

NOVO NORDISK A S  
Form 6-K  
October 27, 2004

# Stock Exchange Announcement

## Financial statement for the first nine months of 2004

27 October 2004

### **Novo Nordisk's operating profit grew by 10% in the first nine months**

Sales increased by 15% measured in local currencies in the first nine months of 2004. Measured in Danish kroner sales increased by 11%. Sales in the third quarter were positively impacted by increases in US wholesaler inventories.

Sales of insulin analogues increased by 87% measured in local currencies.

NovoSeven® sales increased by 15% measured in local currencies.

Operating profit increased by 10% to DKK 5,203 million, and net profit increased by 4% to DKK 3,615 million. Earnings per share (diluted) increased by 5% to DKK 10.66.

Operating profit for the full year 2004 is still expected to grow by slightly more than 5% despite a continued challenging currency environment.

Following regulatory consultations in Europe, Novo Nordisk expects to file an application for marketing approval in Europe for the use of NovoSeven® in connection with intracerebral haemorrhages (ICH) by mid-2005.

Lars Rebien Sørensen, president & CEO, said: The strong underlying performance continued in the third quarter, primarily driven by increased sales of insulin analogues and NovoSeven®. We are furthermore very encouraged by the possibility of filing in Europe already next year for the use of NovoSeven® in ICH, a condition for which there today is no effective therapy.

## Financial statement for the first nine months of 2004

As of 1 January 2004, the accounting policies have been changed to comply with International Financial Reporting Standards (IFRS). The accounting policies used in this unaudited interim financial report are consistent with those used in the Annual Financial Report 2003 except for the changes described in the section 'Adoption of IFRS in 2004' in the Annual Financial Report 2003. This section describes the changes from the historically applied Danish GAAP to IFRS. Free cash flow is defined as cash flow from operating activities plus cash flow from investing activities less net change in marketable securities (>3 months). To facilitate the performance evaluation in the first nine months of 2004, all relevant quarterly numbers and ratios for 2003 and 2004 using IFRS have been made available in the appendices to this announcement.

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

| <b><u>Income statement</u></b>                         | <b>9M 2004</b> | <b>9M 2003</b> | <b>% change<br/>9M 2003<br/>to 9M 2004</b> |
|--|----------------|----------------|--|
| <b>Sales</b>   | <b>21,258</b>  | <b>19,188</b>  | <b>11%</b>                                 |
| <b>Gross profit</b>                                    | <b>15,377</b>  | <b>13,914</b>  | <b>11%</b>                                 |
| <i>Gross margin</i>                                    | <i>72.3%</i>   | <i>72.5%</i>   |  |
| Sales and distribution costs                           | 6,050          | 5,506          | 10%  |
| <i>Percent of sales</i>                                | <i>28.5%</i>   | <i>28.7%</i>   |  |
| Research and development costs                         | 3,094          | 2,918          | 6%   |
| <i>Percent of sales</i>                                | <i>14.6%</i>   | <i>15.2%</i>   |  |
| Administration costs                                   | 1,392          | 1,355          | 3%   |
| <i>Percent of sales</i>                                | <i>6.5%</i>    | <i>7.1%</i>    |  |
| Licence fees and other operating income                | 362            | 613            | (41%)                                      |
| <b>Operating profit</b>                                | <b>5,203</b>   | <b>4,748</b>   | <b>10%</b>                                 |
| <i>Operating margin</i>                                | <i>24.5%</i>   | <i>24.7%</i>   |  |
| Share of profit in associated companies                | (97)           | (144)          | (33%)                                      |
| Other net financial income                             | 289            | 692            | (58%)                                      |
| <b>Profit before tax</b>                               | <b>5,395</b>   | <b>5,296</b>   | <b>2%</b>                                  |
| <b>Net profit</b>                                      | <b>3,615</b>   | <b>3,489</b>   | <b>4%</b>                                  |
| <i>Net profit margin</i>                               | <i>17.0%</i>   | <i>18.2%</i>   |  |
| <b><u>Other key numbers</u></b>                        |                |                |  |
| <b>Earnings per share (in DKK) diluted</b>             | <b>10.66</b>   | <b>10.19</b>   | <b>5%</b>                                  |
| Average number of shares outstanding (million) diluted | 339.3          | 342.4          |  |
| Depreciation, amortisation and impairment losses       | 1,343          | 1,028          | 31%  |
| Capital expenditure                                    | 1,907          | 1,368          | 39%  |
| Cash flow from operating activities                    | 5,550          | 5,928          | (6%)                                       |
| Free cash flow   | 3,439          | 4,549          | (24%)                                      |

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|  |              |              |    |
|--|--------------|--------------|----|
| Equity                                       | 25,654       | 23,700       | 8% |
| <i>Equity ratio</i>                          | <i>72.1%</i> | <i>67.4%</i> |    |
| Total assets                                 | 35,587       | 35,140       | 1% |
| Full-time employees at the end of the period | 20,001       | 18,664       | 7% |

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## Sales development by segments

Sales increased by 15% measured in local currencies. Growth was realised both within the diabetes care and the biopharmaceuticals segments primarily driven by strategically important products like the insulin analogues NovoRapid® and NovoMix® 30 as well as NovoSeven®.

|   | <b>Sales<br/>9M<br/>2004<br/>DKK mn</b> | <b>Growth<br/>as<br/>reported</b> | <b>Growth<br/>in local<br/>currencies</b> | <b>Share of<br/>growth<br/>in local<br/>currencies</b> |
|---|---|-----------------------------------|---|--|
| <b>The diabetes care segment</b>        |   |                                   |   |  |
| Insulin analogues                       | 3,200                                   | 80%                               | 87%                                       | 55%  |
| Human insulin and insulin-related sales | 10,524                                  | (1%)                              | 2%  | 6%   |
| Oral antidiabetic products              | 1,250                                   | 19%                               | 26%                                       | 10%  |
| <b>Diabetes care total</b>              | <b>14,974</b>                           | <b>11%</b>                        | <b>15%</b>                                | <b>71%</b>   |
| <b>The biopharmaceuticals segment</b>   |   |                                   |   |  |
| NovoSeven®                              | 3,215                                   | 10%                               | 15%                                       | 16%  |
| Growth hormone therapy                  | 1,680                                   | 8%                                | 10%                                       | 5%   |
| Other products                          | 1,389                                   | 12%                               | 17%                                       | 8%   |
| <b>Biopharmaceuticals total</b>         | <b>6,284</b>                            | <b>10%</b>                        | <b>14%</b>                                | <b>29%</b>   |
| <b>Total sales</b>                      | <b>21,258</b>                           | <b>11%</b>                        | <b>15%</b>                                | <b>100%</b>  |

Sales growth was realised in all regions, and North America, constituting 27% of total sales, continued to experience strong growth. In October 2004, Novo Nordisk's US subsidiary, Novo Nordisk Pharmaceuticals, Inc, will for the first time surpass USD 1 billion in accumulated sales within a calendar year.

## Diabetes care

Sales of diabetes care products grew by 15% measured in local currencies compared to the first nine months of 2003 and by 11% measured in Danish kroner to DKK 14,974 million.

### Insulin analogues, human insulin and insulin-related products

Sales of insulin analogues, human insulin and insulin-related products increased by 14% measured in local currencies and by 11% to DKK 13,724 million measured in Danish kroner. All regions contributed to growth both measured in local currencies and in Danish kroner.

Sales of insulin analogues increased by 87% measured in local currencies and by 80% in Danish kroner to DKK 3,200 million in the first nine months of 2004. Novo Nordisk's insulin analogue market share continues to increase and is now approaching 30% of the world market. Solid growth rates were realised in all regions with North America as the primary growth driver. Sales of insulin analogues contribute with 55% of the overall growth in local currencies and now constitute more than 20% of Novo Nordisk's total sales of all insulin products.

Levemir®, Novo Nordisk's long-acting insulin analogue, has now been launched in 10 European countries, including the UK and Germany. The feedback from all markets about the product has been positive, as patients and physicians appreciate the documented higher degree of predictability than for other long-acting insulins.

*North America*

Sales in North America increased by 34% in local currencies in the first nine months of 2004 and by 22% measured in Danish kroner. Sales growth was driven by underlying market growth and market share gains. Sales in the third quarter of 2004 were also influenced by approximately DKK 100 million due to an increase in wholesaler inventories at the end of the quarter. The increased market share is driven by a solid penetration of the insulin analogues NovoLog® and NovoLog® Mix. Novo Nordisk now holds slightly more than one third of the US insulin market and close to 20% of the analogue market.

*Europe*

Sales in Europe increased by 6% measured in both local currencies and in Danish kroner, with growth being driven by the insulin analogues. Growth in insulin sales continues to be negatively impacted by price-focused healthcare reforms in some countries.

*Japan & Oceania*

Sales in Japan & Oceania increased by 11% in local currencies and by 10% measured in Danish kroner. Growth is primarily driven by sales of NovoRapid® and NovoRapid® Mix 30, supported by a continued conversion from durable to disposable, prefilled devices.

*International Operations*

Sales within International Operations increased by 17% in local currencies and by 11% measured in Danish kroner. The main growth driver is sales of human insulin, driven especially by China and Brazil. Insulin analogues continue to add to growth, and Novo Nordisk is now the overall market leader in the analogue segment in the International Operations region.

**Oral antidiabetic products**

Sales of oral antidiabetic products increased in all regions and in total by 26% measured in local currencies and 19% measured in Danish kroner to DKK 1,250 million. Growth was mainly driven by North America, partly due to an increase in wholesaler inventory levels as well as higher prices.

## **Biopharmaceuticals**

Sales within the biopharmaceuticals segment increased by 14% in local currencies compared to the first nine months of 2003 and by 10% measured in Danish kroner to DKK 6,284 million.

**NovoSeven®**

Sales of NovoSeven® increased by 15% in local currencies compared to the same period last year. Measured in Danish kroner, sales increased by 10% to DKK 3,215 million. Sales growth for NovoSeven® was primarily driven by Europe and North America.

NovoSeven® sales growth was driven by several factors in the first nine months of 2004. Due to the high penetration within spontaneous bleeds for congenital inhibitor patients, the predominant part of the growth within the inhibitor segment has been generated by treatment of acquired haemophilia patients and usage of NovoSeven® in connection with elective surgery. Treatment of spontaneous bleeds for congenital inhibitor patients remains the largest area of use. In addition, sales are perceived to have been positively affected by increased investigational use of NovoSeven®.

### **Growth hormone therapy (Norditropin® and Norditropin® SimpleXx®)**

In local currencies sales of Norditropin® and Norditropin® SimpleXx® products increased by 10% compared to the first nine months of 2003. Measured in Danish kroner sales increased by 8% to DKK 1,680 million and were driven by Europe and North America. Sales in Japan were negatively impacted by the government-mandated reduction in reimbursement prices as of April 2004; however, a solid penetration of the prefilled delivery device NordiFlex® has been observed since the launch in July 2004.

### **Other products**

Sales of other products within the biopharmaceuticals segment, which predominantly consists of hormone replacement therapy (HRT) related products, grew by 17% in local currencies and by 12% in Danish kroner to DKK 1,389 million.

Sales growth in the first nine months of 2004 was positively impacted by the change in July 2003 of the US distribution set-up for Novo Nordisk's HRT products and by the continued market penetration of the low-dose continuous combined product Activella® and the local oestrogen product Vagifem®. For the first nine months of 2004, global sales continued to be negatively impacted by the overall contraction of the HRT market.

## **Costs**

The cost of goods sold increased by 12% to DKK 5,881 million, leaving the gross margin at 72.3%, a decrease from 72.5% in the first nine months of 2003. Gains from an improved product mix as well as productivity increases were more than offset by a negative currency impact of 0.8%.

Total non-production-related costs increased by 8% to DKK 10,536 million. The increase in non-production-related costs reflects especially costs related to sales and distribution, which increased in line with sales. Sales and distribution costs in the third quarter include an impairment charge related to intangible assets. The ratio for research and development costs as a proportion of sales was slightly below 15%, lower than Novo Nordisk's long-term intended range for research and development costs of 15-16% of sales. This reflects a changed timing of some of the major development projects in the project pipeline.

## **Net financials**

Net financials showed a net income of DKK 192 million in the first nine months of 2004 compared to DKK 548 million in the same period in 2003. Included in net financials are foreign exchange hedging gains, primarily related to the hedging of the US dollar, of DKK 305 million compared to DKK 959 million in the first nine months of 2003. Furthermore, Novo Nordisk has recorded a gain of close to DKK 100 million related to the initiation of a new R&D alliance by ZymoGenetics, Inc in September 2004.

## **Outlook 2004 and 2005**

Novo Nordisk now expects 12-14% growth in sales for 2004 measured in local currencies based on continued market penetration of Novo Nordisk's insulin analogue portfolio, combined with expectations of increasing NovoSeven® sales. Operating profit for 2004, measured in local currencies and excluding the impact from non-recurring items, is now expected to grow by close to 20%. The expected level of growth in operating profit for 2004 is partly reflecting a lower than normal expenditure ratio for research and development costs relative to sales.

Despite a continued challenging currency environment, the expectation for **sales** growth in 2004 measured in Danish kroner remains around 10%, and **operating profit** is still expected to grow by slightly more than 5%.

For 2004 Novo Nordisk now expects a **net financial income** of DKK 300 million due to higher expectations for foreign exchange hedging gains as well as non-recurring income related to ZymoGenetics, Inc.

For 2004, Novo Nordisk still expects the **tax rate** to be 33%, 1 percentage point lower than the tax rate realised in 2003.

Novo Nordisk still expects **capital expenditure** of DKK 3 billion in 2004. **Depreciations, amortisation and impairment losses** are now expected to be around DKK 1.9 billion and the **free cash flow** to be more than DKK 3 billion. These expectations do not include the expected completion around the turn of the year of the restructuring of the AERx® iDMS programme, which will involve an investment of USD 55 million.

Novo Nordisk has hedged expected net cash flows in relation to US dollars, Japanese yen and British pounds for 13, 10 and 7 months, respectively. The financial impact from currency hedging is included in Net financials .

All of the above expectations are provided that currency exchange rates remain at the current level for the rest of 2004.

Concerning **2005**, Novo Nordisk will provide full guidance on expectations in connection with the release of the full-year financial results for 2004, which are scheduled for 28 January 2005. Novo Nordisk's current ambition for 2005 is to pursue growth in the operating profit of the underlying business, which is aligned with the company's long-term objective of 15%. The reported level of operating profit growth will, however, be affected by the following two issues: First, growth in operating profit in 2005 will be impacted by an expected lower level of non-recurring income compared to 2004. Second, Novo Nordisk will experience a negative impact on operating profit measured in Danish kroner if currency exchange rates remain at the current level throughout 2005.

## Research and development update

### The diabetes care segment

Novo Nordisk has now successfully concluded the activities related to the outstanding clinical issues with the US filing of Levemir®. Hence, Novo Nordisk expects to file the relevant amendments to the New Drug Application before year-end, implying that an approval from the US regulatory authorities (FDA) would be expected around mid-2005.

Novo Nordisk has decided to terminate further clinical development of balaglitazone, an oral treatment for patients with type 2 diabetes, as the preclinical results did not suggest a sufficient competitive advantage for balaglitazone compared to similar, marketed products within this therapeutic category.

All clinical and non-clinical data in relation to liraglutide, the once-daily human GLP-1 analogue for the treatment of type 2 diabetes, have over the past months been analysed and discussed with regulatory authorities. Based on this, Novo Nordisk has decided to initiate an additional clinical study comprising approximately 170 patients. The study is intended to increase the



understanding of the longer-term efficacy and safety profile for the selected therapeutic doses of liraglutide. Furthermore, the study is intended to confirm that certain non-clinical findings are of no relevance to humans. The phase 2b study is expected to be initiated early 2005 and to be followed by a phase 3 clinical trial programme, comprising approximately 3,500 patients, around the turn of 2005/6.

Novo Nordisk has in September obtained full development and manufacturing rights to the AERx® insulin Diabetes Management System (iDMS) programme from Aradigm, Inc. As a consequence, Novo Nordisk will assume all further responsibilities for development and funding of the AERx® iDMS programme. The ongoing pharmacokinetic and pharmacodynamic (PK/PD) study will continue according to plan and is expected to be finalised during the first half of 2005.

### **The biopharmaceuticals segment**

Following regulatory consultations in Europe, Novo Nordisk now expects to file an application for marketing approval in Europe for the use of NovoSeven® in connection with intracerebral haemorrhages (ICH) by mid-2005, followed by an expected six months review time by the regulatory authorities. The consultations with the FDA about the US regulatory pathway related to ICH are ongoing, and Novo Nordisk still expects to conclude these before the end of 2004.

A new US research site, focusing on haemostasis and critical care, will be established with the aim of further expanding the R&D effort within this field. The site will be located in New Jersey; an area known for its medical and scientific excellence within the haemostasis field. The site will serve as a centre for early-stage haemostasis R&D and will be staffed by approximately 75 scientists when fully operational by 2007/8.

NordiFlex® has been approved by the FDA. NordiFlex® is a fully integrated disposable delivery system for liquid growth hormone based on FlexPen®, Novo Nordisk's innovative delivery device, originally developed for insulin injection.

As previously communicated, Novo Nordisk held its first Capital Markets Day on 5 October 2004. At the Capital Markets Day and in a separate stock exchange announcement, Novo Nordisk elaborated on its biopharmaceuticals businesses and provided insights into the company's research and development activities within the biopharmaceuticals segment.

## **Equity**

Total equity was DKK 25,654 million at the end of the first nine months of 2004, equal to 72.1% of total assets, compared to 72.0% at the end of 2003. Please refer to appendix 5 for further elaboration of changes in equity during 2004.

### **Holding of treasury shares**

As per 27 October 2004, Novo Nordisk A/S and its wholly-owned affiliates owned 19,646,047 of its own B shares, corresponding to 5.54% of the total share capital.

## **Sustainability issues update**

At the Oxford Vision 2020 Summit in September, Novo Nordisk CEO Lars Rebien Sørensen pledged GBP 3 million to the ongoing global fight against chronic diseases, including diabetes. The Oxford Vision 2020 is a global advocacy movement, coorganised by the University of Oxford and Novo Nordisk with the shared goal to prevent and control the global chronic

disease epidemics. The event was attended by some 90 world-leading public health experts, academics, industry leaders, non-governmental organisations and governments.

In the 2004 update of the Dow Jones Sustainability World Indexes (DJSI World) and Dow Jones STOXX Sustainability Indexes (DJSI STOXX), Novo Nordisk maintains its position, held since 2002, as the leader in the Pharmaceuticals Industry Group. Novo Nordisk's score of 78% reflects the company's performance across economic, environmental and social criteria compared to the industry average of 51%.

In August, Novo Nordisk had two accidental releases of materials containing GMOs – genetically modified organisms – at the production site in Bagsværd. The authorities were immediately informed and were satisfied with the prompt response and suggested corrective actions. Subsequently, the Danish Occupational Health authorities inspected the facilities and found no reason to call for actions. The GMOs in question (Class 1) cannot survive outside of their usual protected environment in the laboratory. The incidents were unrelated.

## Legal issues update

As of 25 October 2004, Novo Nordisk's US subsidiary, Novo Nordisk Pharmaceuticals Inc, together with the majority of the hormone therapy product manufacturers, is a defendant in 17 product liability lawsuits. Novo Nordisk's HRT products (Activella® and Vagifem®) have been sold and marketed in the US since 2000. Until July 2003, the products were sold and marketed in the US exclusively by Pharmacia & Upjohn Corporation (now Pfizer). The proceedings are currently in their preliminary stages; however, Novo Nordisk is not expecting the claims to impact Novo Nordisk's financial outlook.

Novo Nordisk's US subsidiary, Novo Nordisk Pharmaceuticals Inc, together with 43 other pharmaceutical companies, is a defendant in a lawsuit brought by the City of New York. The City claims that it was overcharged for drugs used in its Medicaid programme over the last 12 years and is requesting the court to award monetary damages. The lawsuit was filed in August 2004 in the US District Court for the Southern District of New York. The City has not identified any specific basis for its claim that Novo Nordisk overcharged for its products, but it does state that in 2002 it spent approximately USD 1.8 million on Novo Nordisk drugs. The proceedings are currently in their preliminary stages; however, Novo Nordisk is not expecting the claims to impact Novo Nordisk's financial outlook.

Flamel Technologies SA (Flamel), a French company, has on 8 October 2004 submitted a notice of voluntary dismissal to the court of Delaware, USA, and has thereby withdrawn a lawsuit against Novo Nordisk A/S related to Flamel's so-called Medusa technology within the area of long-acting insulin. Flamel had brought the suit against Novo Nordisk A/S in Delaware on 15 June 2004, alleging that Novo Nordisk improperly had used information from Flamel to file patent applications in the US.

## Conference call details

At 14:00 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 – Conference call. Presentation material for the conference call will be made available approximately one hour before on the same page.

## Forward-looking statement

The above sections contain forward-looking statements as the term is defined in the US Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations or forecasts of events such as new product introductions, product approvals and financial performance.

Such forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. This may cause actual results to differ materially from expectations. Factors that may affect future results include interest rate and currency exchange rate fluctuations, delay or failure of development projects, production problems, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Novo Nordisk's products, introduction of competing products, Novo Nordisk's ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws and related interpretation thereof, and unexpected growth in costs and expenses.

Risks and uncertainties are further described in reports filed by Novo Nordisk with the US Securities and Exchange Commission (SEC) including the company's Form 20-F, which was filed on 27 February 2004. Please also refer to the section Management of risk in Novo Nordisk in the Annual Financial Report 2003. Novo Nordisk is under no duty to update any of the forward-looking statements or to conform such statements to actual results, unless required by law.

Bagsværd 27 October 2004  
The Board of Directors

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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:

### The Novo Nordisk Group Quarterly numbers in DKK

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

|  |              |              | 2004         |              | 2003         |              | % change     |                      |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------------|
|  | Q3           | Q2           | Q1           | Q4           | Q3           | Q2           | Q1           | Q3 2003 -<br>Q3 2004 |
| <b>Sales</b>                                     | <b>7,469</b> | <b>7,222</b> | <b>6,567</b> | <b>7,158</b> | <b>6,655</b> | <b>6,477</b> | <b>6,056</b> | <b>12%</b>           |
| Gross profit                                     | 5,381        | 5,280        | 4,716        | 5,031        | 4,847        | 4,677        | 4,390        | 11%                  |
| <i>Gross margin</i>                              | <i>72.0%</i> | <i>73.1%</i> | <i>71.8%</i> | <i>70.3%</i> | <i>72.8%</i> | <i>72.2%</i> | <i>72.5%</i> |                      |
| Sales and distribution costs                     | 2,087        | 2,037        | 1,926        | 2,097        | 1,880        | 1,854        | 1,772        | 11%                  |
| <i>Percent of sales</i>                          | <i>27.9%</i> | <i>28.2%</i> | <i>29.3%</i> | <i>29.3%</i> | <i>28.2%</i> | <i>28.6%</i> | <i>29.3%</i> |                      |
| Research and development costs                   | 1,081        | 978          | 1,035        | 1,125        | 1,012        | 969          | 937          | 7%                   |
| <i>Percent of sales</i>                          | <i>14.5%</i> | <i>13.5%</i> | <i>15.8%</i> | <i>15.7%</i> | <i>15.2%</i> | <i>15.0%</i> | <i>15.5%</i> |                      |
| Administrative expenses                          | 496          | 425          | 471          | 482          | 485          | 415          | 455          | 2%                   |
| <i>Percent of sales</i>                          | <i>6.6%</i>  | <i>5.9%</i>  | <i>7.2%</i>  | <i>6.7%</i>  | <i>7.3%</i>  | <i>6.4%</i>  | <i>7.5%</i>  |                      |
| Licence fees and other operating income (net)    | 59           | 71           | 232          | 423          | 216          | 226          | 171          | -73%                 |
| <b>Operating profit</b>                          | <b>1,776</b> | <b>1,911</b> | <b>1,516</b> | <b>1,750</b> | <b>1,686</b> | <b>1,665</b> | <b>1,397</b> | <b>5%</b>            |
| <i>Operating margin</i>                          | <i>23.8%</i> | <i>26.5%</i> | <i>23.1%</i> | <i>24.4%</i> | <i>25.3%</i> | <i>25.7%</i> | <i>23.1%</i> |                      |
| Share of profit in associated R&D companies      | 7            | (44)         | (38)         | 78           | (45)         | (41)         | (63)         | -116%                |
| Share of profit in other associated companies    | 5            | 4            | (31)         | 7            | (2)          | (2)          | 9            | -350%                |
| Financial income                                 | 125          | 104          | 178          | 438          | 177          | 446          | 421          | -29%                 |
| Financial expenses                               | 52           | 44           | 22           | 117          | 103          | 116          | 133          | -50%                 |
| Profit before taxation                           | 1,861        | 1,931        | 1,603        | 2,156        | 1,713        | 1,952        | 1,631        | 9%                   |
| <b>Net profit</b>                                | <b>1,248</b> | <b>1,293</b> | <b>1,074</b> | <b>1,413</b> | <b>1,128</b> | <b>1,288</b> | <b>1,073</b> | <b>11%</b>           |
| Depreciation, amortisation and impairment losses | 576          | 387          | 380          | 553          | 363          | 356          | 309          | 59%                  |
| Capital expenditure                              | 873          | 642          | 392          | 934          | 383          | 519          | 466          | 128%                 |
| Cash flow from operating activities              | 2,490        | 1,710        | 1,350        | 221          | 2,317        | 1,437        | 2,174        | 7%                   |
| Free cash flow                                   | 1,597        | 956          | 886          | (703)        | 1,932        | 910          | 1,707        | -17%                 |
| Equity   | 25,654       | 24,928       | 24,048       | 24,887       | 23,700       | 22,807       | 21,829       | 8%                   |
| Total assets                                     | 35,587       | 34,248       | 33,838       | 34,564       | 35,140       | 33,103       | 31,382       | 1%                   |
| <i>Equity ratio</i>                              | <i>72.1%</i> | <i>72.8%</i> | <i>71.1%</i> | <i>72.0%</i> | <i>67.4%</i> | <i>68.9%</i> | <i>69.6%</i> |                      |
| Full-time employees at the end of the period     | 20,001       | 19,631       | 19,179       | 18,756       | 18,664       | 18,465       | 18,221       | 7%                   |
| Diluted earnings per share (in DKK)*             | 3.69         | 3.81         | 3.16         | 4.17         | 3.31         | 3.76         | 3.11         | 11%                  |
| Average number of shares outstanding (million)*  |              |              |              |              |              |              |              |                      |
| - used for diluted earnings per share            | 338.2        | 339.8        | 339.8        | 339.1        | 340.7        | 342.0        | 344.6        | -1%                  |

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### Sales by business segments:

|   |              |              |              |              |              |              |              |            |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| Insulin analogues                       | 1,262        | 1,045        | 893          | 796          | 711          | 576          | 488          | 77%        |
| Human insulin and insulin-related sales | 3,623        | 3,669        | 3,232        | 3,963        | 3,554        | 3,666        | 3,414        | 2%         |
| Oral antidiabetic products (OAD)        | 449          | 382          | 419          | 390          | 387          | 300          | 363          | 16%        |
| <b>Diabetes care total</b>              | <b>5,334</b> | <b>5,096</b> | <b>4,544</b> | <b>5,149</b> | <b>4,652</b> | <b>4,542</b> | <b>4,265</b> | <b>15%</b> |
| NovoSeven®                              | 1,095        | 1,093        | 1,027        | 940          | 1,010        | 996          | 925          | 8%         |
| Growth hormone therapy                  | 564          | 562          | 554          | 588          | 520          | 537          | 503          | 8%         |
| Hormone replacement therapy             | 399          | 392          | 342          | 399          | 361          | 292          | 279          | 11%        |
| Other products                          | 77           | 79           | 100          | 82           | 112          | 110          | 84           | -31%       |
| <b>Biopharmaceuticals total</b>         | <b>2,135</b> | <b>2,126</b> | <b>2,023</b> | <b>2,009</b> | <b>2,003</b> | <b>1,935</b> | <b>1,791</b> | <b>7%</b>  |

### Sales by geographic segments:

|                          |       |       |       |       |       |       |       |     |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-----|
| Europe                   | 3,069 | 3,118 | 2,894 | 3,165 | 2,920 | 2,935 | 2,723 | 5%  |
| North America            | 2,147 | 1,882 | 1,769 | 1,618 | 1,674 | 1,501 | 1,566 | 28% |
| International Operations | 1,171 | 1,135 | 980   | 1,234 | 1,027 | 1,058 | 910   | 14% |
| Japan & Oceania          | 1,082 | 1,087 | 924   | 1,141 | 1,034 | 983   | 857   | 5%  |

### Segment operating profit:

|                    |       |     |     |     |     |     |     |    |
|--------------------|-------|-----|-----|-----|-----|-----|-----|----|
| Diabetes care      | 765   | 954 | 693 | 966 | 755 | 784 | 691 | 1% |
| Biopharmaceuticals | 1,011 | 957 | 823 | 784 | 931 | 881 | 706 | 9% |

\*) For Q3 2004 diluted earnings per share/ADR of a nominal value of DKK 2, which include options on Novo Nordisk's treasury shares with an exercise price below current market value, have been based on an average number of shares of 338,164,982.

## Appendix 2:

### The Novo Nordisk Group 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.

|  | 2004         |              |              |              | 2003         |              |              | %<br>change<br>Q3 2003<br>- |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------------|
|  | Q3           | Q2           | Q1           | Q4           | Q3           | Q2           | Q1           | Q3 2004                     |
| <b>Sales</b>                                     | <b>1,005</b> | <b>970</b>   | <b>882</b>   | <b>957</b>   | <b>896</b>   | <b>872</b>   | <b>815</b>   | <b>12%</b>                  |
| Gross profit                                     | 723          | 710          | 633          | 673          | 652          | 630          | 591          | 11%                         |
| <i>Gross margin</i>                              | <i>72.0%</i> | <i>73.1%</i> | <i>71.8%</i> | <i>70.3%</i> | <i>72.8%</i> | <i>72.2%</i> | <i>72.5%</i> |                             |
| Sales and distribution costs                     | 281          | 273          | 259          | 281          | 253          | 250          | 238          | 11%                         |
| <i>Percent of sales</i>                          | <i>27.9%</i> | <i>28.2%</i> | <i>29.3%</i> | <i>29.3%</i> | <i>28.2%</i> | <i>28.6%</i> | <i>29.3%</i> |                             |
| Research and development costs                   | 146          | 131          | 139          | 150          | 136          | 131          | 126          | 7%                          |
| <i>Percent of sales</i>                          | <i>14.5%</i> | <i>13.5%</i> | <i>15.8%</i> | <i>15.7%</i> | <i>15.2%</i> | <i>15.0%</i> | <i>15.5%</i> |                             |
| Administrative expenses                          | 65           | 60           | 62           | 64           | 66           | 55           | 62           | 2%                          |
| <i>Percent of sales</i>                          | <i>6.6%</i>  | <i>5.9%</i>  | <i>7.2%</i>  | <i>6.7%</i>  | <i>7.3%</i>  | <i>6.4%</i>  | <i>7.5%</i>  |                             |
| Licence fees and other operating income (net)    | 8            | 10           | 31           | 56           | 30           | 30           | 23           | -73%                        |
| <b>Operating profit</b>                          | <b>239</b>   | <b>256</b>   | <b>204</b>   | <b>234</b>   | <b>227</b>   | <b>224</b>   | <b>188</b>   | <b>5%</b>                   |
| <i>Operating margin</i>                          | <i>23.8%</i> | <i>26.5%</i> | <i>23.1%</i> | <i>24.4%</i> | <i>25.3%</i> | <i>25.7%</i> | <i>23.1%</i> |                             |
| Share of profit in associated R&D companies      | -            | (4)          | (6)          | 10           | (6)          | (6)          | (8)          | -116%                       |
| Share of profit in other associated companies    | 1            | -            | (4)          | 1            | -            | -            | 1            | -350%                       |
| Financial income                                 | 17           | 14           | 24           | 59           | 23           | 60           | 57           | -29%                        |
| Financial expenses                               | 7            | 6            | 3            | 16           | 13           | 16           | 18           | -50%                        |
| Profit before taxation                           | 250          | 260          | 215          | 288          | 231          | 262          | 220          | 9%                          |
| <b>Net profit</b>                                | <b>168</b>   | <b>174</b>   | <b>144</b>   | <b>189</b>   | <b>152</b>   | <b>174</b>   | <b>144</b>   | <b>11%</b>                  |
| Depreciation, amortisation and impairment losses | 77           | 52           | 51           | 74           | 48           | 48           | 42           | 59%                         |
| Capital expenditure                              | 117          | 86           | 53           | 125          | 51           | 70           | 63           | 128%                        |
| Cash flow from operating activities              | 335          | 230          | 181          | 28           | 312          | 193          | 293          | 7%                          |
| Free cash flow                                   | 215          | 128          | 119          | (96)         | 260          | 123          | 230          | -17%                        |
| Equity   | 3,447        | 3,348        | 3,230        | 3,343        | 3,192        | 3,070        | 2,939        | 8%                          |
| Total assets                                     | 4,782        | 4,600        | 4,545        | 4,643        | 4,732        | 4,455        | 4,226        | 1%                          |
| <i>Equity ratio</i>                              | <i>72.1%</i> | <i>72.8%</i> | <i>71.1%</i> | <i>72.0%</i> | <i>67.4%</i> | <i>68.9%</i> | <i>69.6%</i> |                             |
| Full-time employees at the end of the period     | 20,001       | 19,631       | 19,179       | 18,756       | 18,664       | 18,465       | 18,221       | 7%                          |

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|   |       |       |       |       |       |       |       |     |
|---|-------|-------|-------|-------|-------|-------|-------|-----|
| Diluted earnings per share (in EUR)*            | 0.49  | 0.52  | 0.42  | 0.56  | 0.45  | 0.50  | 0.42  | 11% |
| Average number of shares outstanding (million)* |       |       |       |       |       |       |       |     |
| - used for diluted earnings per share           | 338.2 | 339.8 | 339.8 | 339.1 | 340.7 | 342.0 | 344.6 | -1% |

Sales by business segments:

|   |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Insulin analogues                       | 170        | 140        | 120        | 106        | 96         | 77         | 66         | 77%        |
| Human insulin and insulin-related sales | 489        | 491        | 435        | 529        | 479        | 494        | 459        | 2%         |
| Oral antidiabetic products (OAD)        | 60         | 52         | 56         | 53         | 52         | 40         | 49         | 16%        |
| <b>Diabetes care total</b>              | <b>719</b> | <b>683</b> | <b>611</b> | <b>688</b> | <b>627</b> | <b>611</b> | <b>574</b> | <b>15%</b> |

|                                 |            |            |            |            |            |            |            |           |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| NovoSeven®                      | 147        | 147        | 138        | 125        | 136        | 135        | 124        | 8%        |
| Growth hormone therapy          | 76         | 76         | 74         | 79         | 70         | 72         | 68         | 8%        |
| Hormone replacement therapy     | 53         | 53         | 46         | 54         | 48         | 39         | 38         | 11%       |
| Other products                  | 10         | 11         | 13         | 11         | 15         | 15         | 11         | -31%      |
| <b>Biopharmaceuticals total</b> | <b>286</b> | <b>287</b> | <b>271</b> | <b>269</b> | <b>269</b> | <b>261</b> | <b>241</b> | <b>7%</b> |

Sales by geographic segments:

|                          |     |     |     |     |     |     |     |     |
|--------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Europe                   | 412 | 419 | 389 | 422 | 394 | 394 | 367 | 5%  |
| North America            | 289 | 253 | 237 | 217 | 225 | 202 | 211 | 28% |
| International Operations | 158 | 152 | 132 | 165 | 138 | 143 | 122 | 14% |
| Japan & Oceania          | 146 | 146 | 124 | 153 | 139 | 133 | 115 | 5%  |

Segment operating profit:

|                    |     |     |     |     |     |     |    |    |
|--------------------|-----|-----|-----|-----|-----|-----|----|----|
| Diabetes care      | 103 | 128 | 93  | 129 | 101 | 106 | 93 | 1% |
| Biopharmaceuticals | 136 | 128 | 111 | 105 | 126 | 118 | 95 | 9% |

\*) For Q3 2004 diluted earnings per share/ADR of a nominal value of DKK 2, which include options on Novo Nordisk's treasury shares with an exercise price below current market value, have been based on an average number of shares of 338,164,982.



## Appendix 3:

As of 1 January 2004, the accounting policies have been changed to comply with International Financial Reporting Standards (IFRS). The accounting policies used in appendix 1 as well as all other appendices in this interim report are consistent with those used in the Annual Financial Report 2003 except for the changes described in the section 'Adoption of IFRS in 2004' in the Annual Financial Report 2003, which describes the changes from the historically applied Danish GAAP to IFRS.

### The Novo Nordisk Group

#### Consolidated income statement

| DKK million                                   | <b>9M<br/>2004</b> | 9M<br>2003    | <b>Q3<br/>2004</b> | Q3<br>2003   |
|---|--------------------|---------------|--------------------|--------------|
| Sales   | 21,258             | 19,188        | 7,469              | 6,655        |
| Cost of goods sold                            | 5,881              | 5,274         | 2,088              | 1,808        |
| <b>Gross profit</b>                           | <b>15,377</b>      | <b>13,914</b> | <b>5,381</b>       | <b>4,847</b> |
| Sales and distribution costs                  | 6,050              | 5,506         | 2,087              | 1,880        |
| Research and development costs                | 3,094              | 2,918         | 1,081              | 1,012        |
| Administrative expenses                       | 1,392              | 1,355         | 496                | 485          |
| Licence fees and other operating income (net) | 362                | 613           | 59                 | 216          |
| <b>Operating profit</b>                       | <b>5,203</b>       | <b>4,748</b>  | <b>1,776</b>       | <b>1,686</b> |
| Share of profit in associated R&D companies   | (75)               | (149)         | 7                  | (45)         |
| Share of profit in other associated companies | (22)               | 5             | 5                  | (2)          |
| Financial income                              | 407                | 1,044         | 125                | 177          |
| Financial expenses                            | 118                | 352           | 52                 | 103          |
| <b>Profit before taxation</b>                 | <b>5,395</b>       | <b>5,296</b>  | <b>1,861</b>       | <b>1,713</b> |
| Income taxes                                  | 1,780              | 1,807         | 613                | 585          |
| <b>NET PROFIT</b>                             | <b>3,615</b>       | <b>3,489</b>  | <b>1,248</b>       | <b>1,128</b> |
| <b>Earnings per share (DKK)</b>               | 10.71              | 10.20         | 3.71               | 3.31         |
| <b>Earnings per share diluted (DKK)</b>       | 10.66              | 10.19         | 3.69               | 3.31         |
| <b>Segment sales:</b>                         |                    |               |                    |              |
| Diabetes care                                 | 14,974             | 13,459        | 5,334              | 4,652        |
| Biopharmaceuticals                            | 6,284              | 5,729         | 2,135              | 2,003        |
| <b>Segment operating profit:</b>              |                    |               |                    |              |
| Diabetes care                                 | 2,412              | 2,230         | 765                | 755          |
| Biopharmaceuticals                            | 2,791              | 2,518         | 1,011              | 931          |

## Appendix 4:

### The Novo Nordisk Group Consolidated balance sheet

DKK million

|                                     | 30 Sep 2004   | 31 Dec 2003   | 30 Sep 2003   |
|-------------------------------------|---------------|---------------|---------------|
| <b>ASSETS</b>                       |               |               |               |
| <b>Long-term assets</b>             |               |               |               |
| Intangible assets                   | 235           | 331           | 380           |
| Property, plant and equipment       | 17,142        | 16,342        | 16,030        |
| Investments in associated companies | 962           | 1,040         | 1,014         |
| Deferred tax assets                 | 565           | 579           | 599           |
| Long-term financial assets          | 140           | 80            | 55            |
| <b>TOTAL LONG-TERM ASSETS</b>       | <b>19,044</b> | <b>18,372</b> | <b>18,078</b> |
| <b>Current assets</b>               |               |               |               |
| Inventories                         | 7,100         | 6,531         | 6,543         |
| Trade receivables                   | 3,770         | 3,785         | 3,697         |
| Tax receivables                     | 173           | 134           | 757           |
| Other receivables                   | 2,028         | 2,652         | 1,623         |
| Marketable securities               | 525           | 1,828         | 1,629         |
| Cash at bank and in hand            | 2,947         | 1,262         | 2,813         |
| <b>TOTAL CURRENT ASSETS</b>         | <b>16,543</b> | <b>16,192</b> | <b>17,062</b> |
| <b>TOTAL ASSETS</b>                 | <b>35,587</b> | <b>34,564</b> | <b>35,140</b> |
| <b>EQUITY AND LIABILITIES</b>       |               |               |               |
| Share capital                       | 709           | 709           | 709           |
| Treasury shares                     | (39)          | (33)          | (29)          |
| Share premium account               | 2,565         | 2,565         | 2,565         |
| Retained earnings                   | 22,160        | 21,037        | 20,120        |
| Other comprehensive income          | 259           | 609           | 335           |
| <b>TOTAL EQUITY</b>                 | <b>25,654</b> | <b>24,887</b> | <b>23,700</b> |
| <b>Long-term liabilities</b>        |               |               |               |
| Long-term debt                      | 746           | 753           | 1,006         |
| Deferred tax liabilities            | 1,539         | 1,610         | 1,687         |
| Provision for pensions              | 284           | 222           | 318           |
| Other long-term provisions          | 90            | 60            | 39            |
| <b>Total long-term liabilities</b>  | <b>2,659</b>  | <b>2,645</b>  | <b>3,050</b>  |
| <b>Current liabilities</b>          |               |               |               |
| Short-term debt                     | 436           | 975           | 876           |
| Trade payables                      | 738           | 1,008         | 894           |
| Tax payables                        | 727           | 643           | 1,664         |

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|                                     |               |               |               |
|-------------------------------------|---------------|---------------|---------------|
| Other current liabilities           | 4,011         | 3,366         | 3,927         |
| Other short-term provisions         | 1,362         | 1,040         | 1,029         |
| <b>Total current liabilities</b>    | <b>7,274</b>  | <b>7,032</b>  | <b>8,390</b>  |
| <b>TOTAL LIABILITIES</b>            | <b>9,933</b>  | <b>9,677</b>  | <b>11,440</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>35,587</b> | <b>34,564</b> | <b>35,140</b> |

## Appendix 5:

### The Novo Nordisk Group Consolidated statement of changes in equity

| DKK million   | Share capital | Treasury shares | Share premium account | Retained earnings | Other comprehensive income |  |                   | Total          |
|---|---------------|-----------------|-----------------------|-------------------|----------------------------|--|-------------------|----------------|
|   |               |                 |                       |                   | Exchange rate adjustments  | Deferred gain/loss on cash flow hedges | Other adjustments |                |
| <b>9M 2004</b>  |               |                 |                       |                   |                            |  |                   |                |
| Balance at the beginning of the year  | 709           | (33)            | 2,565                 | 21,037            | 33                         | 513                                    | 63                | <b>24,887</b>  |
| Net profit for the period   |               |                 |                       | 3,615             |                            |  |                   | <b>3,615</b>   |
| Purchase of treasury shares   |               | (7)             |                       | (1,078)           |                            |  |                   | <b>(1,085)</b> |
| Sale of treasury shares   |               | 1               |                       | 74                |                            |  |                   | <b>75</b>      |
| Dividends declared  |               |                 |                       | (1,488)           |                            |  |                   | <b>(1,488)</b> |
| Exchange rate adjustment of investments in subsidiaries                           |               |                 |                       |                   | 8                          |  |                   | <b>8</b>       |
| Reversal of deferred (gain)/loss on cash flow hedges at the beginning of the year |               |                 |                       |                   |                            | (513)                                  |                   | <b>(513)</b>   |
| Deferred gain/(loss) on cash flow hedges at the end of the period                 |               |                 |                       |                   |                            | 153                                    |                   | <b>153</b>     |
| Other adjustments   |               |                 |                       |                   |                            |  | 2                 | <b>2</b>       |
| <b>Balance at the end of the period</b>   | <b>709</b>    | <b>(39)</b>     | <b>2,565</b>          | <b>22,160</b>     | <b>41</b>                  | <b>153</b>                             | <b>65</b>         | <b>25,654</b>  |
| <b>9M 2003</b>  |               |                 |                       |                   |                            |  |                   |                |
| Balance at the beginning of the year  | 709           | (19)            | 2,565                 | 18,968            | 27                         | 391                                    | (45)              | <b>22,596</b>  |
| Net profit for the period   |               |                 |                       | 3,489             |                            |  |                   | <b>3,489</b>   |
| Purchase of treasury shares   |               | (10)            |                       | (1,106)           |                            |  |                   | <b>(1,116)</b> |
| Sale of treasury shares   |               |                 |                       | 12                |                            |  |                   | <b>12</b>      |
| Dividends declared  |               |                 |                       | (1,243)           |                            |  |                   | <b>(1,243)</b> |
| Exchange rate adjustment of investments in subsidiaries                           |               |                 |                       |                   | 16                         |  |                   | <b>16</b>      |
| Reversal of deferred (gain)/loss on cash flow hedges at the beginning of the year |               |                 |                       |                   |                            | (391)                                  |                   | <b>(391)</b>   |
| Deferred gain/(loss) on cash flow hedges at the end of the period                 |               |                 |                       |                   |                            | 330                                    |                   | <b>330</b>     |
| Other adjustments   |               |                 |                       |                   |                            |  | 7                 | <b>7</b>       |
| <b>Balance at the end of the period</b>   | <b>709</b>    | <b>(29)</b>     | <b>2,565</b>          | <b>20,120</b>     | <b>43</b>                  | <b>330</b>                             | <b>(38)</b>       | <b>23,700</b>  |

## Appendix 6:

### The Novo Nordisk Group

#### Condensed consolidated statements of cash flow and financial resources

| DKK million   | 9M 2004        | 9M 2003        |
|---|----------------|----------------|
| <b>Net profit</b>   | <b>3,615</b>   | <b>3,489</b>   |
| Net reversals with no effect on cash flow                             | 3,705          | 3,234          |
| Income taxes paid and net interest received                           | (1,662)        | (783)          |
| <b>Cash flow before change in working capital</b>                     | <b>5,658</b>   | <b>5,940</b>   |
| Net change in working capital   | (108)          | (12)           |
| <b>Cash flow from operating activities</b>                            | <b>5,550</b>   | <b>5,928</b>   |
| Net investments in intangible assets and long-term financial assets   | (204)          | (11)           |
| Capital expenditure for property, plant and equipment                 | (1,907)        | (1,368)        |
| Net change in marketable securities (>3 months)                       | 1,303          | (1,318)        |
| <b>Total cash flow from investing activities</b>                      | <b>(808)</b>   | <b>(2,697)</b> |
| <b>Cash flow from financing activities</b>                            | <b>(2,838)</b> | <b>(1,897)</b> |
| <b>NET CASH FLOW</b>  | <b>1,904</b>   | <b>1,334</b>   |
| Unrealised gain/(loss) on exchange rates in cash and cash equivalents | (22)           | (8)            |
| <b>Net change in cash and cash equivalents</b>                        | <b>1,882</b>   | <b>1,326</b>   |
| Cash and cash equivalents at the beginning of the year                | 841            | 919            |
| <b>Cash and cash equivalents at the end of the period</b>             | <b>2,723</b>   | <b>2,245</b>   |
| Undrawn committed credit facilities                                   | 6,697          | 8,899          |
| <b>FINANCIAL RESOURCES AT THE END OF THE PERIOD</b>                   | <b>9,420</b>   | <b>11,144</b>  |
| <b>FREE CASH FLOW*</b>  | <b>3,439</b>   | <b>4,549</b>   |

\*) Cash flow from operating activities + Cash flow from investing activities - Net change in marketable securities (>3 months)

## Appendix 7:

### The Novo Nordisk Group

#### Reconciliations of Danish GAAP to IFRS

##### Accounting policies

This unaudited interim financial report has been prepared in accordance with International Accounting Standard 34 on Interim Financial Reporting.

As of 1 January 2004, the accounting policies have been changed to comply with International Financial Reporting Standards (IFRS). The date of transition is 1 January 2002. The accounting policies used in this interim financial report are consistent with those used in the *Annual Financial Report 2003* except for the changes described in the section 'Adoption of IFRS in 2004' in the *Annual Financial report 2003*, which describes the changes from the historically applied Danish GAAP to IFRS. In this interim financial report the presentation and accounting terminology comply with IFRS.

The reconciliation items in the tables below refer to descriptions of the changes in accounting policies due to IFRS adoption mentioned in the section 'Adoption of IFRS in 2004' in the *Annual Financial Report 2003*.

##### Effect of IFRS adoption for the quarterly financial reporting in 2003

| DKK Million   | Q1            | Q2            | Q3            | Q4            |
|---|---------------|---------------|---------------|---------------|
| <b>Operating profit Danish GAAP</b>   | <b>1,320</b>  | <b>1,619</b>  | <b>1,636</b>  | <b>1,809</b>  |
| Accounting for associated R&D companies reclass. of share of profit or loss | 40            | 36            | 40            | 31            |
| Accounting for associated R&D companies reclass. of capital (gain)/loss     | 18            | -             | -             | (103)         |
| Provisions for pensions   | 9             | -             | 1             | -             |
| Borrowing costs depreciation  | 10            | 9             | 9             | 10            |
| Other   | -             | 1             | -             | 3             |
| <b>Operating profit IFRS</b>  | <b>1,397</b>  | <b>1,665</b>  | <b>1,686</b>  | <b>1,750</b>  |
| <b>Net profit Danish GAAP</b>   | <b>1,091</b>  | <b>1,286</b>  | <b>1,130</b>  | <b>1,351</b>  |
| Accounting for associated R&D companies                                     | (5)           | (5)           | (5)           | 6             |
| Market value of currency options  | (15)          | 17            | (13)          | 41            |
| Provisions for pensions   | 5             | -             | 1             | -             |
| Borrowing costs depreciation  | 10            | 9             | 9             | 10            |
| Borrowing costs interest expenses as incurred                               | (3)           | (3)           | (2)           | (2)           |
| Other   | (10)          | (16)          | 8             | 7             |
| <b>Net profit IFRS</b>  | <b>1,073</b>  | <b>1,288</b>  | <b>1,128</b>  | <b>1,413</b>  |
| <b>Equity Danish GAAP</b>   | <b>22,158</b> | <b>23,159</b> | <b>24,037</b> | <b>25,224</b> |
| Accounting for associated R&D companies                                     | 40            | 34            | 28            | 31            |
| Market value of currency options  | (16)          | (23)          | (18)          | (35)          |
| Provisions for pensions   | (32)          | (30)          | (29)          | (36)          |
| Borrowing costs   | (282)         | (278)         | (273)         | (268)         |
| Other   | (39)          | (55)          | (45)          | (29)          |
| <b>Equity IFRS</b>  | <b>21,829</b> | <b>22,807</b> | <b>23,700</b> | <b>24,887</b> |

##### Effect of IFRS adoption on net profit

| DKK Million                                   | 2003         | 2002         |
|---|--------------|--------------|
| <b>Net profit Danish GAAP</b>                 | <b>4,858</b> | <b>4,095</b> |
| Accounting for associated R&D companies       | (9)          | (9)          |
| Market value of currency options              | 30           | 50           |
| Provisions for pensions                       | 6            | (7)          |
| Borrowing costs depreciation                  | 38           | 39           |
| Borrowing costs interest expenses as incurred | (10)         | (14)         |
| Other   | (11)         | (10)         |
| <b>Net profit IFRS</b>                        | <b>4,902</b> | <b>4,144</b> |

##### Effect of IFRS adoption on equity

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| DKK Million                             | 31 Dec<br>2003 | 31 Dec<br>2002 | 1 Jan<br>2002 |
|---|----------------|----------------|---------------|
| <b>Equity Danish GAAP</b>               | <b>25,224</b>  | <b>22,928</b>  | <b>20,137</b> |
| Accounting for associated R&D companies | 31             | 47             | 57            |
| Market value of currency options        | (35)           | (22)           | (22)          |
| Provisions for pensions                 | (36)           | (42)           | (15)          |
| Borrowing costs                         | (268)          | (287)          | (297)         |
| Other                                   | (29)           | (28)           | (31)          |
| <b>Equity IFRS</b>                      | <b>24,887</b>  | <b>22,596</b>  | <b>19,829</b> |

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