level for return on invested capital (ROIC) measured post tax is increased from 50% to 70%. The raised target reflects the expectation of continued lower growth in invested capital relative to operating profit as well as a stable effective tax rate. In setting the new target level Novo Nordisk has assumed that proposed new accounting rules regarding treatment of operating leases, the draft International Financial Reporting Standard Leases (ED/2010/09), will be implemented. It is currently anticipated that the introduction of this new accounting standard for Novo Nordisk will have approximately 10 percentage points negative effect on ROIC.

The target level for the cash-to-earnings ratio is increased from 80% to 90%, reflecting a sustained lower tangible investment level and improved cash conversion ability. As previously, this target will be pursued looking at the average over a three-year period.



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# Research and development update

**Diabetes care: Degludec and DegludecPlus phase 3a programme update**

Novo Nordisk has now completed the 17 phase 3a trials that comprise the BEGIN and BOOST programmes intended to support the regulatory dossiers for Degludec and DegludecPlus, respectively. Headline results from 10 trials completed since the company announcement of 22 December 2010, including one extension trial, are presented below:

*Degludec versus insulin glargine in type 2 diabetes; phase 3 results (NN1250-3579)*

In this 52-week trial, 1,030 insulin naïve people with type 2 diabetes were randomised 3:1 to either Degludec or insulin glargine, both given once daily in addition to metformin ± a DPP-IV inhibitor.

Degludec effectively improved long-term glycaemic control, achieving the primary objective of showing $HbA_{1c}$ non-inferiority to insulin glargine, with $HbA_{1c}$ decreasing by more than 1 percentage point from a baseline of 8.2% to around 7% in both treatment arms, as expected for a treat-to-target trial. For Degludec, the fasting plasma glucose level was lowered to less than 6 mmol/l at the end of the study which was statistically significantly lower than observed in the comparator arm.

Degludec also showed a lower risk of hypoglycaemia compared to insulin glargine. Specifically, the rate of confirmed nocturnal hypoglycaemic events (need for third party assistance or plasma glucose level below 3.1 mmol/l) was statistically significantly lower in the group treated with Degludec, with a reduction of more than 35% compared to the insulin glargine group.

Degludec demonstrated a good safety and tolerability profile and there were no apparent differences between the treatment groups with respect to adverse events and standard safety parameters.

*Degludec versus insulin glargine in type 1 diabetes; phase 3 results (NN1250-3770)*

In this 26-week basal-bolus trial in type 1 diabetes, a regimen with fixed dosing intervals alternating between 8 and 40 hours for the administration of Degludec was compared to either Degludec at the evening meal, or insulin glargine. All patients used NovoRapid® as bolus insulin at one or more meals. The primary end point, showing $HbA_{1c}$ non-inferiority for the flexible dosing arm of Degludec versus insulin glargine was met, with a statistically significant reduction of around 40% in nocturnal hypoglycaemia being observed in the flexible dosing arm of Degludec when compared to the insulin glargine group.

*Degludec (U200) versus insulin glargine in type 2 diabetes; phase 3 results (NN1250-3672)*

In this 26-week trial in insulin naïve people with type 2 diabetes, patients were treated once-daily with either a U200 formulation of Degludec, ie twice as concentrated as traditional U100 insulin formulations allowing for less injection volume, or insulin glargine. The primary end point, showing $HbA_{1c}$ non-inferiority for the U200 formulation of Degludec versus insulin glargine was met. Furthermore, the fasting plasma glucose level was lowered to below 6 mmol/l glucose for Degludec which was statistically significantly lower than that observed in the comparator arm. Finally, the rate of nocturnal hypoglycaemia was reduced by more than 35% when compared to the insulin glargine group, albeit not achieving statistical significance in this trial.



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*Degludec three times weekly versus insulin glargine in type 2 diabetes; phase 3 results (NN1250-3724, NN1250-3718, NN1250-3839)*

Three-times-weekly administration of Degludec was compared to daily administration of insulin glargine in two similar trials in insulin naïve people with type 2 diabetes. Degludec was administered Monday, Wednesday and Friday in either the morning (trial NN1250-3724) or the evening (trial NN1250-3718). Even though three-times-weekly administration of Degludec effectively lowered $HbA_{1c}$ by around 1 percentage point in both studies, the primary end point of showing non-inferiority to daily administration of insulin glargine was not met. These studies did, however, confirm the long action profile of Degludec showing lowering of fasting plasma glucose from the baseline by around 3 mmol/l at 24 hours after, and 2 mmol/l at 48 hours after the previous Degludec injection.

A third study (NN1250-3839) investigated previously insulin glargine-treated people with type 2 diabetes that continued their treatment for 4 weeks with once-daily insulin glargine, followed by a shift in treatment to Degludec three times weekly for 12 weeks. During the 12-week treatment period with three-times-weekly Degludec, there was a continued improvement in glycaemic control and the rate of hypoglycaemia remained low with no sign of increase.

*Update on remaining trials in the Degludec and DegludecPlus phase 3a programme*

In a 26-week trial (NN1250-3586) insulin naïve people with type 2 diabetes recruited in Asian countries were treated once-daily with either Degludec or insulin glargine in combination with one or more OADs. The primary end point, $HbA_{1c}$ non-inferiority for Degludec versus insulin glargine, was met. The rate of nocturnal hypoglycaemia for Degludec was reduced by more than 35% when compared to the insulin glargine group, albeit not achieving statistical significance in this trial.

In a 26-week trial (NN5401-3597) previously insulin treated people with type 2 diabetes recruited in Asian countries were treated twice daily with either DegludecPlus or NovoMix® 30 in combination with metformin. The primary end point, HbA1c non-inferiority for DegludecPlus versus NovoMix® 30, was met. The rate of nocturnal hypoglycaemia for DegludecPlus was reduced by more than 30% when compared to the NovoMix® 30 group, albeit not achieving statistical significance in this trial.

A 26-week extension period of the previously reported trial (NN5401-3645) comparing DegludecPlus with Levemir® in type 1 diabetes has been completed. NovoRapid® was administered twice daily in the DegludecPlus arm and three times daily in the Levemir® arm. The improvements in glycaemic control and rate of hypoglycaemia observed after 26 weeks of treatment with DegludecPlus continued throughout the 26-week extension period at the same level as found in the main study period. This is the only study in the BOOST programme that has provided one year data on the safety and efficacy of DegludecPlus.

A 26-week basal-bolus trial comparing Degludec with Levemir® in type 1 diabetes (NN1250-3585) has been completed, using NovoRapid® as meal time insulin. Approximately one half of the study participants were recruited in Japan and the overall findings were similar to those previously reported in the one-year basal-bolus comparison between Degludec and insulin glargine in type 1 diabetes (NN1250-3583). The primary end point of $HbA_{1c}$ non-inferiority was met for Degludec, and fasting plasma glucose was significantly lowered when compared to the control group. Also, Degludec treatment was associated with a statistically significant reduction in the risk of nocturnal hypoglycaemia versus the comparator arm.

*Degludec and DegludecPlus phase 3a programme completed*

Novo Nordisk has now completed the phase 3a programme for Degludec and DegludecPlus. The data generated through the 17 randomised, controlled treat-to-target trials in more than



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10,000 type 1 and type 2 diabetes patients from more than 40 countries revealed benefits related to efficacy, safety and convenience of both Degludec and DegludecPlus. The trials mostly used insulin analogues as comparator products. Regulatory submission of the Degludec and DegludecPlus applications for marketing authorisation is now expected in United States and EU in the second half of 2011.

**Diabetes care: GLP-1 and obesity**

*Victoza® label in the United States now includes the LEAD 6 study*

The US Food and Drug Administration has revised the approved label for Victoza® to include ia data from the LEAD 6 study comparing once-daily administration of Victoza® with twice-daily administration of exenatide. Superiority on the primary end point for Victoza®, $HbA_{1c}$, is now included in the label which was revised 22 December 2010.

*Fixed ratio Victoza®-Degludec combination product to enter phase 3*

After end-of-phase 2 meetings with regulatory agencies, Novo Nordisk has decided to initiate the phase 3 clinical programme during the first half of 2011 with the Victoza®-Degludec fixed combination product. The programme is comprised of two trials and will include approximately 2,000 patients.

*Once-weekly GLP-1 portfolio decision now expected mid-2012*

As previously communicated in June 2010, Novo Nordisk has an intent to select among the two primary once-weekly GLP-1 candidates in the development portfolio, semaglutide and once-weekly liraglutide. To allow for a more complete characterisation of once-weekly liraglutide, including data from a clinical multiple-dose study, this decision is now expected mid-2012.

*Oral GLP-1 project, NN9925, closed*

After review of phase 1 data, Novo Nordisk has decided to terminate further clinical development of the oral GLP-1 project, NN9925, due to insufficient bioavailability. No serious adverse events or safety issues were observed during the trial. Currently, Novo Nordisk has one oral GLP-1 project, NN9924, in clinical development and additional GLP-1 projects in pre-clinical development.

*Obesity project, NN9161, closed*

Due to an unfavourable benefit-risk profile observed during the phase 1 trial for the obesity project, NN9161, Novo Nordisk has decided to terminate further clinical development.

**Biopharmaceuticals**

*Recombinant factor XIII, NN1841, to be submitted for regulatory approval*

Novo Nordisk has decided to submit recombinant factor XIII for regulatory approval of the congenital deficiency indication based on the phase 3 data communicated in August 2010. The submission is expected to be filed in the first quarter of 2011 in the US and second quarter of 2011 in Europe.

*Recombinant factor VIIa analogue, NN1731, to progress into phase 3*

Novo Nordisk has decided to progress the fast-acting recombinant factor VIIa analogue, NN1731, into phase 3 based on the phase 2 data communicated in August 2010. The phase 3 programme is expected to start mid-2011.

*Recombinant long acting factor IX, NN7999, to progress into phase 3*

Novo Nordisk has decided to progress the recombinant long acting factor IX, NN7999, into phase 3 based on the data communicated October 2010. The phase 3 trial is expected to start mid-2011.



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*Anti-TFPI, NN7415, enters clinical development*

Novo Nordisk has initiated a phase 1 trial with a new bleeding disorder agent, NN7415, which is being tested in both healthy subjects and people with haemophilia A and B.

*Anti-IL-20, NN8226, update*

Novo Nordisk has reviewed phase 1 data for anti-IL-20 (a recombinant fully human monoclonal antibody), and expects to initiate a phase 2a clinical trial in rheumatoid arthritis in the first half of 2011. Anti-IL-20 has also been tested in people with moderate-to-severe plaque psoriasis, but due to lack of sufficient efficacy in this indication Novo Nordisk has decided to discontinue further clinical development of anti-IL-20 for psoriasis. No safety issues were observed.

*Anti NKG2D, NN8555, update*

Novo Nordisk expects to initiate a phase 2a clinical trial in Crohn's disease in the first half of 2011. A phase 2a clinical trial in rheumatoid arthritis is ongoing.

# Sustainability update

*People*

At the end of 2010, Novo Nordisk had 30,014 full-time equivalent positions compared to 28,809 at the end of 2009. Novo Nordisk had an average of 29,423 full-time equivalent employees during 2010 compared to 27,985 during 2009.

*Producing more with less*

Environmental performance continued to improve in 2010. While sales and production increased, absolute reductions in water consumption, energy consumption and $CO_2$ emissions were achieved. $CO_2$ emissions from energy consumption was reduced by 35% compared to 2009 as a result of the full conversion to wind power supplies for the company's Danish operations.

*Diabetes Leadership Forum in the Middle East and Northern Africa (MENA) region*

Diabetes is today estimated to affect more than 26 million people in the MENA region. At the MENA Diabetes Leadership Forum held on 12  13 December 2010 with representation from 22 countries in the region and sponsored and organised by Novo Nordisk, more than 400 decision-makers, representatives of international and regional organisations, media, experts and members of the diabetes community gathered to find solutions to the growing burden of diabetes. Among the outcomes of the Forum was the adoption of the Dubai Declaration on Diabetes and Chronic Non-Communicable Diseases in the Middle East and Northern Africa Region. The Forum was co-hosted by the UAE Ministry of Health, the executive board of the Health Ministers  Council for Cooperation Council States, the World Diabetes Foundation and the World Bank.

# Equity

Total equity was DKK 36,965 million at the end of 2010, equivalent to 60% of total assets, compared to 65% at the end of 2009. Please refer to appendix 5 for further elaboration of changes in equity during 2010.

**Treasury shares and 2010 share repurchase programme**

During 2010 Novo Nordisk repurchased 19,534,528 shares at an average price of DKK 486 per share, equivalent to a cash value of DKK 9.5 billion. Novo Nordisk thereby concluded the 2010 share repurchase programme.



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*Employee share programmes in 2010*

The employees in Denmark have participated in two general employee share programmes in 2010. Under a share savings programme, approximately 8,000 employees have purchased 262,000 shares. The shares were purchased at a price of DKK 583.16. There are no costs of this programme to the company. Under a discounted employee share programme, approximately 11,000 employees have purchased 567,000 shares at a price of DKK 275. The costs of this programme, DKK 192 million, have been fully expensed in 2010. Furthermore, approximately 15,000 international employees have been awarded approximately 273.000 stock options in 2010, and the cost of these, DKK 150 million, will be amortised over a 3-year vesting period

*Holding of treasury shares and reduction of share capital*

As per 1 February 2011, Novo Nordisk A/S and its wholly-owned affiliates owned 28,206,755 of its own B shares, corresponding to 4.7% of the total share capital.

In order to maintain capital structure flexibility, the Board of Directors will, at the Annual General Meeting in 2011, propose a reduction in the B share capital from DKK 492,512,800 to DKK 472,512,800 by cancelling 20,000,000 B shares of DKK 1 from the company s own holdings of B shares at a nominal value of DKK 20,000,000, equivalent to 3.3% of the total share capital. After implementation of the share capital reduction, the company s share capital will amount to DKK 580,000,000 divided into an A share capital of DKK 107,487,200 and a B share capital of DKK 472,512,800.

**Proposed dividend and 2011 share repurchase programme**

At the Annual General Meeting on 23 March 2011, the Board of Directors will propose a 33% increase in dividend to DKK 10.00 per share of DKK 1, corresponding to a pay-out ratio of 39.6%. Adjusting for the impact from the divestment of shares in ZymoGenetics, Inc., where the related cash flow was returned to shareholders via an expansion of the 2010 share repurchase programme, the payout ratio will be 42.8%. For 2009, the payout ratio was 40.9%. No dividend will be paid on the company s holding of treasury shares.

The Board of Directors has approved a new DKK 10 billion share repurchase programme to be executed during 2011. Novo Nordisk will initiate its share repurchase programme in accordance with the provisions of the European Commission's regulation no 2273/2003 of 22 December 2003 (The Safe Harbour Regulation). For that purpose, Novo Nordisk has appointed J.P. Morgan Securities Ltd. as lead manager to execute a part of its share repurchase programme independently and without influence from Novo Nordisk. The purpose of the programme is to reduce the company's share capital. Under the agreement, J.P. Morgan Securities Ltd. will repurchase shares on behalf of Novo Nordisk for an amount of up to DKK 2.0 billion during the trading period starting today and ending on 26 April 2011. A maximum of 155,151 shares can be bought during one single trading day, equal to 20% of the average daily trading volume of Novo Nordisk B shares on NASDAQ OMX Copenhagen during the month of January 2011, and a maximum of 8,843,607 shares in total can be bought during the trading period. At least once every seven trading days, Novo Nordisk will issue an announcement in respect of the transactions made under the repurchase programme.

# Corporate governance

**Remuneration policy for executives**

Novo Nordisk s existing remuneration policy aims to attract, retain and motivate members of the Board of Directors and Executive Management of Novo Nordisk. Remuneration levels are



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designed to be competitive and to align the interest of the board members and executives with those of the shareholders.

**Long-term share-based incentive programme for senior management**

As from 2004, members of Novo Nordisk's Executive Management (5 in 2010) and other members of the Senior Management Board (24 in 2010) have participated in a performance-based incentive programme where a proportion of the calculated shareholder value creation has been allocated to a joint pool for the participants. For members of Executive Management and other members of the Senior Management Board, the joint pool operates with a yearly maximum allocation per participant equal to eight months fixed base salary plus pension contribution. Once the joint pool has been approved by the Board of Directors, the total cash amount is converted into Novo Nordisk B shares at market price. The market price is calculated as the average trading price for Novo Nordisk B shares on NASDAQ OMX Copenhagen in the open trading window following the release of full-year financial results for the year preceding the year of the performance based incentive programme. The shares in the joint pool are locked up for a three-year period before they are transferred to the participants. In the lock-up period, the Board of Directors may remove shares from the joint pool in the event of lower than planned value creation in subsequent years.

For 2007, 166,292 shares were allocated to the joint pool and the value at launch of the programme (DKK 43 million) was expensed in 2007. The number of shares in the 2007 joint pool has not subsequently been reduced by the Board of Directors as the financial performance in the following years (2008 2010) reached specified threshold levels. Hence, the original number of shares allocated to the joint pool will, according to the principles of the scheme, be transferred to 28 current and former members of senior management immediately after the announcement of the 2010 full-year financial results on 2 February 2011.

For 2010, based on an assessment of the economic value generated, the performance of the R&D portfolio and key sustainability projects, the Board of Directors on 1 February 2011 approved the establishment of a joint pool for the financial year of 2010 by allocating a total of 169,025 Novo Nordisk B shares. This allocation amounts to eight months of fixed base salary plus pension contribution on average per participant, corresponding to a value at launch of the programme of DKK 64 million, which was expensed in the 2010 accounts. According to the principles of the programme, the share price used for the conversion of the performance programme to the share pool was the average share price (DKK 379) for Novo Nordisk B shares on NASDAQ OMX Copenhagen in the 15 days trading window (2-16 February 2010) following the release of the Annual Report for 2009, when the programme was approved by the Board of Directors.

**Long-term share-based incentive programme for corporate vice presidents and vice presidents**

As from 2007, a number of key employees below senior management also participate in a share-based programme with similar performance criteria as the programme for senior management. The share-based incentive programme for key employees will, as is the case for the programme for senior management, be based on an annual calculation of shareholder value creation compared to the planned performance for the year. The pool will operate with a maximum contribution per participant equal to four months of fixed base salary. The shares in the pool are also locked up for a three-year period before they potentially may be transferred to the participants.

For 2007, 527,665 shares were allocated to a share pool for key employees and the value at launch of the programme (DKK 135 million) has been amortised over the period 2007-2010.



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The number of shares in the 2007 share pool has not subsequently been reduced by the Board of Directors as the financial performance in the following years (2008 2010) reached specified threshold levels. Hence, 477,832 shares will be transferred to 460 employees immediately after the announcement of the 2010 full-year financial results on 2 February 2011. Number of shares to be transferred is lower than the original number of shares allocated to the share pool as some participants have left the company before the release conditions of the programme have been met.

For 2010, based on an assessment of the economic value generated, the performance of the R&D portfolio and key sustainability projects, the Board of Directors on 1 February 2011 approved the establishment of a share pool for 2010 for key employees by allocating a total of 548,936 Novo Nordisk B shares. This allocation amounts to four months of fixed base salary on average per participant, corresponding to a value at launch of the programme of DKK 208 million using the same share price mechanism as described for the senior management programme. The value of the programme will be amortised over four years. The number of participants for 2010 is approximately 700.

As the long-term share-based incentive programmes for both senior management and other key employees are evaluated by the Board of Directors to have worked successfully in 2010, it is planned to continue in 2011 with an unchanged structure.

# Legal update

As of 31 January 2011, Novo Nordisk Inc., along with a majority of the hormone therapy product manufacturers in the US, is a defendant in product liability lawsuits related to hormone therapy products. These lawsuits currently involve a total of 50 individuals who allege use of a Novo Nordisk hormone therapy product. The products (Activella® and Vagifem®) have been sold and marketed in the US since 2000. Until July 2003, the products were sold and marketed exclusively in the US by Pharmacia & Upjohn Company (now Pfizer Inc.). Furthermore, 72 individuals currently allege, in relation to similar lawsuits against Pfizer Inc., that they have also used a Novo Nordisk hormone therapy product. Currently, Novo Nordisk does not have any court trials scheduled in 2011. Novo Nordisk does not expect the pending claims to have a material impact on its financial position.

As previously announced, the US District Court for the Eastern District of Michigan issued an adverse ruling in a patent litigation case regarding Novo Nordisk s US Patent No. 6,677,358 on 19 January 2011. The case, involving Novo Nordisk and Caraco Pharmaceutical Laboratories, Ltd. (Caraco), is based on Caraco s application to market a generic version of Prandin® (repaglinide) in the US. The district court ruled that the patent, which covers the combination use of repaglinide and metformin for the treatment of type 2 diabetes, is invalid and unenforceable. In the US Novo Nordisk markets repaglinide under the trade name Prandin® and a fixed dose repaglinide/metformin tablet under the trade name PrandiMet®. The district court ruling has the potential to facilitate launch of a generic repaglinide. Novo Nordisk has on 26 January 2011 filed an appeal to the US Court of Appeals for the Federal Circuit. At present, it is unclear whether or when a generic version of Prandin® or PrandiMet® will be available in the US market. The US sales of Prandin® and PrandiMet® amounted to approximately DKK 1 billion in 2010.



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# Financial calendar

| | |
|---|---|
| 4 February 2011 | PDF version of the *Annual Report 2010* available at novonordisk.com |
| 8 February 2011 | Deadline for the company s receipt of shareholder proposals for the Annual General Meeting 2011 |
| 18 February 2011 | Printed version of the *Annual Report 2010* available |
| 23 March 2011 | Annual General Meeting 2011 |
| 28 April 2011 | Financial statement for the first three months of 2011 |
| 4 August 2011 | Financial statement for the first six months of 2011 |
| 27 October 2011 | Financial statement for the first nine months of 2011 |
| 2 February 2012 | Financial statement for 2011 |

# Conference call details

At 13.00 CET today, corresponding to 7.00 am EDT, a conference call will be held. Investors will be able to listen in via a link on novonordisk.com, which can be found under Investors Download centre . Presentation material for the conference call will be made available approximately one hour before on the same page.

# Forward-looking statements

Novo Nordisk s reports filed with or furnished to the US Securities and Exchange Commission (SEC), including this document as well as the company s*Annual Report 2010* and Form 20-F, both expected to be filed with the SEC in February 2011, and written information released, or oral statements made, to the public in the future by or on behalf of Novo Nordisk, may contain forward-looking statements. Words such as believe , expect , may , will , plan , strategy , prospect , foresee , estimate , p anticipate , can , intend , target and other words and terms of similar meaning in connection with any discussion of future operating financial performance identify forward-looking statements. Examples of such forward-looking statements include, but are not limited to:

- statements of plans, objectives or goals for future operations, including those related to Novo Nordisk s products, product research, product development, product introductions and product approvals as well as cooperation in relation thereto
- statements containing projections of or targets for revenues, income (or loss), earnings per share, capital expenditures, dividends, capital structure or other net financials
- statements regarding future economic performance, future actions and outcome of contingencies such as legal proceedings, and
- statements of the assumptions underlying or relating to such statements.

In this document, examples of forward-looking statements can be found under the headings Outlook 2011 , Updated long-term financial targets , Research and development update , Equity and Legal update .

These statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific. Novo Nordisk cautions that a number of important factors, including those described in this document, could cause actual results to differ materially from those contemplated in any forward-looking statements.

Factors that may affect future results include, but are not limited to, global as well as local political and economic conditions, including interest rate and currency exchange rate



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fluctuations, delay or failure of projects related to research and/or development, unplanned loss of patents, interruptions of supplies and production, product recall, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Novo Nordisk s products, introduction of competing products, reliance on information technology, Novo Nordisk s ability to successfully market current and new products, exposure to product liability and legal proceedings and investigations, changes in governmental laws and related interpretation thereof, including on reimbursement, intellectual property protection and regulatory controls on testing, approval, manufacturing and marketing, perceived or actual failure to adhere to ethical marketing practices, investments in and divestitures of domestic and foreign companies, unexpected growth in costs and expenses, failure to recruit and retain the right employees and failure to maintain a culture of compliance.

Please also refer to the overview of risk factors in Risk Management on pp 43-45 of the *Annual Report 2010* available as of 4 February 2011 on the company s website novonordisk.com.

Unless required by law, Novo Nordisk is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this document, whether as a result of new information, future events or otherwise.



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# Management statement

The Board of Directors and Executive Management has approved the audited *Annual Report* of Novo Nordisk A/S for the year 2010. The Board of Directors and Executive Management also approved this financial statement containing condensed financial information for 2010.

The consolidated financial statements in the *Annual Report 2010* are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and with the International Financial Reporting Standards as endorsed by the EU. Furthermore, the consolidated financial statements and Management s Review are prepared in accordance with additional Danish disclosure requirements for listed companies.

This financial statement has been prepared in accordance with the accounting policies as applied in the consolidated financial statements for 2010 and additional Danish disclosure requirements for listed companies.

In our opinion, the accounting policies used are appropriate and the overall presentation of this financial statement is adequate. Furthermore, in our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the results for the year and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group in accordance with Danish disclosure requirements for listed companies.

Bagsværd 2 February 2011

**Executive Management:**

| | | |
|---|---|---|
| Lars Rebien Sørensen<br>*President and CEO* | Jesper Brandgaard<br>*CFO* | |
| Lise Kingo<br>*COS* | Kåre Schultz<br>*COO* | Mads Krogsgaard Thomsen<br>*CSO* |

**Board of Directors:**

| | | |
|---|---|---|
| Sten Scheibye<br>*Chairman* | Göran A Ando<br>*Vice chairman* | |
| Henrik Gürtler | Ulrik Hjulmand-Lassen | Pamela J Kirby |
| Anne Marie Kverneland | Kurt Anker Nielsen | Søren Thuesen Pedersen |
| Hannu Ryöppönen | Stig Strøbæk | Jørgen Wedel |



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# Appendix 1: Quarterly numbers in DKK

(Amounts in DKK million, except number of employees, earnings per share and number of shares outstanding).

| | 2010 | | | | 2009 | | | | *% change Q4 2010 vs Q4 2009* |
|---|---|---|---|---|---|---|---|---|---|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | |
| **Sales** | **16,124** | **15,584** | **15,394** | **13,674** | **13,062** | **12,517** | **13,001** | **12,498** | *23%* |
| Gross profit | 13,039 | 12,648 | 12,425 | 10,984 | 10,427 | 9,832 | 10,391 | 9,990 | *25%* |
| *Gross margin* | *80.9%* | *81.2%* | *80.7%* | *80.3%* | *79.8%* | *78.5%* | *79.9%* | *79.9%* | |
| Sales and distribution costs | 5,274 | 4,573 | 4,364 | 3,984 | 4,237 | 3,502 | 3,837 | 3,844 | *24%* |
| *Percent of sales* | *32.7%* | *29.3%* | *28.3%* | *29.1%* | *32.4%* | *28.0%* | *29.5%* | *30.8%* | |
| Research and development costs | 2,735 | 2,302 | 2,434 | 2,131 | 2,387 | 1,884 | 1,849 | 1,744 | *15%* |
| *Percent of sales* | *17.0%* | *14.8%* | *15.8%* | *15.6%* | *18.3%* | *15.1%* | *14.2%* | *14.0%* | |
| Administrative expenses | 850 | 759 | 745 | 711 | 726 | 666 | 693 | 679 | *17%* |
| *Percent of sales* | *5.3%* | *4.9%* | *4.8%* | *5.2%* | *5.6%* | *5.3%* | *5.3%* | *5.4%* | |
| Licence fees and other operating income (net) | 164 | 110 | 159 | 224 | 142 | 34 | 78 | 87 | *15%* |
| **Operating profit** | **4,344** | **5,124** | **5,041** | **4,382** | **3,219** | **3,814** | **4,090** | **3,810** | ***35%*** |
| *Operating margin* | *26.9%* | *32.9%* | *32.7%* | *32.0%* | *24.6%* | *30.5%* | *31.5%* | *30.5%* | |
| Share of profit/(loss) in associated companies | 1,031 | (22) | (4) | 65 | (2) | (7) | (11) | (35) | *N/A* |
| Financial income | 140 | 31 | 146 | 65 | 58 | 9 | 166 | 142 | *141%* |
| Financial expenses | 810 | 477 | 575 | 195 | 283 | 209 | 361 | 412 | *186%* |
| Profit before income taxes | 4,705 | 4,656 | 4,608 | 4,317 | 2,992 | 3,607 | 3,884 | 3,505 | *57%* |
| **Net profit** | **3,946** | **3,585** | **3,548** | **3,324** | **2,323** | **2,755** | **2,991** | **2,699** | ***70%*** |
| Depreciation, amortisation and impairment losses | 684 | 607 | 595 | 581 | 754 | 657 | 533 | 607 | *(9%)* |
| Capital expenditure | 1,141 | 755 | 744 | 668 | 935 | 726 | 557 | 413 | *22%* |
| Cash flow from operating activities | 4,905 | 6,318 | 4,225 | 4,231 | 3,583 | 5,039 | 2,608 | 4,148 | *37%* |
| Free cash flow | 4,707 | 5,453 | 3,444 | 3,409 | 2,402 | 4,242 | 2,062 | 3,626 | *96%* |
| Total assets | 61,402 | 57,162 | 57,048 | 54,155 | 54,742 | 52,589 | 51,246 | 50,205 | *12%* |
| Total equity | 36,965 | 34,264 | 33,635 | 32,916 | 35,734 | 34,874 | 34,086 | 31,345 | *3%* |
| *Equity ratio* | *60.2%* | *59.9%* | *59.0%* | *60.8%* | *65.3%* | *66.3%* | *66.5%* | *62.4%* | |
| Full-time employees at the end of the period | 30,014 | 29,515 | 29,364 | 29,154 | 28,809 | 28,497 | 27,998 | 27,429 | *4%* |
| Basic earnings per share (in DKK) | 6.87 | 6.21 | 6.07 | 5.66 | 3.95 | 4.62 | 4.96 | 4.44 | *74%* |
| Diluted earnings per share (in DKK) | 6.82 | 6.15 | 6.02 | 5.61 | 3.92 | 4.58 | 4.91 | 4.41 | *74%* |
| Average number of shares outstanding (million) | 572.7 | 577.6 | 584.0 | 587.6 | 589.9 | 596.4 | 603.1 | 607.4 | *(3%)* |
| Average number of shares outstanding incl dilutive effect of options 'in the money' (million) | 577.5 | 582.3 | 588.9 | 593.0 | 595.2 | 601.4 | 607.9 | 612.7 | *(3%)* |
| Sales by business segments: | | | | | | | | | |
| Modern insulins (insulin analogues) | 7,127 | 6,820 | 6,792 | 5,862 | 5,714 | 5,353 | 5,414 | 4,990 | *25%* |
| Human insulins | 2,992 | 2,963 | 3,099 | 2,773 | 2,685 | 2,747 | 2,879 | 3,004 | *11%* |
| Victoza® | 951 | 700 | 296 | 370 | 59 | 28 | - | - | *1512%* |
| Protein-related products | 561 | 567 | 583 | 503 | 510 | 491 | 492 | 484 | *10%* |
| Oral antidiabetic products (OAD) | 666 | 736 | 704 | 645 | 636 | 650 | 675 | 691 | *5%* |
| **Diabetes care total** | **12,297** | **11,786** | **11,474** | **10,153** | **9,604** | **9,269** | **9,460** | **9,169** | ***28%*** |
| NovoSeven® | 1,996 | 1,965 | 2,155 | 1,914 | 1,742 | 1,651 | 1,874 | 1,805 | *15%* |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Norditropin® | 1,242 | 1,233 | 1,245 | 1,083 | 1,171 | 1,074 | 1,122 | 1,034 | *6%* |
| Hormone replacement therapy | 482 | 517 | 450 | 443 | 460 | 440 | 435 | 409 | *5%* |
| Other products | 107 | 83 | 70 | 81 | 85 | 83 | 110 | 81 | *26%* |
| **Biopharmaceuticals total** | **3,827** | **3,798** | **3,920** | **3,521** | **3,458** | **3,248** | **3,541** | **3,329** | ***11%*** |
| Sales by geographic regions: | | | | | | | | | |
| North America | 6,286 | 6,114 | 5,988 | 5,221 | 4,510 | 4,527 | 4,710 | 4,532 | *39%* |
| Europe | 4,886 | 4,675 | 4,671 | 4,432 | 4,594 | 4,376 | 4,375 | 4,195 | *6%* |
| International Operations | 3,341 | 3,341 | 3,296 | 2,865 | 2,656 | 2,447 | 2,661 | 2,607 | *26%* |
| - of which Region China | 1,181 | 1,214 | 1,083 | 1,030 | 883 | 876 | 854 | 923 | *34%* |
| Japan & Korea | 1,611 | 1,454 | 1,439 | 1,156 | 1,302 | 1,167 | 1,255 | 1,164 | *24%* |
| Segment operating profit: | | | | | | | | | |
| Diabetes care | 3,096 | 3,419 | 3,033 | 2,554 | 1,720 | 2,286 | 2,333 | 2,171 | *80%* |
| Biopharmaceuticals | 1,248 | 1,705 | 2,008 | 1,828 | 1,499 | 1,528 | 1,757 | 1,639 | *(17%)* |



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# Appendix 2: Income statement and Statement of comprehensive income

| DKK million | **12M 2010** | 12M 2009 |
|---|---|---|
| **Income statement** | | |
| Sales | 60,776 | 51,078 |
| Cost of goods sold | 11,680 | 10,438 |
| **Gross profit** | **49,096** | **40,640** |
| Sales and distribution costs | 18,195 | 15,420 |
| Research and development costs | 9,602 | 7,864 |
| Administrative expenses | 3,065 | 2,764 |
| Licence fees and other operating income (net) | 657 | 341 |
| **Operating profit** | **18,891** | **14,933** |
| Share of profit/(loss) of associated companies, net of tax | 1,070 | (55) |
| Financial income | 382 | 375 |
| Financial expenses | 2,057 | 1,265 |
| **Profit before income taxes** | **18,286** | **13,988** |
| Income taxes | 3,883 | 3,220 |
| **NET PROFIT FOR THE YEAR** | **14,403** | **10,768** |
| **Basic earnings per share (DKK)** | **24.81** | **17.97** |
| **Diluted earnings per share (DKK)** | **24.60** | **17.82** |
| **Segment information** | | |
| **Segment sales:** | | |
| Diabetes care | 45,710 | 37,502 |
| Biopharmaceuticals | 15,066 | 13,576 |
| **Segment operating profit:** | | |
| Diabetes care | 12,102 | 8,510 |
| *Operating margin* | *26.5%* | *22.7%* |
| Biopharmaceuticals | 6,789 | 6,423 |
| *Operating margin* | *45.1%* | *47.3%* |
| **Total segment operating profit** | **18,891** | **14,933** |
| **Statement of comprehensive income** | | |
| **Net profit for the year** | **14,403** | **10,768** |
| *Other comprehensive income* | | |
| Deferred gains/(losses) on cash flow hedges arising during the period | (643) | 352 |

| | | |
|---|---|---|
| Transfer of deferred gains/(losses) from previous year of cash flow hedges recognised in the Income statement as part of financial income/(expenses) | (422) | 900 |
| Exchange rate adjustment of investments in subsidiaries | 300 | 528 |
| Share of other comprehensive income of associated comp., net of tax | (9) | 9 |
| Gains/(losses) on available-for-sale financial assets | (14) | (1) |
| Other | 27 | 10 |
| Tax on other comprehensive income, income/(expense) | 346 | (25) |
| **Other comprehensive income for the year, net of tax** | **(415)** | **1,773** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | **13,988** | **12,541** |



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# Appendix 3: Balance sheet

| DKK million | 31 Dec 2010 | 31 Dec 2009 |
|---|---|---|
| **ASSETS** | | |
| Intangible assets | 1,458 | 1,037 |
| Property, plant and equipment | 20,507 | 19,226 |
| Investments in associated companies | 43 | 176 |
| Deferred income tax assets | 1,847 | 1,455 |
| Other non-current financial assets | 254 | 182 |
| **TOTAL NON-CURRENT ASSETS** | **24,109** | **22,076** |
| Inventories | 9,689 | 10,016 |
| Trade receivables | 8,500 | 7,063 |
| Tax receivables | 650 | 799 |
| Other current assets | 2,403 | 1,962 |
| Marketable securities and financial instruments | 4,034 | 1,530 |
| Cash at bank and in hand | 12,017 | 11,296 |
| **TOTAL CURRENT ASSETS** | **37,293** | **32,666** |
| **TOTAL ASSETS** | **61,402** | **54,742** |
| **EQUITY AND LIABILITIES** | | |
| Share capital | 600 | 620 |
| Treasury shares | (28) | (32) |
| Retained earnings | 36,097 | 34,435 |
| Other reserves | 296 | 711 |
| **TOTAL EQUITY** | **36,965** | **35,734** |
| Non-current debt | 504 | 970 |
| Deferred income tax liabilities | 2,865 | 3,010 |
| Retirement benefit obligations | 569 | 456 |
| Provisions for other liabilities | 2,023 | 1,157 |
| **Total non-current liabilities** | **5,961** | **5,593** |
| Current debt and financial instruments | 1,720 | 418 |
| Trade payables | 2,906 | 2,242 |
| Tax payables | 1,252 | 701 |
| Other current liabilities | 7,954 | 6,813 |
| Provisions for other liabilities | 4,644 | 3,241 |
| **Total current liabilities** | **18,476** | **13,415** |
| **TOTAL LIABILITIES** | **24,437** | **19,008** |
| **TOTAL EQUITY AND LIABILITIES** | **61,402** | **54,742** |

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# Appendix 4: Statement of cash flows

| DKK million | **2010** | 2009 |
|---|---|---|
| **Net profit for the year** | **14,403** | **10,768** |
| Adjustment for non-cash items: | | |
| Income taxes | 3,883 | 3,220 |
| Depreciation, amortisation and impairment losses | 2,467 | 2,551 |
| Interest income and interest expenses | 265 | 71 |
| Other adjustment | 1,834 | 859 |
| Income taxes paid | (3,436) | (1,998) |
| Interest received | 218 | 284 |
| Interest paid | (252) | (98) |
| **Cash flow before change in working capital** | **19,382** | **15,657** |
| (Increase)/decrease in trade receivables and other current assets | (1,878) | (740) |
| (Increase)/decrease in inventories | 327 | (405) |
| Increase/(decrease) in trade payables and other current liabilities | 1,805 | 921 |
| Exchange rate adjustment | 43 | (55) |
| **Cash flow from operating activities** | **19,679** | **15,378** |
| Proceeds from the divestment of ZymoGenetics, Inc. | 1,155 | - |
| Purchase of intangible assets and non-current financial assets | (521) | (433) |
| Proceeds from sale of property, plant and equipment | 68 | 1 |
| Purchase of property, plant and equipment | (3,376) | (2,632) |
| Net change in marketable securities | (2,913) | - |
| Dividend received | 8 | 18 |
| **Cash flow from investing activities** | **(5,579)** | **(3,046)** |
| Purchase of treasury shares | (9,498) | (6,512) |
| Proceeds from sale of treasury shares | 678 | 117 |
| Dividends paid to the Company's owners | (4,400) | (3,650) |
| **Cash flow from financing activities** | **(13,220)** | **(10,045)** |
| **NET CASH FLOW** | **880** | **2,287** |
| Unrealised gain/(loss) on exchange rates and marketable securities included in cash and cash equivalents | 46 | 21 |
| **Net change in cash and cash equivalents** | **926** | **2,308** |
| Cash and cash equivalents at the beginning of the year | 11,034 | 8,726 |
| **Cash and cash equivalents at the end of the year** | **11,960** | **11,034** |
| *Additional information:* | | |
| Cash and cash equivalents at the end of the year | 11,960 | 11,034 |
| Marketable securities | 3,926 | 1,013 |
| Undrawn committed credit facilities | 4,473 | 4,465 |

| | | |
|---|---|---|
| **FINANCIAL RESOURCES AT THE END OF THE YEAR** | **20,359** | **16,512** |
| Cash flow from operating activities | 19,679 | 15,378 |
| Cash flow from investing activities | (5,579) | (3,046) |
| Net change in marketable securities | 2,913 | - |
| **FREE CASH FLOW** | **17,013** | **12,332** |



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# Appendix 5: Statement of changes in equity

| DKK million | Share capital | Treasury shares | Retained earnings | Other reserves: Exchange rate adjustments | Other reserves: Deferred gain/ loss on cash flow hedges | Other reserves: Tax and other adjustments | Other reserves: Total other reserves | **Total** |
|---|---|---|---|---|---|---|---|---|
| **2010** | | | | | | | | |
| Balance at the beginning of the year | 620 | (32) | 34,435 | 271 | 393 | 47 | 711 | **35,734** |
| Profit for the year | | | 14,403 | | | | | **14,403** |
| Other comprehensive income for the year, net of tax | | | | 300 | (1,065) | 350 | (415) | **(415)** |
| Total comprehensive income for the year | | | 14,403 | 300 | (1,065) | 350 | (415) | **13,988** |
| *Transactions with owners, recognised directly in equity:* | | | | | | | | |
| Dividends | | | (4,400) | | | | | **(4,400)** |
| Share-based payment | | | 463 | | | | | **463** |
| Purchase of treasury shares | | (20) | (9,478) | | | | | **(9,498)** |
| Sale of treasury shares | | 4 | 674 | | | | | **678** |
| Reduction of the B share capital | (20) | 20 | | | | | | **0** |
| **Balance at the end of the year** | **600** | **(28)** | **36,097** | **571** | **(672)** | **397** | **296** | **36,965** |

At the end of the year proposed dividends (not yet declared) of DKK 5,700 million (10.00 DKK per share) are included in Retained earnings. No dividend is declared on treasury shares.

| DKK million | Share capital | Treasury shares | Retained earnings | **Other reserves**: Exchange rate adjustments | **Other reserves**: Deferred gain/ loss on cash flow hedges | **Other reserves**: Tax and other adjustments | **Other reserves**: Total other reserves | **Total** |
|---|---|---|---|---|---|---|---|---|

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **2009** | | | | | | | | |
| Balance at the beginning of the year | 634 | (26) | 33,433 | (256) | (859) | 53 | (1,062) | **32,979** |
| Profit for the year | | | 10,768 | | | | | **10,768** |
| Other comprehensive income for the year, net of tax | | | | 527 | 1,252 | (6) | 1,773 | **1,773** |
| Total comprehensive income for the year | | | 10,768 | 527 | 1,252 | (6) | 1,773 | **12,541** |
| *Transactions with owners, recognised directly in equity:* | | | | | | | | |
| Dividends | | | (3,650) | | | | | **(3,650)** |
| Share-based payment | | | 259 | | | | | **259** |
| Purchase of treasury shares | | (22) | (6,490) | | | | | **(6,512)** |
| Sale of treasury shares | | 2 | 115 | | | | | **117** |
| Reduction of the B share capital | (14) | 14 | | | | | | **0** |
| **Balance at the end of the year** | **620** | **(32)** | **34,435** | **271** | **393** | **47** | **711** | **35,734** |

At the end of the year proposed dividends (declared in 2010) of DKK 4,400 million (7.50 DKK per share) are included in Retained earnings. No dividend is declared on treasury shares.



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# Appendix 6: Quarterly numbers in EUR / supplementary information

(Amounts in EUR million, except number of employees, earnings per share and number of shares outstanding). Key figures are translated into EUR as supplementary information - the translation is based on average exchange rate for income statement and exchange rate at the balance sheet date for balance sheet items.

The specified percent changes are based on the changes in the 'Quarterly numbers in DKK', see appendix 1.

| | 2010 | | | | 2009 | | | | *% change Q4 2010 vs Q4 2009* |
|---|---|---|---|---|---|---|---|---|---|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | |
| **Sales** | **2,163** | **2,092** | **2,069** | **1,837** | **1,756** | **1,681** | **1,746** | **1,677** | ***23%*** |
| Gross profit | 1,750 | 1,698 | 1,669 | 1,476 | 1,401 | 1,321 | 1,395 | 1,341 | *25%* |
| *Gross margin* | *80.9%* | *81.2%* | *80.7%* | *80.3%* | *79.8%* | *78.5%* | *79.9%* | *79.9%* | |
| Sales and distribution costs | 707 | 614 | 587 | 535 | 570 | 471 | 515 | 516 | *24%* |
| *Percent of sales* | *32.7%* | *29.3%* | *28.3%* | *29.1%* | *32.4%* | *28.0%* | *29.5%* | *30.8%* | |
| Research and development costs | 367 | 309 | 327 | 286 | 321 | 253 | 248 | 234 | *15%* |
| *Percent of sales* | *17.0%* | *14.8%* | *15.8%* | *15.6%* | *18.3%* | *15.1%* | *14.2%* | *14.0%* | |
| Administrative expenses | 114 | 103 | 99 | 96 | 97 | 90 | 93 | 91 | *17%* |
| *Percent of sales* | *5.3%* | *4.9%* | *4.8%* | *5.2%* | *5.6%* | *5.3%* | *5.3%* | *5.4%* | |
| Licence fees and other operating income (net) | 21 | 16 | 21 | 30 | 19 | 5 | 10 | 12 | *15%* |
| **Operating profit** | **583** | **688** | **677** | **589** | **432** | **512** | **549** | **512** | ***35%*** |
| *Operating margin* | *26.9%* | *32.9%* | *32.7%* | *32.0%* | *24.6%* | *30.5%* | *31.5%* | *30.5%* | |
| Share of profit/(loss) in associated companies | 139 | (3) | (1) | 9 | - | (1) | (1) | (5) | *N/A* |
| Financial income | 17 | 5 | 19 | 9 | 8 | 2 | 22 | 19 | *141%* |
| Financial expenses | 109 | 64 | 76 | 27 | 38 | 28 | 49 | 55 | *186%* |
| Profit before income taxes | 630 | 626 | 619 | 580 | 402 | 485 | 521 | 471 | *57%* |
| **Net profit** | **529** | **482** | **476** | **447** | **312** | **370** | **402** | **362** | ***70%*** |
| Depreciation, amortisation and impairment losses | 92 | 81 | 80 | 78 | 102 | 88 | 72 | 81 | *(9%)* |
| Capital expenditure | 153 | 101 | 100 | 90 | 125 | 98 | 75 | 55 | *22%* |
| Cash flow from operating activities | 658 | 848 | 568 | 568 | 481 | 677 | 350 | 557 | *37%* |
| Free cash flow | 631 | 732 | 463 | 458 | 323 | 569 | 277 | 487 | *96%* |
| Total assets | 8,237 | 7,671 | 7,659 | 7,274 | 7,356 | 7,064 | 6,881 | 6,741 | *12%* |
| Total equity | 4,959 | 4,598 | 4,515 | 4,421 | 4,802 | 4,685 | 4,577 | 4,208 | *3%* |
| *Equity ratio* | *60.2%* | *59.9%* | *59.0%* | *60.8%* | *65.3%* | *66.3%* | *66.5%* | *62.4%* | |
| Full-time employees at the end of the period | 30,014 | 29,515 | 29,364 | 29,154 | 28,809 | 28,497 | 27,998 | 27,429 | *4%* |
| Basic earnings per share (in EUR) | 0.92 | 0.83 | 0.82 | 0.76 | 0.53 | 0.62 | 0.66 | 0.60 | *74%* |
| Diluted earnings per share (in EUR) | 0.91 | 0.83 | 0.81 | 0.75 | 0.52 | 0.62 | 0.66 | 0.59 | *74%* |
| Average number of shares outstanding (million) | 572.7 | 577.6 | 584.0 | 587.6 | 589.9 | 596.4 | 603.1 | 607.4 | *(3%)* |
| Average number of shares outstanding incl dilutive effect of options 'in the money' (million) | 577.5 | 582.3 | 588.9 | 593.0 | 595.2 | 601.4 | 607.9 | 612.7 | *(3%)* |
| Sales by business segments: | | | | | | | | | |
| Modern insulins (insulin analogues) | 955 | 917 | 913 | 787 | 767 | 719 | 727 | 670 | *25%* |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Human insulins | 400 | 398 | 418 | 372 | 361 | 369 | 387 | 403 | *11%* |
| Victoza® | 128 | 94 | 39 | 50 | 8 | 4 | - | - | *1512%* |
| Protein-related products | 75 | 76 | 78 | 68 | 68 | 66 | 66 | 65 | *10%* |
| Oral antidiabetic products (OAD) | 90 | 98 | 94 | 87 | 86 | 87 | 90 | 93 | *5%* |
| **Diabetes care total** | **1,648** | **1,583** | **1,542** | **1,364** | **1,290** | **1,245** | **1,270** | **1,231** | ***28%*** |
| NovoSeven® | 267 | 264 | 290 | 257 | 234 | 222 | 252 | 242 | *15%* |
| Norditropin® | 167 | 165 | 168 | 145 | 158 | 144 | 150 | 139 | *6%* |
| Hormone replacement therapy | 65 | 69 | 60 | 60 | 62 | 59 | 58 | 55 | *5%* |
| Other products | 16 | 11 | 9 | 11 | 12 | 11 | 16 | 10 | *26%* |
| **Biopharmaceuticals total** | **515** | **509** | **527** | **473** | **466** | **436** | **476** | **446** | ***11%*** |
| Sales by geographic regions: | | | | | | | | | |
| North America | 843 | 821 | 804 | 702 | 606 | 607 | 633 | 608 | *39%* |
| Europe | 655 | 628 | 628 | 595 | 618 | 588 | 587 | 563 | *6%* |
| International Operations | 449 | 448 | 443 | 385 | 357 | 329 | 357 | 350 | *26%* |
| - of which Region China | 159 | 163 | 146 | 138 | 119 | 118 | 115 | 124 | *34%* |
| Japan & Korea | 216 | 195 | 194 | 155 | 175 | 157 | 169 | 156 | *24%* |
| Segment operating profit: | | | | | | | | | |
| Diabetes care | 415 | 459 | 408 | 343 | 230 | 307 | 314 | 291 | *80%* |
| Biopharmaceuticals | 168 | 229 | 269 | 246 | 202 | 205 | 235 | 221 | *(17%)* |



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# Appendix 7: Key currencies assumptions / supplementary information

| DKK per 100 | 2009 average exchange rates | Exchange rates as of 31 December 2010 | 2010 average exchange rates | Current exchange rate as of 28 January 2011 |
|---|---|---|---|---|
| USD | 536 | 561 | 562 | 544 |
| JPY | 5.73 | 6.89 | 6.42 | 6.61 |
| CNY | 78 | 85 | 83 | 82 |
| GBP | 836 | 867 | 869 | 866 |



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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf of the undersigned, thereunto duly authorized.

| | |
|---|---|
| Date: FEBRUARY 2, 2011 | NOVO NORDISK A/S |
| | Lars Rebien Sørensen, President and Chief Executive Officer |