

Financial statements of the Parent Company Novo Nordisk A/S for 2004

The Financial statements of the Parent Company, Novo Nordisk A/S,
are excerpted from the Annual Report of Novo Nordisk for 2004.

The Annual Report has been prepared in a separate
document, which can be obtained upon request from Novo Nordisk A/S
and is available at novonordisk.com.

The Financial statements of the Parent Company, Novo Nordisk A/S,
form an integral part of the complete Annual Report.

The complete Annual Report including the Financial statements
of the Parent Company, Novo Nordisk A/S, will be filed with
the Danish Commerce and Companies Agency where a copy also
can be obtained.

INCOME STATEMENT

DKK million	Note	2004	2003
Sales	2	20,301	18,965
Cost of goods sold	3	9,927	9,331
Gross profit		10,374	9,634
Sales and distribution costs	3	2,910	2,474
Research and development costs	3	3,833	3,554
Administrative expenses	3, 4	992	773
Licence fees and other operating income (net)	5	605	1,079
Operating profit		3,244	3,912
Profit before tax in subsidiaries	10	3,732	2,509
Share of profit in associated companies	10	(13)	12
Financial income	6	851	1,470
Financial expenses	6	364	527
Profit before income taxes		7,450	7,376
Income taxes	7	2,444	2,543
Net profit		5,006	4,833
Proposed appropriation of net profit:			
Dividends		1,594	1,488
Net revaluation reserve according to the equity method		3,377	166
Retained earnings		35	3,179
		5,006	4,833

BALANCE SHEET

DKK million	Note	31 Dec 2004	31 Dec 2003
ASSETS			
Intangible assets	8	172	100
Property, Plant and Equipment	9	15,275	14,516
Financial assets	10	9,093	6,107
Total long-term assets		24,540	20,723
Inventories	11	5,962	5,230
Trade receivables		1,046	1,158
Amounts owed by affiliated companies		3,626	3,515
Tax receivable		643	80
Other receivables		1,208	2,114
Marketable securities		521	1,819
Cash at bank and in hand		2,647	1,007
Total current assets		15,653	14,923
Total assets		40,193	35,646
EQUITY AND LIABILITIES			
Share capital		709	709
Share premium account		2,565	2,565
Net revaluation reserve according to the equity method		6,562	3,185
Retained earnings		16,701	18,396
Exchange rate adjustments		(40)	(79)
Total equity	12	26,497	24,776
Banks and other credit institutions	13	1,150	658
Deferred tax liabilities		843	758
Amounts owed to affiliated companies		43	29
Other provisions	14	206	211
Total long-term liabilities		2,242	1,656
Bank loans		18	3
Trade payables		569	606
Amounts owed to affiliated companies		8,678	6,521
Other liabilities		1,786	1,711
Other provisions	14	403	373
Total current liabilities		11,454	9,214
Total liabilities		13,696	10,870
Total equity and liabilities		40,193	35,646

1 ACCOUNTING POLICIES

The Parent company financial statements have been prepared in accordance with the Danish Financial Statements Act, Danish Accounting Standards and other accounting regulations for companies listed on the Copenhagen Stock Exchange.

As of 1 January 2004, the accounting policies for the Parent company have been changed. The changes are caused by the Group's adoption of International Financial Reporting Standards (IFRS). For detailed explanations of the changes in accounting policies please refer to note 1 – Changes in accounting policies – Adoption of IFRS in the Annual Report, page 64.

The effects of the changes in accounting policies for the Parent company are shown in the tables below. The letters in the tables refer to descriptions of the changes in accounting policies in the Annual Report, page 64. The comparative figures have been restated.

DKK million	2003
Net profit – previous GAAP	4,858
a) Accounting for associated R&D companies	(9)
b) Market value of currency options	30
c) Share-based payment	(69)
d) Provision for pensions	6
e) Borrowing costs – depreciation	38
e) Borrowing costs – interest expenses as incurred	(10)
m) Other	(11)
Net profit – New GAAP	4,833
Total assets – previous GAAP	36,073
a) Accounting for associated R&D companies	31
b) Market value of currency options	(13)
d) Provision for pensions	(36)
e) Borrowing costs	(380)
m) Other	(29)
Total assets – New GAAP	35,646
Total liabilities – previous GAAP	10,849
b) Market value of currency options	22
c) Share-based payment – deferred tax effect	(76)
e) Borrowing costs	(112)
k) Long-term employee benefits	195
m) Other	(8)
Total liabilities – New GAAP	10,870
Equity – previous GAAP	25,224
a) Accounting for associated R&D companies	31
b) Market value of currency options	(35)
c) Share-based payment – deferred tax effect	76
d) Provision for pensions	(36)
e) Borrowing costs	(268)
k) Long-term employee benefits	(195)
m) Other	(21)
Equity – New GAAP	24,776

The changes a) and d) as well as part of the changes in c), e) and m) are included in the financial statements of the Parent company in the line items Profit before tax in subsidiaries and Investment in subsidiaries because they concern corresponding changes in the accounting policies of the subsidiaries.

The accounting policies for the Parent company are the same as for the Group with the following additions. For a description of the accounting policies of the Group please see note 2 – Summary of significant accounting policies in the Annual Report, page 67.

Supplementary accounting policies for the Parent company

Financial assets

In the Parent company financial statements investments in subsidiaries and associated companies are recorded under the equity method, i.e. at the respective share of the net asset values in subsidiaries and associated companies. Any cost in excess of net assets in the acquired company is capitalised in the Parent company under Financial assets as part of investments in subsidiaries ('Goodwill'). Amortisation of goodwill is provided under the straight-line method over a period not exceeding 20 years.

Net profit of subsidiaries less unrealised intercompany profits is recorded in the Income statement of the Parent company.

To the extent it exceeds declared dividends from such companies, net revaluation of investments in subsidiaries and associated companies is transferred to net revaluation reserve according to the equity method under equity.

Tax

The Parent company has chosen to be assessed jointly for Danish tax purposes with certain of its foreign and domestic subsidiaries. The Danish jointly taxed companies are included in a Danish on-account tax payment scheme for Danish corporate income tax. All current taxes under the scheme are recorded in the parent company.

Cash flow statement

No separate cash flow statement has been prepared for the Parent company – please see the Consolidated cash flow statement and financial resources in the Annual Report, page 62.

NOTES - INCOME STATEMENT

2 SALES

DKK million	2004	2003
Sales by business segments *)		
Diabetes care total	17,751	15,901
Biopharmaceuticals total	2,550	3,064
Total sales	20,301	18,965
Sales by geographic segments *)		
Europe	10,249	9,878
North America	3,743	3,213
International Operations	3,447	3,152
Japan & Oceania	2,862	2,722
Total sales	20,301	18,965

Sales is attributed to geographical areas based on the location of the customer.

*) For definitions of the segments please refer to note 5, page 72 of the Annual Report.

3 EMPLOYEE COSTS

DKK million	2004	2003
Wages and salaries	4,300	4,019
Share-based payment costs	63	38
Pensions	375	313
Other contributions to social security	93	122
Other employee costs	180	144
Total employee costs	5,011	4,636
Included in the Balance sheet as change in employee costs included in inventories	80	(36)

For information regarding remuneration to the Board of Directors and Executive Management please refer to note 35, page 87 in the Annual Report.

	2004	2003
Average number of full-time employees in Novo Nordisk A/S	9,643	8,883

4 FEES TO STATUTORY AUDITORS

DKK million	2004	2003
PricewaterhouseCoopers	17	12
Ernst & Young	4	1
of which statutory audit fee to PricewaterhouseCoopers	6	5
of which statutory audit fee to Ernst & Young	1	1

5 LICENCE FEES AND OTHER OPERATING INCOME (NET)

For information regarding 'Licence fees and other operating income (net)' please refer to note 10, page 74 in the Annual Report.

6 FINANCIAL INCOME AND FINANCIAL EXPENSES

DKK million	2004	2003
Interest income relating to subsidiaries included in Financial income	33	23
Interest expenses relating to subsidiaries included in Financial expenses	156	131
Foreign exchange loss (net) recognised in the Income statement	129	388

7 INCOME TAXES

For specification of income taxes please refer to notes 13 and 25, pages 75 and 81 of the Annual Report.

8 INTANGIBLE ASSETS

DKK million	Goodwill	Patents and licences	Software	2004 Total	2003 Total
Cost at the beginning of the year	51	4	218	273	251
Additions during the year	–	91	30	121	37
Disposals during the year	–	–	–	–	(15)
Cost at the end of the year	51	95	248	394	273
Amortisation at the beginning of the year	47	–	126	173	146
Amortisation during the year	2	6	41	49	42
Disposals during the year	–	–	–	–	(15)
Amortisation at the end of the year	49	6	167	222	173
Carrying amount at the end of the year	2	89	81	172	100

9 PROPERTY, PLANT AND EQUIPMENT

DKK million	Land and buildings	Plant and machinery	Other equipment	Payments on account and assets in course of construction	2004 Total	2003 Total
Cost at the beginning of the year	7,482	8,994	1,514	3,086	21,076	19,449
Additions during the year	46	373	51	1,812	2,282	1,897
Disposals during the year	(237)	(366)	(186)	–	(789)	(270)
Transfer from/(to) other items	559	1,123	121	(1,803)	–	–
Cost at the end of the year	7,850	10,124	1,500	3,095	22,569	21,076
Depreciation and impairment losses at the beginning of the year	1,910	3,589	1,061	–	6,560	5,647
Depreciation for the year	274	852	108	–	1,234	1,058
Impairment losses for the year	5	123	1	–	129	93
Depreciation reversed on disposals during the year	(119)	(344)	(166)	–	(629)	(238)
Depreciation and impairment losses at the end of the year	2,070	4,220	1,004	–	7,294	6,560
Carrying amount at the end of the year	5,780	5,904	496	3,095	15,275	14,516

The latest official valuation of properties of the Company for property tax purposes amounts to a total of DKK 2,046 million. Cost of property not officially valued amounts to DKK 609 million.

10 FINANCIAL ASSETS

DKK million	Investments in subsidiaries	Amounts owed by affiliated companies	Investments in associated companies	Other securities and investments	2004 Total	2003 Total
Cost at the beginning of the year	4,257	1,864	144	216	6,481	4,276
Additions during the year	4,088	19	19	82	4,208	3,471
Disposals during the year	(2,031)	(1,800)	–	(1)	(3,832)	(1,266)
Cost at the end of the year	6,314	83	163	297	6,857	6,481
Value adjustments at the beginning of the year	2,503	–	143	(175)	2,471	2,842
Profit/(loss) before tax	4,490	–	(9)	–	4,481	3,109
Income taxes on profit for the year	(1,026)	–	–	–	(1,026)	(983)
Amortisation and impairment of goodwill	(1)	–	(4)	–	(5)	(5)
Dividends received	(86)	–	(6)	–	(92)	(1,974)
Exchange rate adjustments	(174)	–	–	–	(174)	(564)
Other adjustments	9	(1)	(2)	(5)	1	46
Value adjustments at the end of the year	5,715	(1)	122	(180)	5,656	2,471
Offset against amounts owed by subsidiaries at the beginning of the year	3	–	–	–	3	17
Additions during the year	10	–	–	–	10	(14)
At the end of the year	13	–	–	–	13	3
Unrealised internal profit at the beginning of the year	(2,848)	–	–	–	(2,848)	(2,553)
Change for the year	(758)	–	–	–	(758)	(584)
Exchange rate adjustments	173	–	–	–	173	289
At the end of the year	(3,433)	–	–	–	(3,433)	(2,848)
Carrying amount at the end of the year	8,609	82	285	117	9,093	6,107

Carrying amount of investments in subsidiaries does not include capitalised goodwill at the end of the year (DKK 1 million in 2003). No additions or disposals were made during the year.

Carrying amount of investments in associated companies includes net capitalised goodwill of DKK 9 million at the end of the year (DKK 13 million in 2003). No additions or disposals were made during the year.

A list of companies in the Novo Nordisk Group is included in the Annual Report on pages 96–97.

11 INVENTORIES

DKK million	2004	2003
Raw materials and consumables	1,003	1,033
Work in progress	3,933	3,331
Finished goods	1,026	866
Total inventories	5,962	5,230
Production overheads included in work in progress and finished goods	2,625	2,077

12 STATEMENT OF CHANGES IN EQUITY

DKK million	Share capital	Share premium account	Net revaluation reserve	Retained earnings	Exchange rate adjustments	2004 Total	2003 Total
Balance at the beginning of the year	709	2,565	3,185	18,396	(79)	24,776	22,477
Appropriated from net profit for the year				35		35	3,179
Proposed dividends				1,594		1,594	1,488
Appropriated from net profit for the year to net revaluation reserve according to the equity method			3,377			3,377	166
Purchase of treasury shares				(1,982)		(1,982)	(1,619)
Sale of treasury shares				87		87	15
Cost of share-based payments				63		63	38
Dividends				(1,488)		(1,488)	(1,243)
Exchange rate adjustment of investments in subsidiaries					39	39	6
Deferred (gain)/loss on cash flow hedges at the beginning of the year recognised in the Income statement				(513)		(513)	(391)
Deferred gain/(loss) on cash flow hedges at the end of the year				461		461	513
Other adjustments				48		48	147
Balance at the end of the year	709	2,565	6,562	16,701	(40)	26,497	24,776

Regarding average number of shares please refer to note 14, page 75 in the Annual Report.

Regarding total number of A and B shares in Novo Nordisk A/S and treasury shares please refer to note 23, page 80 in the Annual Report.

13 BANKS AND OTHER CREDIT INSTITUTIONS

DKK million	2004	2003
Mortgage debt	658	658
Other long-term debt	492	–
	1,150	658
Long-term debt falling due after more than five years from the balance sheet date amounts to	996	504

At the end of 2004 none of the long-term debt was falling due within one year.

14 OTHER PROVISIONS

DKK million	Provisions for returned products	Other provisions	2004 Total	2003 Total
At the beginning of the year	371	213	584	544
Additional provisions	208	–	208	195
Reversed during the year	–	–	–	–
Used during the year	(176)	(7)	(183)	(155)
At the end of the year	403	206	609	584
Specification of other provisions:				
Long-term	–	206	206	211
Current	403	–	403	373
	403	206	609	584

NOTES - ADDITIONAL INFORMATION

15 COMMITMENTS AND CONTINGENCIES

DKK million	2004	2003
Commitments		
Lease commitments	465	376
Contractual obligations relating to investments in Property, Plant and Equipment	3	445
Guarantees given for subsidiaries	1,319	3,008
Obligations related to research and development projects	674	485
Other guarantees and commitments	1,077	845
Security for debt		
Land, buildings and equipment etc at carrying amount	1,682	1,668

For information on pending litigation and other contingencies please refer to note 37, page 92 in the Annual Report.

16 RELATED PARTY TRANSACTIONS

For information on transactions with related parties please refer to note 38, page 93 in the Annual Report.