



# Company Announcement

Financial statement for the period 1 January 2008 to 30 September 2008

30 October 2008

## **Novo Nordisk increased operating profit by 15% in the first nine months of 2008**

### **Expectations for growth in full-year operating profit raised to 32–35%**

- Novo Nordisk increased sales by 13% in local currencies and by 7% in Danish kroner due to a negative currency development.
  - Sales of modern insulins increased by 29% (22% in Danish kroner).
  - Sales of NovoSeven<sup>®</sup> increased by 14% (6% in Danish kroner).
  - Sales of Norditropin<sup>®</sup> increased by 13% (8% in Danish kroner).
  - Sales in North America increased by 18% (5% in Danish kroner).
  - Sales in International Operations increased by 21% (13% in Danish kroner).
- Gross margin improved by 1.2 percentage points in local currencies and by 0.3 percentage points in Danish kroner to 77.0% in the first nine months of 2008, reflecting continued productivity improvements and a negative currency impact of around 0.9 percentage points.
- Operating profit increased by 15% to DKK 8,999 million. Adjusted for the impact from currencies, underlying operating profit increased by more than 25%.
- Net profit decreased by 3% to DKK 7,315 million due to the non-recurring tax exempt income of DKK 1.4 billion recorded in the second quarter of 2007 from Novo Nordisk's divestment of Dako's business activities. Excluding the effect from the non-recurring income, net profit increased by 19%.
- For 2008, the expectation for reported operating profit growth is increased by around 10 percentage points to 32–35%, primarily reflecting a significant positive development in Novo Nordisk's key invoicing currencies as well as lower operational costs.
- Novo Nordisk has achieved clinical proof of concept with a new generation of insulins, NN5401 and NN1250 and intends to initiate phase 3 clinical development in the second half of 2009.

Lars Rebien Sørensen, president and CEO, said: "We are pleased with the way our business has developed during the first nine months. This allows us to raise guidance for full-year 2008 operating profit growth. Furthermore, our preliminary plans for 2009 indicate continued double-digit growth in both sales and operating profit."

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## Financial statement for the first nine months of 2008

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies used in the interim report are consistent with those used in the *Annual Report 2007*. The interim report has not been audited.

Amounts in DKK million, except average number of shares outstanding, earnings per share and full-time employees.

| <b><u>Income statement</u></b>  | <b>9M 2008</b> | <b>9M 2007</b> | <b>% change<br/>9M 2007<br/>to 9M 2008</b> |
|---|----------------|----------------|--|
| <b>Sales</b>  | <b>32,970</b>  | <b>30,885</b>  | <b>7%</b>                                  |
| <b>Gross profit</b>   | <b>25,397</b>  | <b>23,693</b>  | <b>7%</b>                                  |
| <i>Gross margin</i>   | <i>77.0%</i>   | <i>76.7%</i>   |  |
| Sales and distribution costs  | 9,308          | 9,151          | 2%   |
| <i>Percent of sales</i>   | <i>28.2%</i>   | <i>29.6%</i>   |  |
| Research and development costs  | 5,417          | 5,125          | 6%   |
| <i>- hereof costs related to discontinuation of pulmonary diabetes projects</i> | <i>325</i>     | <i>-</i>       |  |
| <i>Percent of sales</i>   | <i>16.4%</i>   | <i>16.6%</i>   |  |
| Administrative expenses   | 1,886          | 1,831          | 3%   |
| <i>Percent of sales</i>   | <i>5.7%</i>    | <i>5.9%</i>    |  |
| Licence fees and other operating income   | 213            | 229            | -7%  |
| <b>Operating profit</b>   | <b>8,999</b>   | <b>7,815</b>   | <b>15%</b>                                 |
| <i>Operating margin</i>   | <i>27.3%</i>   | <i>25.3%</i>   |  |
| Net financials  | 626            | 1,809          | -65%                                       |
| <b>Profit before tax</b>  | <b>9,625</b>   | <b>9,624</b>   | <b>0%</b>                                  |
| <b>Net profit</b>   | <b>7,315</b>   | <b>7,545</b>   | <b>-3%</b>                                 |
| <i>Net profit margin</i>  | <i>22.2%</i>   | <i>24.4%</i>   |  |
| <b><u>Other key numbers</u></b>   |                |                |  |
| Depreciation, amortisation and impairment losses                                | 1,690          | 1,611          | 5%   |
| Capital expenditure   | 990            | 1,549          | -36%                                       |
| Cash flow from operating activities   | 9,659          | 7,489          | 29%  |
| Free cash flow  | 8,594          | 5,814          | 48%  |
| Total assets  | 48,990         | 48,423         | 1%   |
| Equity  | 32,173         | 33,161         | -3%  |
| <i>Equity ratio</i>   | <i>65.7%</i>   | <i>68.5%</i>   |  |
| Average number of shares outstanding (million) – diluted                        | 622.8          | 638.6          | -2%  |
| <b>Diluted earnings per share (in DKK)</b>                                      | <b>11.74</b>   | <b>11.82</b>   | <b>-1%</b>                                 |
| Full-time employees at the end of the period                                    | 26,360         | 25,206         | 5%   |

## Sales development by segments

Sales increased by 13% measured in local currencies and by 7% in Danish kroner. Growth was realised within both diabetes care and biopharmaceuticals, and the primary growth contribution originated from the modern insulins.

|                                       | Sales<br>9M 2008<br>DKK<br>million | Growth<br>as<br>reported | Growth<br>in local<br>currencies | Share of<br>growth<br>in local<br>currencies |
|---------------------------------------|------------------------------------|--------------------------|----------------------------------|--|
| <b>The diabetes care segment</b>      |                                    |                          |                                  |  |
| Modern insulins                       | 12,289                             | 22%                      | 29%                              | 75%  |
| Human insulins                        | 8,711                              | (8%)                     | (4%)                             | (10%)  |
| Insulin-related products              | 1,367                              | 5%                       | 10%                              | 3%   |
| Oral antidiabetic products            | 1,789                              | 9%                       | 17%                              | 7%   |
| <b>Diabetes care – total</b>          | <b>24,156</b>                      | <b>7%</b>                | <b>13%</b>                       | <b>75%</b>                                   |
| <b>The biopharmaceuticals segment</b> |                                    |                          |                                  |  |
| NovoSeven®                            | 4,622                              | 6%                       | 14%                              | 16%  |
| Norditropin®                          | 2,805                              | 8%                       | 13%                              | 9%   |
| Other products                        | 1,387                              | (5%)                     | 1%                               | 0%   |
| <b>Biopharmaceuticals – total</b>     | <b>8,814</b>                       | <b>5%</b>                | <b>12%</b>                       | <b>25%</b>                                   |
| <b>Total sales</b>                    | <b>32,970</b>                      | <b>7%</b>                | <b>13%</b>                       | <b>100%</b>                                  |

## Sales development by regions

In the first nine months of 2008, sales growth was realised in all regions. The main contributors to growth were North America and International Operations, providing 47% and 29% respectively of the total sales growth measured in local currencies. Europe contributed 22% and Japan & Oceania 2% of the sales growth.

## Diabetes care

Sales of diabetes care products increased by 13% measured in local currencies and by 7% in Danish kroner to DKK 24,156 million compared to the first nine months of 2007.

### Modern insulins, human insulins and insulin-related products

Sales of modern insulins, human insulins and insulin-related products in the first nine months of 2008 increased by 13% measured in local currencies and by 7% in Danish kroner to DKK 22,367 million compared to the same period last year. All regions contributed to growth measured in local currencies, with North America and International Operations having the highest growth rates. Novo Nordisk continues to be the global leader with 52% of the total insulin market and 44% of the modern insulin market, both measured by volume.

Sales of modern insulins increased by 29% in local currencies and by 22% in Danish kroner to DKK 12,289 million. Sales of Levemir® increased by 61% in local currencies compared to the first nine months of 2007. All regions realised solid growth rates for the modern insulins, with North America and Europe as the primary contributors to growth. Sales of modern insulins now constitute 59% of Novo Nordisk's sales of insulin.

Sales of human insulin decreased by 4% in local currencies and by 8% in Danish kroner to DKK 8,711 million, mainly reflecting a continued robust conversion to modern insulins in all regions.

#### *North America*

Sales in North America increased by 21% in local currencies in the first nine months of 2008 and by 8% in Danish kroner, reflecting solid penetration of the modern insulins Levemir<sup>®</sup>, NovoLog<sup>®</sup> and NovoLog<sup>®</sup> Mix 70/30. Novo Nordisk maintains its leadership position in the US insulin market with 42% of the total insulin market and 32% of the modern insulin market, both measured by volume. In the US market, the amount of insulin delivered in prefilled and durable devices is increasing but is still only approaching 20% measured in volume and 30% measured in value.

#### *Europe*

Sales in Europe increased by 7% in local currencies and by 6% measured in Danish kroner, reflecting continued progress in the portfolio of modern insulins. Novo Nordisk holds 56% of the total insulin market and 51% of the modern insulin market, both measured by volume, and continues to capture the main share of growth in the modern insulin market.

#### *International Operations*

Sales within International Operations increased by 19% in local currencies and by 12% in Danish kroner. In the first nine months of 2008, sales of modern insulins continued to be a significant contributor to growth in the region, led by China and Turkey. Furthermore, sales of human insulins continue to add to overall growth in the region, driven by China.

#### *Japan & Oceania*

Sales in Japan & Oceania increased by 3% in local currencies and by 2% measured in Danish kroner. The sales development reflects sales growth for the modern insulins NovoRapid<sup>®</sup>, NovoRapid Mix<sup>®</sup> 30 and Levemir<sup>®</sup>. Levemir<sup>®</sup> was launched in December 2007 in Japan and has a current volume market share of around 18% of the long-acting insulin market in Japan. Novo Nordisk holds 72% of the total insulin market in Japan and 64% of the modern insulin market, both measured by volume.

### **Oral antidiabetic products (NovoNorm<sup>®</sup> /Prandin<sup>®</sup>)**

In the first nine months of 2008, sales of oral antidiabetic products increased by 17% in local currencies and by 9% in Danish kroner to DKK 1,789 million compared to the first nine months of 2007. This primarily reflects increased sales in International Operations and North America followed by Europe.

## **Biopharmaceuticals**

In the first nine months of 2008, sales of biopharmaceutical products increased by 12% measured in local currencies and by 5% measured in Danish kroner to DKK 8,814 million compared to the first nine months of 2007.

### **NovoSeven<sup>®</sup>**

Sales of NovoSeven<sup>®</sup> increased by 14% in local currencies and by 6% in Danish kroner to DKK 4,622 million compared to the first nine months of 2007. Sales growth for NovoSeven<sup>®</sup> was primarily realised in North America followed by International Operations and Europe. The sales growth for NovoSeven<sup>®</sup> primarily reflects increased sales in the congenital bleeding disorder indications, and treatment of spontaneous bleeds for congenital inhibitor patients remains the

largest area of use. Sales of NovoSeven<sup>®</sup> in International Operations in the first nine months of 2008 were positively impacted by the timing of tender sales compared to the same period in 2007. Sales of NovoSeven<sup>®</sup> in the US were positively impacted by a minor inventory build-up in relation to the launch of room temperature-stable NovoSeven<sup>®</sup>.

### **Norditropin<sup>®</sup>**

Sales of Norditropin<sup>®</sup> (ie growth hormone in a liquid, ready-to-use formulation) increased by 13% measured in local currencies and by 8% measured in Danish kroner to DKK 2,805 million. Growth was realised in all regions, with North America as the primary contributor. Novo Nordisk continues to gain market share in the global growth hormone market and has the second-largest global market share of 24% measured by volume.

### **Other products**

Sales of other products within biopharmaceuticals, which predominantly consist of hormone replacement therapy (HRT)-related products, increased by 1% in local currencies and decreased by 5% in Danish kroner to DKK 1,387 million. This development reflects global sales growth for Vagifem<sup>®</sup>, a locally administered HRT product, offset by generic competition in the US to Activella<sup>®</sup>, a continuous-combined HRT product.

## **Costs, licence fees and other operating income**

The cost of goods sold was DKK 7,573 million in the first nine months of 2008, representing a gross margin of 77.0% compared to 76.7% in the same period last year. Excluding the impact from currency developments, primarily reflecting the lower value of the US dollar and the British pound versus the Danish krone compared to the first nine months of 2007, the gross margin in the first nine months of 2008 was 77.9%. This improvement primarily reflects improved production efficiency.

In the first nine months of 2008, total non-production-related costs increased by 3% to DKK 16,611 million compared to the same period last year. Sales and distribution costs increased by 2%, reflecting the combined effect of a provision related to an antidumping case in Brazil recorded in the first quarter of 2007, and increased US costs in the first nine months of 2008 related to the expanded sales force. Research and development costs increased by 6%, reflecting an increased level of activity in late-stage clinical development as well as the non-recurring costs related to the discontinuation of AERx<sup>®</sup> and other pulmonary diabetes projects.

Licence fees and other operating income of DKK 213 million in the first nine months of 2008 represent a decrease of 7% compared to the same period last year, which was positively impacted by a non-recurring income from the out-licensing of an oral antidiabetic compound (OAD).

## **Net financials**

Net financials showed a net income of DKK 626 million in the first nine months of 2008 compared to a net income of DKK 1,809 million in the same period last year, where a non-recurring and tax-exempt income of DKK 1.4 billion from the divestment of the ownership of Dako's business activities was recorded.

Included in net financials is the result from associated companies with an expense of DKK 128 million, primarily related to Novo Nordisk's share of losses in ZymoGenetics, Inc., partly

countered by an additional income of around DKK 50 million recorded in 2008 related to the divestment of the business activities in Dako in 2007.

The net effect of foreign exchange hedging was an income of DKK 671 million compared to an income of DKK 664 million in the same period of 2007. This development reflects gains on foreign exchange hedging activities due to the lower value of especially US dollars versus Danish kroner. As a result of the significant positive development in Novo Nordisk's main invoicing currencies, a foreign exchange hedging loss of around DKK 500 million has been deferred, as per 30 September 2008, for future expense recognition, primarily in 2009.

## Free cash flow

The free cash flow for the first nine months of 2008 was realised at DKK 8,594 million compared to DKK 5,814 million in the first nine months of 2007. The increase in free cash flow is primarily related to the higher cash contribution from operating activities and the lower investment level in the first nine months of 2008 compared to the same period last year.

## Outlook

The current expectations for 2008 are summarised and compared to the previous expectations in the table below (changes highlighted in bold and italic):

| Expectations are <i>as reported</i> , if not otherwise stated   | <b>Current expectations<br/>30 October 2008</b>              | <b>Previous expectations<br/>7 August 2008</b> |
|---|--|--|
| <b>Sales growth</b><br>- in local currencies<br>- as reported   | 11–13%<br><b><i>Around 3 percentage points<br/>lower</i></b> | 11–13%<br>Around 6 percentage points<br>lower  |
| <b>Operating profit growth</b><br>- underlying<br>- as reported | <b><i>More than 25%<br/>32–35%</i></b>                       | Around 25%<br>22–25%                           |
| <b>Net financial income</b>                                     | <b><i>DKK 350 million</i></b>                                | DKK 800 million                                |
| <b>Effective tax rate</b>                                       | Approximately 24%  | Approximately 24%                              |
| <b>Capital expenditure</b>                                      | <b><i>Around DKK 1.5 billion</i></b>                         | Lower than DKK 2 billion                       |
| <b>Depreciation, amortisation and impairment losses</b>         | <b><i>Around DKK 2.4 billion</i></b>                         | Around DKK 2.5 billion                         |
| <b>Free cash flow</b>   | <b><i>Around DKK 9.5 billion</i></b>                         | Around DKK 8.5 billion                         |

Novo Nordisk still expects a **sales** growth for 2008 of 11–13% measured in local currencies whereas reported sales growth is now expected to be around 3 percentage points lower, given the current level of exchange rates.

The expectation for growth in reported operating profit for 2008 is increased by around 10 percentage points to 32–35%. This primarily reflects a positive impact from the recent significant appreciation of Novo Nordisk's main invoicing currencies and lower operational costs, partly countered by costs related to the employee share programme as well as costs related to the discontinuation of the phase 3 study with Norditropin® in dialysis patients with low serum albumin. The forecast includes lowered non-recurring costs in relation to the discontinuation of all pulmonary diabetes projects (reduced from DKK 400 million to DKK 325 million).

Adjusted for the impact from currency and the non-recurring costs related to the discontinuation of all pulmonary diabetes projects in 2007 and 2008, the expectation for underlying operating profit is now increased to a growth of more than 25%.

For 2008, Novo Nordisk now expects a **net financial income** of DKK 350 million, reflecting the significant foreign exchange hedging gains in the first nine months of 2008, primarily related to the US dollar, partly being offset by the expected hedging losses in the fourth quarter of 2008 related to the recent significant appreciation of key invoicing currencies.

The expectation for the effective **tax rate** for 2008 is still 24%.

**Capital expenditure** is now expected to be around DKK 1.5 billion in 2008 whereas **depreciations, amortisation and impairment losses** are now expected to be around DKK 2.4 billion. **Free cash flow** is now expected to be around DKK 9.5 billion, primarily explained by higher operating profit expectations and the expected lower level of investments.

With regard to the financial outlook for **2009** it is Novo Nordisk's intention to provide detailed guidance on expectations in connection with the full-year release of financial results for 2008, scheduled for 29 January 2009. At present, the preliminary plans for 2009 indicate both sales growth and operating profit growth at the level of 10% measured in local currencies. The reported sales growth for 2009 is expected to be around 8 percentage points higher and the reported operating profit growth is expected to be at least 15 percentage points higher due to an expected positive currency impact following the recent significant appreciation of Novo Nordisk's main invoicing currencies. These preliminary plans reflect expectations of a continued solid penetration of the portfolio of modern insulins as well as progress for the key products within biopharmaceuticals, but also an expectation of continued intense competition in both the diabetes care and biopharmaceuticals areas. The preliminary plans for growth in operating profit in 2009 also reflect a continued improvement of the gross margin as well as increased spending for sales and distribution relative to sales due to an expected high level of sales and marketing activities for primarily liraglutide and the modern insulins.

All of the above expectations are provided that currency exchange rates, especially the US dollar and related currencies, remain at the current level (USD 583, GBP 936, JPY 6.01 as of 29 October 2008) versus the Danish krone for the rest of 2008 and throughout 2009. Please refer to appendix 7 for an outline of the assumptions for key currencies and operating profit sensitivity for 2008 and 2009.

Novo Nordisk has hedged expected net cash flows in relation to US dollars, Japanese yen and British pounds for 15, 14 and 13 months respectively. The financial impact from foreign exchange hedging is included in 'Net financials'. Provided the currency exchange rates remain at the current level throughout 2009, it is expected that the significant positive impact on reported operating profit will be offset by a similar significant foreign exchange hedging loss.

## Research and development update

### Diabetes care

Novo Nordisk is the only company with a new generation of insulins in full clinical development. The ambition is to further improve the treatment success rate, tolerability and convenience of insulin therapy for people with type 1 or type 2 diabetes. Novo Nordisk has

made significant progress in this area and has recently finalised two phase 2 studies with NN1250, a long-acting insulin analogue with a potential duration of action of more than 24 hours, and two phase 2 studies with NN5401, a neutral, soluble dual-acting insulin analogue preparation also with a potential duration of action of more than 24 hours. NN1250 was investigated in both type 1 and type 2 diabetes, whereas NN5401 was investigated in type 2 diabetes alone. NN1250 was studied in trials where insulin glargine served as insulin comparator whereas NN5401 was studied in trials where NovoMix<sup>®</sup> 30 and insulin glargine served as insulin comparators. In total, around 700 patients were enrolled in the four treat-to-target studies and all patients were treated for 16 weeks.

The headline data from the four studies show promising proof-of-concept results for both of the new insulins in terms of safe and long-lasting blood glucose lowering. Between half and two-thirds of people with type 2 diabetes treated with NN5401 achieved HbA<sub>1c</sub> levels below 7% with no incidences of hypoglycaemia during the last four weeks of treatment. For people with type 2 diabetes treated with once-daily NN1250, around half achieved HbA<sub>1c</sub> levels below 7% without occurrence of hypoglycaemia in the last four weeks of treatment. In the type 2 diabetes trial three weekly injections of NN1250, every Monday, Wednesday and Friday, were also compared to once-daily basal insulin. The blood glucose control achieved after three weekly NN1250 injections was found to be similar to that in the once-daily basal insulin arm, highlighting the very long action profile of NN1250.

Importantly, both insulins, NN5401 and NN1250, appear to be safe and well tolerated. Based on the positive phase 2 data, Novo Nordisk will now start a dialogue with the regulatory agencies regarding the design of the phase 3 programmes. Novo Nordisk plans to initiate phase 3 studies with both NN1250 and NN5401 in the second half of 2009.

At the annual meeting of the Canadian Diabetes Association in October, Novo Nordisk presented detailed results from the 26-week LEAD<sup>™</sup> 6 phase 3b study in which the safety and efficacy of liraglutide, the once-daily human GLP-1 analogue, was compared to twice-daily exenatide in people with type 2 diabetes. As previously communicated, the study showed that patients treated with liraglutide achieved a statistically significantly better blood glucose control, compared to patients receiving exenatide treatment.

At its Capital Markets Day on 26 September, Novo Nordisk presented headline data from a 14-week extension of the LEAD<sup>™</sup> 6 study. After an initial 26 weeks of treatment with either liraglutide or exenatide in the LEAD<sup>™</sup> study, 376 patients with type 2 diabetes entered this 14-week non-randomised extension study where all patients received liraglutide. Patients from the initial liraglutide treatment arm continued previous treatment at an unchanged dose while patients from the initial exenatide treatment arm were switched to liraglutide 1.8 mg once daily, following a two-week dose escalation period. The study showed that patients who switched from exenatide to liraglutide experienced a reduction in HbA<sub>1c</sub> of 0.3 percentage points, a decrease in fasting plasma glucose of 0.9 mmol/l, a weight loss of approximately 1 kg as well as a reduction in systolic blood pressure of close to 4 mmHg – all differences being statistically significant. Furthermore, the tolerability profile of liraglutide was confirmed in the LEAD<sup>™</sup> 6 extension.

As previously communicated, the phase 3 programme for liraglutide in obesity is expected to be initiated before the end of 2008 and will include 4,500–5,000 patients. One-year data from the study is expected in early 2011.

## Biopharmaceuticals

Novo Nordisk has decided to discontinue the phase 3 study with Norditropin® in dialysis patients with low serum albumin (LSAD) which was started in July 2007. The decision to discontinue the study is not due to safety concerns. The discontinuation is based on an analysis of the significant delay in recruitment of patients for the study which is expected to have a negative impact on the outcome of the study. The analysis shows that the study is not expected to be completed before 2012 or potentially later and that actions undertaken to accelerate patient recruitment have not been sufficiently successful. The primary endpoint in the study is mortality and the plan was to enrol around 2,500 patients.

Novo Nordisk regrets the inconvenience this may cause to patients, doctors and medical staff, and is grateful to all who took part in the study. Novo Nordisk will do its utmost to ensure a smooth trial closure for the involved patients and clinical centres. In the study, growth hormone or placebo treatment has been added in addition to existing treatment, not as a replacement for another treatment. Novo Nordisk expects to finalise the discontinuation of the study during the first half of 2009.

Novo Nordisk is finalising the analysis of results from the phase 3 trial with NovoSeven® for the treatment of bleeding in patients with severe trauma. As previously announced the trial was discontinued earlier this year based on the results of an analysis for futility conducted by the independent Data Monitoring Committee. In total 541 patients with severe trauma completed the trial. The primary efficacy endpoint was 30-day mortality and the results show that there was no statistical difference between the mortality outcome for patients treated with NovoSeven® and placebo. As seen in previous trials with NovoSeven® in trauma, patients treated with NovoSeven® in this trial received statistically significantly fewer transfusions at 24 and 48 hours compared to placebo, thereby confirming its haemostatic effect. The safety profile of NovoSeven® was consistent with previous trials of NovoSeven® in critical bleeds. Novo Nordisk expects to publish detailed results from the phase 3 trial in peer-reviewed journals and at scientific conferences in 2009.

At the Capital Markets Day, Novo Nordisk provided an update of the haemostasis strategy including plans for extending activities into general haemophilia. This was underpinned by the announcement that phase 1 studies are expected to be initiated with a recombinant factor VIII compound and a long-acting recombinant factor IX compound during 2008 and 2009 respectively. Additionally, it was announced that the long-acting recombinant FVIIa derivative NN7128 has completed phase 1 and that a phase 2 study is expected to be initiated in 2009.

Within haemostasis Novo Nordisk also announced that the phase 3 study with recombinant FXIII in congenital factor XIII deficiency was initiated in August 2008. In addition, it was announced that a phase 2 study with recombinant factor XIII within prevention of bleeding in cardiac surgery is expected to be initiated in 2009.

Finally, at the Capital Markets Day, Novo Nordisk provided an update on the progress in the area of inflammation research and announced the progression of the first two projects, anti-IL-20 and anti-C5aR, to phase 1 clinical development.

## Equity

Total equity was DKK 32,173 million at the end of the first nine months of 2008, equal to 65.7% of total assets, compared to 67.4% at the end of 2007. Please refer to appendix 6 for further elaboration of changes in equity during the first nine months of 2008.

## Treasury shares and share repurchase programme

As per 29 October 2008, Novo Nordisk A/S and its wholly-owned affiliates owned 24,201,460 of its own B shares, corresponding to 3.8% of the total share capital. In 2008, Novo Nordisk has so far repurchased 12,605,207 B shares equal to a cash value of DKK 3.9 billion. Novo Nordisk still expects to repurchase B shares equal to a cash value of around DKK 4.7 billion in 2008 and around DKK 5 billion in 2009. In 2006 and 2007, Novo Nordisk repurchased B shares equal to a total cash value of DKK 7.8 billion.

## Employee shares

As the opportunity to buy and own shares in Novo Nordisk is evaluated to have a positive impact on attraction, engagement and retention of employees worldwide, the Board of Directors has approved a global employee share programme to be implemented in November 2008. In Denmark each employee will get the opportunity to buy up to 100 B shares at a price of DKK 150. The shares will be tied up until 2014. Outside of Denmark each employee will be granted 50 restricted stock awards at a price of nil. The release of the awards will require employment for a three-year period following grant.

The global employee share programme is expected to include approximately 1.8 million shares and will be covered by the existing holding of treasury shares. The operating cost effect for 2008 is expected to be approximately DKK 200 million and for each of the years 2009–2011 approximately DKK 50 million.

## Sustainability issues update

### Call for Action initiative to improve conditions for women with diabetes

In support of the Danish Government's global Call for Action on the United Nation's Millennium Development Goal 3 – Promote gender equality and equal opportunities – Novo Nordisk has committed to address the impact of diabetes on women's empowerment and development. A first step was a roundtable meeting in New York in September, co-hosted with the Danish Minister for Development Cooperation Ms Ulla Tørnæs, the Global Alliance for Women's Health and the World Diabetes Foundation. The objective is to improve diabetes prevention, diagnosis and treatment for women.

### Novo Nordisk achieves high score in Dow Jones sustainability indices

In the annual update of the global benchmark for the Dow Jones family of sustainability investment indices announced in September, Novo Nordisk achieved the same high score as in 2007, a total of 84 points out of 100 and came in as the second-best pharmaceutical company in the benchmark. The analysis measures companies' performance on three dimensions: economic, environmental and social.

## Legal issues update

### US hormone therapy litigation

As of 29 October 2008, Novo Nordisk Inc., as well as the majority of 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 49 individuals who allege use of a Novo Nordisk hormone therapy product. These products (Activella<sup>®</sup> and Vagifem<sup>®</sup>) 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.). A further 39

individuals currently allege, in relation to similar lawsuits against Pfizer Inc., that they have also used a Novo Nordisk hormone therapy product. Novo Nordisk does not have any court trials scheduled for 2008 and does not presently expect to have a trial before 2009. Novo Nordisk does not expect the pending claims to impact Novo Nordisk's financial outlook.

### **Prandin® litigation**

On 9 June 2005, Novo Nordisk filed in US District Court in Detroit, Michigan, a patent infringement lawsuit against Caraco Pharmaceutical Laboratories Ltd./Sun Pharmaceutical Industries Ltd. in response to their Abbreviated New Drug Application (ANDA) for repaglinide, the active ingredient in Prandin®. In their ANDA, Caraco requests approval to sell repaglinide following expiry in March 2009 of the primary US patent for repaglinide. Novo Nordisk's lawsuit asserts that Caraco, if permitted to market generic repaglinide following the 2009 patent expiry, will induce the infringement of Novo Nordisk's patent covering the combination of repaglinide with metformin (patent number US 6,677,358 which expires in 2018). The trial in the US District Court is scheduled to begin 12 January 2009.

## **Financial calendar for 2009**

|             |  |
|-------------|--|
| 29 January  | Financial statement for 2008   |
| 2 February  | PDF version of the <i>Annual Report 2008</i> available on <a href="http://novonordisk.com">novonordisk.com</a> |
| 16 February | Printed version of the <i>Annual Report 2008</i>   |
| 18 March    | Annual General Meeting   |
| 18 March    | Shareholders' Meeting (Information meeting in Danish)  |
| 30 April    | Financial statement for the first quarter of 2009  |
| 6 August    | Financial statement for the first six months of 2009   |
| 29 October  | Financial statement for the first nine months of 2009  |

## **Conference call details**

At 13.00 CET today, corresponding to 8.00 am New York time, a conference call will be held. Investors will be able to listen in via a link on [novonordisk.com](http://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 statement

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 2007 and Form 20-F both filed with the SEC in February 2008, 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', 'guidance', 'project', 'anticipate', 'can', 'intend' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward looking statements. Examples of such forward-looking statements include, but are not limited to (i) statements of plans, objectives or goals for future operations, including those related to Novo Nordisk's products, product research, product introductions and product approvals as well as cooperations in relation thereto, (ii) statements containing projections of revenues, income (or loss), earnings per share, capital expenditures, dividends, capital structure or other net financials, (iii) statements of future economic performance, future actions and outcome of contingencies such as legal proceedings, and (iv) statements of the assumptions underlying or relating to such statements. In this document, examples of forward-looking statements can be found on the first page and under the headings 'Outlook', 'Research and development update' and 'Legal issues 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 in this document, could cause actual results to differ materially from those contained 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 fluctuations, delay or failure of development projects, 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 'Business strategy, opportunities and key risks' on pp 8–9 of the Annual Report 2007 available on our website ([novonordisk.com](http://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.

# Management statement

Today, the Board of Directors and Executive Management reviewed and approved the interim report and accounts of Novo Nordisk A/S for the first nine months of 2008.

The interim report and accounts have been prepared in accordance with International Financial Reporting Standards and the additional Danish disclosure requirements applying to listed companies' interim reports and accounts.

In our opinion the accounting policies used are appropriate and the overall presentation of the interim report and accounts is adequate. Furthermore, in our opinion the management review includes a fair review of the development and performance of the business and the financial position of the group, together with a description of the material risks and uncertainties the group faces.

Bagsværd 30 October 2008

## Executive Management:

Lars Rebien Sørensen      Jesper Brandgaard  
*President and CEO*      *CFO*

Lise Kingo      Kåre Schultz      Mads Krogsgaard Thomsen

## Board of Directors:

Sten Scheibye      Göran A Ando  
*Chairman*      *Vice chairman*

Kurt Briner      Henrik Gürtler      Johnny Henriksen

Pamela Kirby      Anne Marie Kverneland      Kurt Anker Nielsen

Søren Thuesen Pedersen      Stig Strøbæk      Jørgen Wedel

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Further information on Novo Nordisk is available on the company's internet homepage at the address: [novonordisk.com](http://novonordisk.com)

# Appendix 1: Quarterly numbers in DKK

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

|  | 2008          |               |               | 2007          |               |               | % change<br>Q3 2008 vs<br>Q3 2007 |            |
|--|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------------|------------|
|  | Q3            | Q2            | Q1            | Q4            | Q3            | Q2            |                                   | Q1         |
| <b>Sales</b>   | <b>11,246</b> | <b>11,110</b> | <b>10,614</b> | <b>10,946</b> | <b>10,504</b> | <b>10,563</b> | <b>9,818</b>                      | <b>7%</b>  |
| Gross profit   | 8,640         | 8,556         | 8,201         | 8,345         | 7,990         | 8,205         | 7,498                             | 8%         |
| Gross margin   | 76.8%         | 77.0%         | 77.3%         | 76.2%         | 76.1%         | 77.7%         | 76.4%                             |            |
| Sales and distribution costs   | 3,155         | 3,178         | 2,975         | 3,220         | 2,993         | 3,110         | 3,048                             | 5%         |
| Percent of sales   | 28.1%         | 28.6%         | 28.0%         | 29.4%         | 28.5%         | 29.4%         | 31.0%                             |            |
| Research and development costs   | 1,579         | 1,980         | 1,858         | 3,413         | 1,724         | 1,754         | 1,647                             | -8%        |
| - Hereof costs related to discontinuation of all pulmonary projects*                             | 50            | (155)         | (220)         | (1,325)       | -             | -             | -                                 |            |
| Percent of sales   | 14.0%         | 17.8%         | 17.5%         | 31.2%         | 16.4%         | 16.6%         | 16.8%                             |            |
| Percent of sales (excl. AERx®)**   | 14.5%         | 16.4%         | 15.4%         | 19.1%         | 16.4%         | 16.6%         | 16.8%                             |            |
| Administrative expenses  | 633           | 626           | 627           | 677           | 623           | 594           | 614                               | 2%         |
| Percent of sales   | 5.6%          | 5.6%          | 5.9%          | 6.2%          | 5.9%          | 5.6%          | 6.3%                              |            |
| Licence fees and other operating income (net)  | 51            | 74            | 88            | 92            | 31            | 60            | 138                               | 65%        |
| <b>Operating profit</b>  | <b>3,324</b>  | <b>2,846</b>  | <b>2,829</b>  | <b>1,127</b>  | <b>2,681</b>  | <b>2,807</b>  | <b>2,327</b>                      | <b>24%</b> |
| Operating margin   | 29.6%         | 25.6%         | 26.7%         | 10.3%         | 25.5%         | 26.6%         | 23.7%                             |            |
| <b>Operating profit (excl. AERx®)**</b>  | <b>3,274</b>  | <b>3,001</b>  | <b>3,049</b>  | <b>2,452</b>  | <b>2,681</b>  | <b>2,807</b>  | <b>2,327</b>                      | <b>22%</b> |
| Operating margin (excl. AERx®)**   | 29.1%         | 27.0%         | 28.7%         | 22.4%         | 25.5%         | 26.6%         | 23.7%                             |            |
| Share of profit/(loss) in associated companies   | (58)          | (3)           | (67)          | 0             | (57)          | 1,350         | (60)                              | -          |
| Financial income   | 306           | 429           | 474           | 375           | 322           | 297           | 309                               | -5%        |
| Financial expenses   | 66            | 21            | 368           | 155           | 90            | 60            | 202                               | -27%       |
| Profit before income taxes   | 3,506         | 3,251         | 2,868         | 1,347         | 2,856         | 4,394         | 2,374                             | 23%        |
| <b>Net profit</b>  | <b>2,664</b>  | <b>2,471</b>  | <b>2,180</b>  | <b>977</b>    | <b>2,184</b>  | <b>3,652</b>  | <b>1,709</b>                      | <b>22%</b> |
| Depreciation, amortisation and impairment losses   | 560           | 567           | 563           | 1,396         | 586           | 516           | 509                               | -4%        |
| Depreciation, amortisation, etc (excl. AERx®)**  | 560           | 567           | 563           | 526           | 586           | 516           | 509                               | -4%        |
| Capital expenditure  | 448           | 328           | 214           | 719           | 597           | 508           | 444                               | -25%       |
| Cash flow from operating activities  | 3,673         | 2,916         | 3,070         | 2,498         | 3,500         | 1,438         | 2,551                             | 5%         |
| Free cash flow   | 3,210         | 2,589         | 2,795         | 3,198         | 2,888         | 826           | 2,100                             | 11%        |
| Equity   | 32,173        | 33,046        | 31,251        | 32,182        | 33,161        | 33,475        | 29,676                            | -3%        |
| Total assets   | 48,990        | 48,478        | 47,534        | 47,731        | 48,423        | 48,300        | 44,742                            | 1%         |
| Equity ratio   | 65.7%         | 68.2%         | 65.7%         | 67.4%         | 68.5%         | 69.3%         | 66.3%                             |            |
| Full-time employees at the end of the period   | 26,360        | 26,060        | 25,765        | 25,516        | 25,206        | 24,729        | 24,045                            | 5%         |
| Basic earnings per share (in DKK)  | 4.34          | 3.99          | 3.51          | 1.56          | 3.46          | 5.75          | 2.69                              | 25%        |
| Diluted earnings per share (in DKK)  | 4.30          | 3.96          | 3.48          | 1.55          | 3.43          | 5.71          | 2.68                              | 25%        |
| Average number of shares outstanding (million)***  | 614.2         | 618.6         | 620.9         | 624.4         | 632.0         | 635.8         | 635.0                             | -3%        |
| Average number of shares outstanding incl dilutive effect of options 'in the money' (million)*** | 618.6         | 623.5         | 626.3         | 629.6         | 636.4         | 640.2         | 639.4                             | -3%        |
| Sales by business segments:  |               |               |               |               |               |               |                                   |            |
| Modern insulins (insulin analogues)  | 4,365         | 4,103         | 3,821         | 3,911         | 3,568         | 3,464         | 3,065                             | 22%        |
| Human insulins   | 2,806         | 2,966         | 2,939         | 3,116         | 3,098         | 3,222         | 3,136                             | -9%        |
| Insulin-related sales  | 464           | 460           | 443           | 448           | 445           | 437           | 419                               | 4%         |
| Oral antidiabetic products (OAD)   | 671           | 478           | 640           | 512           | 585           | 529           | 523                               | 15%        |
| <b>Diabetes care total</b>   | <b>8,306</b>  | <b>8,007</b>  | <b>7,843</b>  | <b>7,987</b>  | <b>7,696</b>  | <b>7,652</b>  | <b>7,143</b>                      | <b>8%</b>  |
| NovoSeven®   | 1,534         | 1,648         | 1,440         | 1,519         | 1,427         | 1,508         | 1,411                             | 7%         |
| Growth hormone therapy   | 941           | 986           | 878           | 925           | 878           | 924           | 784                               | 7%         |
| Hormone replacement therapy  | 394           | 391           | 385           | 437           | 414           | 411           | 406                               | -5%        |
| Other products   | 71            | 78            | 68            | 78            | 89            | 68            | 74                                | -20%       |
| <b>Biopharmaceuticals total</b>  | <b>2,940</b>  | <b>3,103</b>  | <b>2,771</b>  | <b>2,959</b>  | <b>2,808</b>  | <b>2,911</b>  | <b>2,675</b>                      | <b>5%</b>  |
| Sales by geographic segments:  |               |               |               |               |               |               |                                   |            |
| Europe   | 4,305         | 4,400         | 4,061         | 4,348         | 4,036         | 4,035         | 3,931                             | 7%         |
| North America  | 3,759         | 3,467         | 3,450         | 3,608         | 3,500         | 3,424         | 3,214                             | 7%         |
| International Operations   | 2,074         | 2,069         | 2,096         | 1,776         | 1,870         | 1,953         | 1,696                             | 11%        |
| Japan & Oceania  | 1,108         | 1,174         | 1,007         | 1,214         | 1,098         | 1,151         | 977                               | 1%         |
| Segment operating profit:  |               |               |               |               |               |               |                                   |            |
| Diabetes care  | 1,963         | 1,510         | 1,672         | (75)          | 1,487         | 1,600         | 1,247                             | 32%        |
| Diabetes care (excl. AERx®)**  | 1,913         | 1,665         | 1,892         | 1,250         | 1,487         | 1,600         | 1,247                             | 29%        |
| Biopharmaceuticals   | 1,361         | 1,336         | 1,157         | 1,202         | 1,194         | 1,207         | 1,080                             | 14%        |

\*) Including costs related to the discontinuation of AERx® and all other pulmonary diabetes projects.

\*\*\*) Excluding costs related to the discontinuation of AERx® and all other pulmonary diabetes projects.

\*\*\*\*) For Q3 2008 the exact numbers of 'Average number of shares outstanding' and 'Average number of shares outstanding incl dilutive effect of options 'in the money' are 614,225,888 and 618,666,332 respectively.

## Appendix 2: Quarterly numbers in EUR

(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.

|  | 2008         |              |              | 2007         |              |              | % change<br>Q3 2008 vs<br>Q3 2007 |            |
|--|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------------------|------------|
|  | Q3           | Q2           | Q1           | Q4           | Q3           | Q2           |                                   | Q1         |
| <b>Sales</b>   | <b>1,508</b> | <b>1,489</b> | <b>1,424</b> | <b>1,468</b> | <b>1,411</b> | <b>1,418</b> | <b>1,317</b>                      | <b>7%</b>  |
| Gross profit   | 1,159        | 1,147        | 1,100        | 1,119        | 1,074        | 1,101        | 1,006                             | 8%         |
| <i>Gross margin</i>  | <i>76.8%</i> | <i>77.0%</i> | <i>77.3%</i> | <i>76.2%</i> | <i>76.1%</i> | <i>77.7%</i> | <i>76.4%</i>                      |            |
| Sales and distribution costs   | 423          | 426          | 399          | 432          | 402          | 417          | 409                               | 5%         |
| <i>Percent of sales</i>  | <i>28.1%</i> | <i>28.6%</i> | <i>28.0%</i> | <i>29.4%</i> | <i>28.5%</i> | <i>29.4%</i> | <i>31.0%</i>                      |            |
| Research and development costs   | 211          | 266          | 249          | 458          | 232          | 235          | 221                               | -8%        |
| - Hereof costs related to discontinuation of all pulmonary projects*                             | 7            | (20)         | (30)         | (178)        | -            | -            | -                                 |            |
| <i>Percent of sales</i>  | <i>14.0%</i> | <i>17.8%</i> | <i>17.5%</i> | <i>31.2%</i> | <i>16.4%</i> | <i>16.6%</i> | <i>16.8%</i>                      |            |
| <i>Percent of sales (excl. AERx®)**</i>  | <i>14.4%</i> | <i>16.4%</i> | <i>15.4%</i> | <i>19.1%</i> | <i>16.4%</i> | <i>16.6%</i> | <i>16.8%</i>                      |            |
| Administrative expenses  | 85           | 84           | 84           | 91           | 84           | 80           | 82                                | 2%         |
| <i>Percent of sales</i>  | <i>5.6%</i>  | <i>5.6%</i>  | <i>5.9%</i>  | <i>6.2%</i>  | <i>5.9%</i>  | <i>5.6%</i>  | <i>6.3%</i>                       |            |
| Licence fees and other operating income (net)  | 7            | 10           | 12           | 12           | 4            | 8            | 19                                | 65%        |
| <b>Operating profit</b>  | <b>446</b>   | <b>381</b>   | <b>380</b>   | <b>151</b>   | <b>360</b>   | <b>377</b>   | <b>312</b>                        | <b>24%</b> |
| <i>Operating margin</i>  | <i>29.6%</i> | <i>25.6%</i> | <i>26.7%</i> | <i>10.3%</i> | <i>25.5%</i> | <i>26.6%</i> | <i>23.7%</i>                      |            |
| <b>Operating profit (excl. AERx®)**</b>  | <b>439</b>   | <b>401</b>   | <b>410</b>   | <b>329</b>   | <b>360</b>   | <b>377</b>   | <b>312</b>                        | <b>22%</b> |
| <i>Operating margin (excl. AERx®)**</i>  | <i>29.1%</i> | <i>27.0%</i> | <i>28.7%</i> | <i>22.4%</i> | <i>25.5%</i> | <i>26.6%</i> | <i>23.7%</i>                      |            |
| Share of profit/(loss) in associated companies   | (8)          | 0            | (9)          | 0            | (7)          | 181          | (8)                               | -          |
| Financial income   | 41           | 57           | 64           | 49           | 44           | 40           | 41                                | -5%        |
| Financial expenses   | 9            | 3            | 49           | 21           | 12           | 8            | 27                                | -27%       |
| Profit before income taxes   | 470          | 436          | 385          | 180          | 384          | 589          | 319                               | 23%        |
| <b>Net profit</b>  | <b>357</b>   | <b>332</b>   | <b>292</b>   | <b>131</b>   | <b>294</b>   | <b>490</b>   | <b>229</b>                        | <b>22%</b> |
| Depreciation, amortisation and impairment losses   | 75           | 76           | 76           | 188          | 78           | 70           | 68                                | -4%        |
| Depreciation, amortisation, etc (excl. AERx®)**  | 75           | 76           | 76           | 71           | 78           | 70           | 68                                | -4%        |
| Capital expenditure  | 60           | 44           | 29           | 96           | 80           | 68           | 60                                | -25%       |
| Cash flow from operating activities  | 492          | 391          | 412          | 335          | 470          | 193          | 342                               | 5%         |
| Free cash flow   | 430          | 347          | 375          | 430          | 387          | 111          | 282                               | 11%        |
| Equity   | 4,312        | 4,431        | 4,191        | 4,316        | 4,449        | 4,498        | 3,983                             | -3%        |
| Total assets   | 6,566        | 6,500        | 6,375        | 6,401        | 6,496        | 6,490        | 6,005                             | 1%         |
| <i>Equity ratio</i>  | <i>65.7%</i> | <i>68.2%</i> | <i>65.7%</i> | <i>67.4%</i> | <i>68.5%</i> | <i>69.3%</i> | <i>66.3%</i>                      |            |
| Full-time employees at the end of the period   | 26,360       | 26,060       | 25,765       | 25,516       | 25,206       | 24,729       | 24,045                            | 5%         |
| Basic earnings per share (in EUR)  | 0.58         | 0.54         | 0.47         | 0.21         | 0.47         | 0.77         | 0.36                              | 25%        |
| Diluted earnings per share (in EUR)  | 0.57         | 0.53         | 0.47         | 0.21         | 0.47         | 0.76         | 0.36                              | 25%        |
| Average number of shares outstanding (million)***  | 614.2        | 618.6        | 620.9        | 624.4        | 632.0        | 635.8        | 635.0                             | -3%        |
| Average number of shares outstanding incl dilutive effect of options 'in the money' (million)*** | 618.6        | 623.5        | 626.3        | 629.6        | 636.4        | 640.2        | 639.4                             | -3%        |
| Sales by business segments:  |              |              |              |              |              |              |                                   |            |
| Modern insulins (insulin analogues)  | 585          | 550          | 513          | 525          | 479          | 465          | 411                               | 22%        |
| Human insulins   | 376          | 398          | 394          | 418          | 416          | 432          | 421                               | -9%        |
| Insulin-related sales  | 62           | 62           | 59           | 60           | 60           | 59           | 56                                | 4%         |
| Oral antidiabetic products (OAD)   | 90           | 64           | 86           | 68           | 79           | 71           | 70                                | 15%        |
| <b>Diabetes care total</b>   | <b>1,113</b> | <b>1,074</b> | <b>1,052</b> | <b>1,071</b> | <b>1,034</b> | <b>1,027</b> | <b>958</b>                        | <b>8%</b>  |
| NovoSeven®   | 206          | 221          | 193          | 204          | 191          | 203          | 189                               | 7%         |
| Growth hormone therapy   | 126          | 132          | 118          | 124          | 118          | 124          | 105                               | 7%         |
| Hormone replacement therapy  | 53           | 52           | 52           | 59           | 55           | 56           | 54                                | -5%        |
| Other products   | 9            | 11           | 9            | 10           | 12           | 9            | 10                                | -20%       |
| <b>Biopharmaceuticals total</b>  | <b>394</b>   | <b>416</b>   | <b>372</b>   | <b>397</b>   | <b>376</b>   | <b>392</b>   | <b>358</b>                        | <b>5%</b>  |
| Sales by geographic segments:  |              |              |              |              |              |              |                                   |            |
| Europe   | 577          | 590          | 545          | 583          | 542          | 542          | 527                               | 7%         |
| North America  | 504          | 465          | 463          | 484          | 470          | 460          | 431                               | 7%         |
| International Operations   | 278          | 278          | 281          | 238          | 251          | 262          | 228                               | 11%        |
| Japan & Oceania  | 149          | 157          | 135          | 163          | 147          | 155          | 131                               | 1%         |
| Segment operating profit:  |              |              |              |              |              |              |                                   |            |
| Diabetes care  | 263          | 203          | 224          | (10)         | 200          | 215          | 167                               | 32%        |
| Diabetes care (excl. AERx®)**  | 256          | 223          | 254          | 168          | 200          | 215          | 167                               | 29%        |
| Biopharmaceuticals   | 183          | 179          | 155          | 162          | 160          | 162          | 145                               | 14%        |

\*) Including costs related to the discontinuation of AERx® and all other pulmonary diabetes projects.

\*\*) Excluding costs related to the discontinuation of AERx® and all other pulmonary diabetes projects.

\*\*\*) For Q3 2008 the exact numbers of 'Average number of shares outstanding' and 'Average number of shares outstanding incl dilutive effect of options 'in the money'' are 614,225,888 and 618,666,332 respectively.

## Appendix 3: Income statement

| DKK million  | 9M<br>2008    | 9M<br>2007    | Q3<br>2008   | Q3<br>2007   |
|--|---------------|---------------|--------------|--------------|
| Sales  | 32,970        | 30,885        | 11,246       | 10,504       |
| Cost of goods sold   | 7,573         | 7,192         | 2,606        | 2,514        |
| <b>Gross profit</b>  | <b>25,397</b> | <b>23,693</b> | <b>8,640</b> | <b>7,990</b> |
| Sales and distribution costs   | 9,308         | 9,151         | 3,155        | 2,993        |
| Research and development costs   | 5,417         | 5,125         | 1,579        | 1,724        |
| - hereof costs related to discontinuation of all pulmonary projects                  | (325)         | -             | 50           | -            |
| Administrative expenses  | 1,886         | 1,831         | 633          | 623          |
| Licence fees and other operating income (net)  | 213           | 229           | 51           | 31           |
| <b>Operating profit</b>  | <b>8,999</b>  | <b>7,815</b>  | <b>3,324</b> | <b>2,681</b> |
| <b>Operating profit (excl. costs related to discontinuation of AERx<sup>®</sup>)</b> | <b>9,324</b>  | <b>7,815</b>  | <b>3,274</b> | <b>2,681</b> |
| Share of profit/(loss) in associated companies                                       | (128)         | 1,233         | (58)         | (57)         |
| Financial income   | 1,209         | 928           | 306          | 322          |
| Financial expenses   | 455           | 352           | 66           | 90           |
| <b>Profit before income taxes</b>  | <b>9,625</b>  | <b>9,624</b>  | <b>3,506</b> | <b>2,856</b> |
| Income taxes   | 2,310         | 2,079         | 842          | 672          |
| <b>NET PROFIT</b>  | <b>7,315</b>  | <b>7,545</b>  | <b>2,664</b> | <b>2,184</b> |
| <b>Basic earnings per share (DKK)</b>  | 11.84         | 11.90         | 4.34         | 3.46         |
| <b>Diluted earnings per share (DKK)</b>  | 11.74         | 11.82         | 4.30         | 3.43         |
| <b>Segment sales:</b>  |               |               |              |              |
| Diabetes care  | 24,156        | 22,491        | 8,306        | 7,696        |
| Biopharmaceuticals   | 8,814         | 8,394         | 2,940        | 2,808        |
| <b>Segment operating profit:</b>   |               |               |              |              |
| Diabetes care  | 5,145         | 4,334         | 1,963        | 1,487        |
| Operating margin   | 21.3%         | 19.3%         | 23.6%        | 19.3%        |
| Diabetes care (excl. AERx <sup>®</sup> )*  | 5,470         | 4,334         | 1,913        | 1,487        |
| Operating margin (excl. AERx <sup>®</sup> )*   | 22.6%         | 19.3%         | 23.0%        | 19.3%        |
| Biopharmaceuticals   | 3,854         | 3,481         | 1,361        | 1,194        |
| Operating margin   | 43.7%         | 41.5%         | 46.3%        | 42.5%        |

\*) Excluding costs related to the discontinuation of AERx<sup>®</sup> and all other pulmonary diabetes projects.

## Appendix 4: Balance sheet

DKK million

30 Sep 2008

31 Dec 2007

### ASSETS

|   |               |               |
|---|---------------|---------------|
| Intangible assets                               | 841           | 671           |
| Property, plant and equipment                   | 18,829        | 19,605        |
| Investments in associated companies             | 192           | 500           |
| Deferred income tax assets                      | 1,774         | 2,522         |
| Other financial assets                          | 209           | 131           |
| <b>TOTAL LONG-TERM ASSETS</b>                   | <b>21,845</b> | <b>23,429</b> |
| Inventories                                     | 9,239         | 9,020         |
| Trade receivables                               | 7,034         | 6,092         |
| Tax receivables                                 | 337           | 319           |
| Other receivables                               | 1,740         | 1,493         |
| Marketable securities and financial derivatives | 1,651         | 2,555         |
| Cash at bank and in hand                        | 7,144         | 4,823         |
| <b>TOTAL CURRENT ASSETS</b>                     | <b>27,145</b> | <b>24,302</b> |
| <b>TOTAL ASSETS</b>                             | <b>48,990</b> | <b>47,731</b> |

### EQUITY AND LIABILITIES

|   |               |               |
|---|---------------|---------------|
| Share capital                             | 634           | 647           |
| Treasury shares                           | (23)          | (26)          |
| Retained earnings                         | 31,941        | 30,661        |
| Other comprehensive (loss) / income       | (379)         | 900           |
| <b>TOTAL EQUITY</b>                       | <b>32,173</b> | <b>32,182</b> |
| Long-term debt                            | 974           | 961           |
| Deferred income tax liabilities           | 2,225         | 2,346         |
| Provision for pensions                    | 440           | 362           |
| Other provisions                          | 862           | 1,239         |
| <b>Total long-term liabilities</b>        | <b>4,501</b>  | <b>4,908</b>  |
| Short-term debt and financial derivatives | 805           | 405           |
| Trade payables                            | 1,519         | 1,947         |
| Tax payables                              | 1,265         | 929           |
| Other liabilities                         | 5,879         | 4,959         |
| Other provisions                          | 2,848         | 2,401         |
| <b>Total current liabilities</b>          | <b>12,316</b> | <b>10,641</b> |
| <b>TOTAL LIABILITIES</b>                  | <b>16,817</b> | <b>15,549</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>       | <b>48,990</b> | <b>47,731</b> |

## Appendix 5: Cash flow statement

| DKK million  | 9M 2008        | 9M 2007        |
|--|----------------|----------------|
| <b>Net profit</b>  | <b>7,315</b>   | <b>7,545</b>   |
| Adjustment for non-cash items  | 4,783          | 3,157          |
| Income taxes paid and net interest received  | (1,169)        | (1,492)        |
| <b>Cash flow before change in working capital</b>  | <b>10,929</b>  | <b>9,210</b>   |
| Net change in working capital  | (1,270)        | (1,721)        |
| <b>Cash flow from operating activities</b>   | <b>9,659</b>   | <b>7,489</b>   |
| Net investments in intangible assets and long-term financial assets                                      | (245)          | (126)          |
| Capital expenditure for property, plant and equipment  | (990)          | (1,549)        |
| Net change in marketable securities (maturity exceeding three months)                                    | -              | 3              |
| Received dividend  | 170            | -              |
| <b>Net cash used in investing activities</b>   | <b>(1,065)</b> | <b>(1,672)</b> |
| <b>Cash flow from financing activities</b>   | <b>(6,172)</b> | <b>(4,746)</b> |
| <b>NET CASH FLOW</b>   | <b>2,422</b>   | <b>1,071</b>   |
| Unrealised gain/(loss) on exchange rates and marketable securities included in cash and cash equivalents | (4)            | (1)            |
| <b>Net change in cash and cash equivalents</b>   | <b>2,418</b>   | <b>1,070</b>   |
| Cash and cash equivalents at the beginning of the year   | 4,617          | 2,985          |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>7,035</b>   | <b>4,055</b>   |
| Bonds with original term to maturity exceeding three months  | 1,483          | 994            |
| Undrawn committed credit facilities  | 7,461          | 7,454          |
| <b>FINANCIAL RESOURCES AT THE END OF THE PERIOD</b>  | <b>15,979</b>  | <b>12,503</b>  |
| Cash flow from operating activities  | 9,659          | 7,489          |
| + Net cash used in investing activities  | (1,065)        | (1,672)        |
| - Net change in marketable securities (maturity exceeding three months)                                  | -              | 3              |
| <b>FREE CASH FLOW</b>  | <b>8,594</b>   | <b>5,814</b>   |

## Appendix 6: Statement of changes in equity

| DKK million   | Share capital | Treasury shares | Retained earnings | Other comprehensive income |  |                   | Total          |
|---|---------------|-----------------|-------------------|----------------------------|--|-------------------|----------------|
|   |               |                 |                   | Exchange rate adjustments  | Deferred gain/loss on cash flow hedges | Other adjustments |                |
| <b>9M 2008</b>  |               |                 |                   |                            |  |                   |                |
| Balance at the beginning of the year  | 647           | (26)            | 30,661            | 209                        | 691                                    | -                 | <b>32,182</b>  |
| Exchange rate adjustment of investments in subsidiaries   |               |                 |                   | (120)                      |  |                   | <b>(120)</b>   |
| Deferred (gain)/loss on cash flow hedges at the beginning of the year recognised in the Income statement for the period |               |                 |                   |                            | (533)                                  |                   | <b>(533)</b>   |
| Changes of fair value on cash flow hedges during the period   |               |                 |                   |                            | (636)                                  |                   | <b>(636)</b>   |
| Fair value adjustments on financial assets available for sale   |               |                 |                   |                            |  |                   | -              |
| Novo Nordisk share of equity recognised by associated companies   |               |                 |                   |                            |  | 23                | <b>23</b>      |
| Other adjustments   |               |                 |                   |                            |  | (13)              | <b>(13)</b>    |
| Net income recognised directly in equity  | -             | -               | -                 | (120)                      | (1,169)                                | 10                | <b>(1,279)</b> |
| Net profit for the period   |               |                 | 7,315             |                            |  |                   | <b>7,315</b>   |
| Total income for the period   | -             | -               | 7,315             | (120)                      | (1,169)                                | 10                | <b>6,036</b>   |
| Share-based payment   |               |                 | 119               |                            |  |                   | <b>119</b>     |
| Purchase of treasury shares   |               | (11)            | 117               |                            |  |                   | <b>106</b>     |
| Sale of treasury shares   |               | 1               | (3,476)           |                            |  |                   | <b>(3,475)</b> |
| Reduction of the B share capital  | (13)          | 13              |                   |                            |  |                   | -              |
| Dividends   |               |                 | (2,795)           |                            |  |                   | <b>(2,795)</b> |
| <b>Balance at the end of the period</b>   | <b>634</b>    | <b>(23)</b>     | <b>31,941</b>     | <b>89</b>                  | <b>(478)</b>                           | <b>10</b>         | <b>32,173</b>  |
| <b>9M 2007</b>  |               |                 |                   |                            |  |                   |                |
| Balance at the beginning of the year  | 674           | (39)            | 28,810            | 156                        | 420                                    | 101               | <b>30,122</b>  |
| Exchange rate adjustment of investments in subsidiaries   |               |                 |                   | 24                         |  |                   | <b>24</b>      |
| Deferred (gain)/loss on cash flow hedges at the beginning of the year recognised in the Income statement for the period |               |                 |                   |                            | (420)                                  |                   | <b>(420)</b>   |
| Deferred gain/(loss) on cash flow hedges at the end of the period   |               |                 |                   |                            | 485                                    |                   | <b>485</b>     |
| Other adjustments   |               |                 |                   |                            |  | 30                | <b>30</b>      |
| Net income recognised directly in equity  | -             | -               | -                 | 24                         | 65                                     | 30                | <b>119</b>     |
| Net profit for the period   |               |                 | 7,545             |                            |  |                   | <b>7,545</b>   |
| Total income for the period   | -             | -               | 7,545             | 24                         | 65                                     | 30                | <b>7,664</b>   |
| Share-based payment   |               |                 | 104               |                            |  |                   | <b>104</b>     |
| Purchase of treasury shares   |               | (9)             | (2,708)           |                            |  |                   | <b>(2,717)</b> |
| Sale of treasury shares   |               | 1               | 208               |                            |  |                   | <b>209</b>     |
| Reduction of the B share capital  | (27)          | 27              |                   |                            |  |                   | -              |
| Dividends   |               |                 | (2,221)           |                            |  |                   | <b>(2,221)</b> |
| <b>Balance at the end of the period</b>   | <b>647</b>    | <b>(20)</b>     | <b>31,738</b>     | <b>180</b>                 | <b>485</b>                             | <b>131</b>        | <b>33,161</b>  |

## Appendix 7: Assumptions for key currencies and operating profit sensitivity for 2008 and 2009

|     | YTD average exchange rates as of 30 September 2008 | YTD average exchange rates as of 29 October 2008 | Current exchange rates as of 29 October 2008 | Average exchange rates used for 2008 outlook |
|-----|--|--|--|--|
| USD | 491  | 497  | 583  | 512  |
| JPY | 4.63   | 4.72   | 6.01   | 4.95   |
| GBP | 955  | 954  | 936  | 951  |
| CNY | 70   | 71   | 85   | 74   |
| CAD | 483  | 482  | 463  | 479  |

|     | Annual impact in <b>2008</b> on operating profit of a 5% movement in currency (DKK million) | Annual impact in <b>2009</b> on operating profit of a 5% movement in currency (DKK million) |
|-----|---|---|
| USD | 470   | 530   |
| JPY | 140   | 150   |
| GBP | 75  | 80  |
| CNY | 65  | 80  |
| CAD | 35  | 40  |

Note: The currency sensitivity for 2008 and 2009 is based on the 'Average exchange rates used for 2008 outlook' listed above.