UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

FEBRUARY 9, 2009

NOVO NORDISK A/S

(Exact name of Registrant as specified in its charter)

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

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

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

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

Yes [ ] No [X]

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

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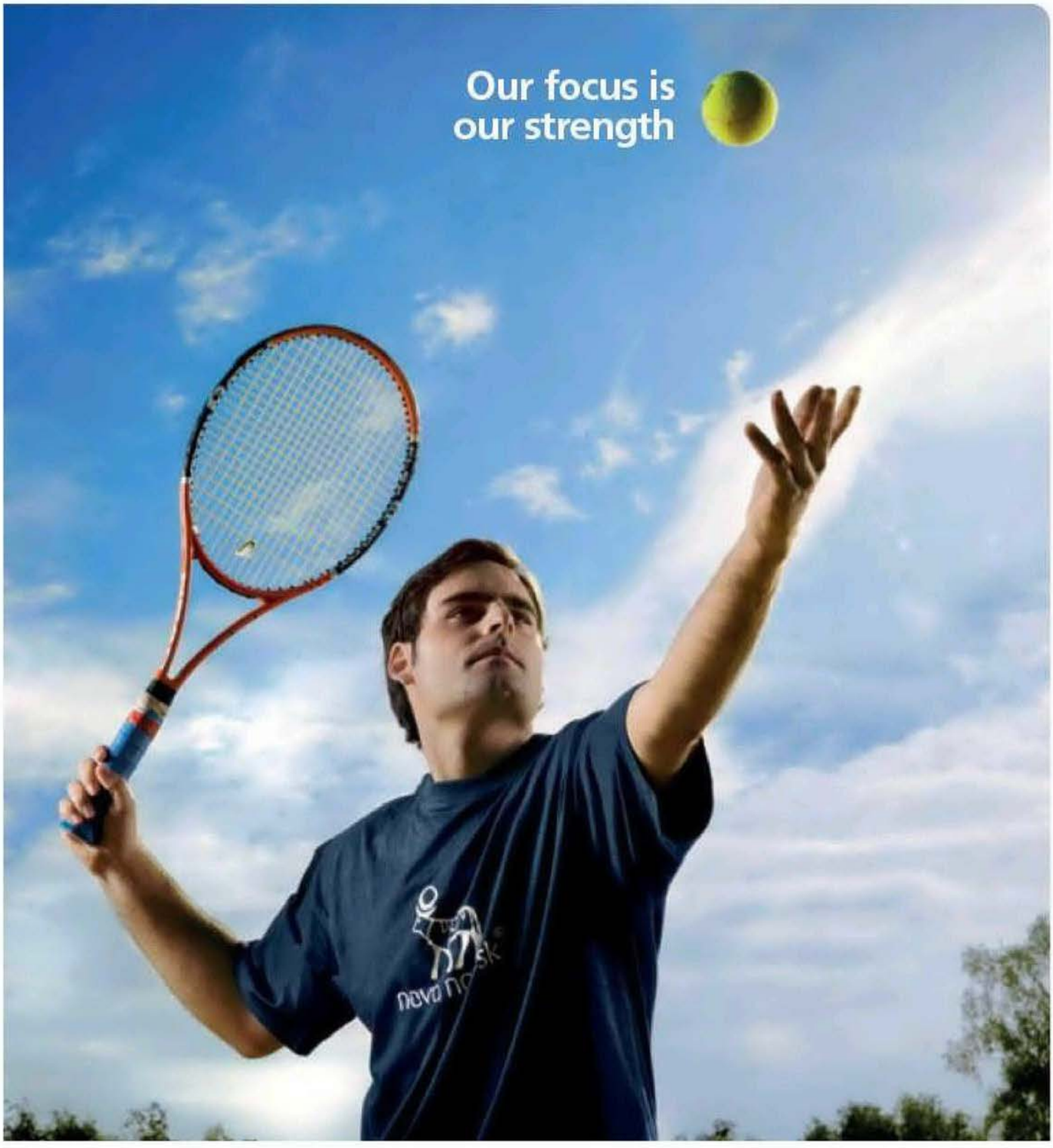
novo nordisk annual report 2008

Financial, social and environmental performance



Sanofi Exhibit 2136.002
Mylan v. Sanofi
IPR2018-01675

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Performance highlights 2008

		2008	2007	Change
Financial performance				
Sales total	DKK million	**45,553**	41,831	9%
Diabetes care	DKK million	**33,356**	30,478	9%
Of which modern insulins	DKK million	**17,317**	14,008	24%
Biopharmaceuticals	DKK million	**12,197**	11,353	7%
Gross profit	DKK million	**35,444**	32,038	11%
Gross margin	%	**77.8**	76.6	
Sales and distribution costs	% of sales	**28.2**	29.6	
Research and development costs	% of sales	**17.2**	20.4	
Research and development costs excl AERx® *)	% of sales	**16.5**	17.2	
Administration expenses	% of sales	**5.8**	6.0	
Operating profit	DKK million	**12,373**	8,942	38%
Operating profit excl AERx® *)	DKK million	**12,698**	10,267	24%
Net profit	DKK million	**9,645**	8,522	13%
Effective tax rate	%	**24.0**	22.3	
Capital expenditure	DKK million	**1,754**	2,268	(23%)
Free cash flow	DKK million	**11,015**	9,012	22%
Long-term financial targets				
Operating profit growth	%	**38.4**	(1.9)	
Operating profit growth excl AERx® *)	%	**23.7**	12.6	

Operating margin	%	**27.2**	21.4	
Operating margin excl AERx® *)	%	**27.9**	24.5	
Return on invested capital (ROIC)	%	**37.4**	27.2	
Cash to earnings (three-year average)	%	**97.6**	87.0	

Non-financial performance

Employment impact worldwide	Number of jobs	**88,500**	81,600	8%
Water consumption	1,000m^3	**2,684**	3,231	(17%)
Recycling percentage (waste)	%	**51**	38	
CO_2 emissions	1,000 tons	**215**	236	(9%)
Employees	FTE	**26,575**	25,516	4%
Employee turnover rate	%	**12.1**	11.6	
Engaging culture (employee engagement)	Scale 1–5	**4.2**	4.1	
New patent families (first filing)	Number	**71**	116	(39%)

Share performance

Dividend per share (proposed)	DKK	**6.00**	4.50	33%
Closing share price (B shares)	DKK	**271**	335	(19%)
Market capitalisation (B shares) **)	DKK billion	**135**	172	(22%)

**) Excluding non-recurring costs related to discontinuation of all pulmonary diabetes projects.

**) Novo Nordisk B shares (excluding treasury shares).

See more financial and non-financial highlights on pp 16–17.

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About Novo Nordisk's annual reporting

Novo Nordisk is the world leader in diabetes care and has leading positions within haemostasis management, growth hormone therapy and hormone replacement therapy. The company also has an ambition to build a strong platform within inflammation.

With over 27,000 employees in 81 countries, Novo Nordisk manufactures and markets pharmaceutical products and services that make a significant difference to patients, the medical profession and society.

This is the fifth consecutive year of reporting on the company's financial and non-financial performance in one inclusive document, the *Annual Report,* covering the fiscal year 2008. The report discusses key challenges and strategic initiatives to develop the business in order to meet targets and sustain long-term value creation. It also explains Novo Nordisk's way of doing business as a values-based company guided by a vision.

The feature articles present company-driven activities in pursuit of the Novo Nordisk Vision and respond to concerns identified through interactions with shareholders, financial analysts and other stakeholders during the year.

External opinion leaders have been invited to contribute their perspectives on some of the key issues: the current economic climate, challenges in the healthcare industry and marketplace, new treatment paradigms for diabetes care and the interrelationship of the global climate change and a healthy future.

Designed to meet the information needs of shareholders, financial analysts and other corporate stakeholders, the report seeks to support business performance and enhance shareholder value by exploring the interactions between financial and non-financial objectives.

Novo Nordisk is in compliance with applicable corporate governance codes and follows current international standards for mandatory and voluntary reporting:

- International Financial Reporting Standards (IFRS).
- AA1000 Assurance Standard (2003).
- US Sarbanes–Oxley Act requirements for documenting and reporting on the effectiveness of internal controls for financial reporting. Novo Nordisk embarked in 2008 on a process of structuring the control environment for non-financial data with the aspiration to have full alignment with the control environment for financial data.
- The accountability standard, the AA1000 Framework.
- Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines.
- UN Global Compact, Communication on Progress.

In the absence of global standards for inclusive reporting, the *Annual Report* is prepared in respect of current best practice for financial and non-financial reporting, respectively. This includes applying the principles of materiality, completeness and responsiveness.

Novo Nordisk has chosen to apply the term 'non-financial reporting' to performance on sustainability-driven issues. Hence, the *Annual Report* includes both financial statements and non-financial statements, while the narrative parts of the report present the company's performance from an inclusive perspective.

The accuracy, completeness and reliability of the company's reporting is verified through internal controls, assurance and independent audits.

The *Annual Report 2008* includes the financial statements of the parent company, Novo Nordisk A/S (see pp 105–112), and is issued in February 2009 for approval by shareholders at the Annual General Meeting on 18 March 2009. It is subsequently filed with the Danish Commerce and Companies Agency. In addition, a Form 20-F Report for 2008 is filed with the United States Securities and Exchange Commission in February 2009.

These two public filings contain references and links to information posted on the Company's website; such information is not incorporated by reference into the public filings.

Additional reporting online provides more background, context and data. Many sections of this report reference additional online information and an index on p 116 provides links to online content at annualreport2008.novonordisk.com.

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Charlotte Lucas Østerlund expresses the full effect of living with diabetes at the 2008 meeting of the European Association for the Study of Diabetes in Rome.

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Fifteen Novo Nordisk employees marked World Diabetes Day in Denmark by running a marathon from the company's headquarters, past several company sites, to the Changing Diabetes® Village in the centre of Copenhagen, Denmark.

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Our focus is our strength

The year 2008 is likely to be remembered by many as the year when, like a flash of lightning, a severe economic crisis brought an end to the belief in uninterrupted growth. The globalisation we have witnessed in recent years, which has had many positive effects, suddenly showed another face: no nation, no company and no individual is unaffected by the economic downturn. Businesses, large and small, are in crisis. Some that were considered icons in their industries no longer exist.

Against such a backdrop it is with great humility, but also with pride and satisfaction, that we can report on a year that has been very positive for Novo Nordisk, demonstrating the results of our focused business approach. We increased sales by 12% (mea sured in local currencies) and our reported operating profit by 38%. Our investment in research and development resulted in a strengthened pipeline of new products. And we continued to optimise processes and globalise our sales and production activities, which makes our organisation even better prepared for challenges in coming years.

One of the reasons why Novo Nordisk came through 2008 in better shape than many other companies is that we produce lifesaving medicines. Our customers, particularly people with chronic conditions, require treatment during recessions as well as periods of economic prosperity. But a great deal of our success is attributable to our more than 27,000 Novo Nordisk colleagues who have once again delivered excellent results. With doctors and patients, in the laboratories, in production, in administration and throughout our value chain, there has been a focus on achieving results for all stakeholders both in the short and long term.

Innovation boosts competitiveness
Innovation in our pipeline is the source of long-term competitiveness in our industry, and in this area 2008 was very eventful.

Not everything has worked out as planned. In early 2008, we discontinued our attempts to develop inhalable insulin. Later in the year we had to reconcile ourselves to the fact that the effect of NovoSeven® for treatment of acute bleeds in trauma could not

Liraglutide has the potential to improve the treatment of type 2 dia betes. Even though requirements for approval of new medicines have become increasingly challenging, we are cautiously optimistic about the final outcome of regulatory assessment. We currently anticipate regulatory approval in the US and some European countries in 2009, followed by Japan and a number of other countries in 2010.

We know that even the best insulins available in the market today are not perfect. Phase 2 results for the company's new generation of insulins have demonstrated that long-acting insulins and insulins with a combined short- and long-acting effect can be further improved. If preliminary results are confirmed by additional trials, this new generation of insulins has the potential to offer better treatment for people with diabetes and to strengthen Novo Nordisk's competitive position.

In 2008, we decided to focus our biopharmaceutical research efforts in haemostasis, growth disorders and inflammation. Research in inflammation will be conducted by our Danish research organisation and a newly established research centre for inflammation in Seattle, US. Collaboration with a number of biotech companies also plays a significant role in our ability to bring new products to market in this area.

In 2008, Novo Nordisk made two significant breakthroughs that may have great impact on future diabetes treatment.

International expansion supports growth
In the diabetes market we have maintained our position as the world leader with a market share of more than 50% by volume. Demand for our products has increased and we see a continuing transition from traditional human insulin to modern insulins. Novo Nordisk won market share for modern insulins in 2008 and remains the only company with a full portfolio of short-acting,

be proven in controlled clinical trials within the foreseeable future. We also decided to discontinue trials to investigate the benefits of growth hormone therapy for dialysis patients because of the difficulty in recruiting trial participants.

However, 2008 will mostly be remembered as the year in which Novo Nordisk made two significant breakthroughs that may have great impact on future diabetes treatment. The development of liraglutide for the treatment of type 2 diabetes was finalised and regulatory approval was sought in the US, Europe, Japan and many other countries. In addition, a new generation of insulins for both type 1 and type 2 diabetes showed promising results in phase 2 trials.

mixed and long-acting insulins. To expand our competitive position and brand awareness, not least among general practitioners, we have expanded our sales organisation in several key markets.

In November, we laid the foundation stone for a major expansion of our production site in Tianjin, China, which will create 500 new jobs. The new insulin formulation and filling plant is one of the largest investments in the history of Novo Nordisk and our biggest single investment outside Denmark. The second-largest single investment, the production site in Montes Claros, Brazil, became fully operational in 2008 and today provides insulin to a number of markets.

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Sten Scheibye, chairman of the Board of Directors, and Lars Rebien Sørensen, president and chief executive officer.

Managing responsibly

Many readers of this *Annual Report* will know that Novo Nordisk is managed using the Triple Bottom Line business principle. We assess our performance from three perspectives: financial, social and environmental. As we see it, a business can only be sustainable in the long term if it meets stakeholders' expectations in relation to all three aspects.

In this report we provide examples of how we conduct our activities in ways that are socially and environmentally responsible. We think a couple of them deserve particular mention.

In November, we announced a new programme to offer diabetes treatment, including free insulin, to 10,000 children in some of the world's poorest countries. This is part of a five-year programme called 'Changing the Future for Children with Diabetes', which begins in 2009. In addition to making free insulin available to a particularly vulnerable population of people with diabetes, the project will also build long-term solutions for distribution of insulin and sustainable diabetes treatment in the world's poorest countries.

We are well on our way to achieving the ambitious target for CO_2 reduction we set for ourselves in 2006 and, as a result of our efforts, the majority of our future electricity supplies will be generated from wind. Just as the financial crisis is global, so is climate change, and everyone must take responsibility for addressing it. We will leave it to the scientists to debate to what life-saving medicines. The increasing prevalence of chronic disease is already a major financial burden with treatment costs putting pressure on healthcare budgets, even in wealthy countries. It will be a huge challenge to finance public health systems in the future in a way that makes it attractive to bring new and improved medicines to market and at the same time secure equal access to care.

It is well known that new medicines are needed to improve the treatment of many diseases, but it is also evident that public healthcare providers and insurance companies are subjecting the costs versus the benefits of new medicines to increased scrutiny. At the same time, increasing requirements to document potential long-term side effects make bringing new treatments to market even more costly. These challenges impact the outlook for the entire industry.

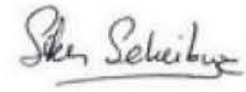
At Novo Nordisk we are, however, optimistic about the future. With our focus on diabetes care and biopharmaceutical niche products, we believe that we are uniquely placed. We also believe our unique market position justifies further investment in our research and development and in expanding our international organisation and global supply through controlled growth and with continued focus on financial results.

We would like to take this opportunity to thank our customers, shareholders and partners for their trust in Novo Nordisk during 2008. We also thank everyone at Novo Nordisk for their great efforts, creativity and engagement, which is the heart of our

extent climate change is human-induced or caused by natural developments that are not related to human activity. There are, however, many reasons, including financial, for managing a business in a way that minimises environmental impact, and we will retain our focus on this in coming years.

Challenges ahead
The pharmaceutical industry today is faced with a number of challenges that have certainly not diminished with the current global recession.

We believe that the current economic downturn will impair societies' and individuals' ability to pay for healthcare, including organisation and the foundation of the strong results presented in this report.



Lars Rebien Sørensen

President and
chief executive officer

Sten Scheibye

Chairman of the
Board of Directors

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Managing in the current economic climate

Interview with Novo Nordisk's CFO, Jesper Brandgaard

In your opinion, what impact will the current economic downturn have on the pharmaceutical industry?

We have to recognise that this crisis is not only global, it is severe, and it is likely to be of significant duration. There are profound implications for wealth and growth throughout the world. Even in a sector less impacted by short-term economic swings, such as the pharmaceutical sector, there is a clear correlation between long-term economic growth at the societal level and growth opportunities for companies.

We believe the pharmaceutical sector will first see an impact in economies that are largely dependent on exporting either goods or raw materials. Oil price volatility is, of course, important in this regard. Societies such as Russia, Algeria and Venezuela may experience an impact on their ability to procure advanced pharmaceutical products.

In many countries, notably in Europe, pressure to reduce the growth of public spending for pharmaceutical products will increase, with more substitution of generic products. There will also be greater emphasis on health economics to make sure that products paid for by society are achieving the desired health outcomes.

With the new administration in Washington, there is a high likelihood that 2009 will bring price reform in government-funded healthcare programmes such as Medicaid and Medicare. We have said that there has are likely to face higher co-payments. Everything else being equal, it will be increasingly difficult to obtain reimbursement for new, advanced treatments.

How do you see the financial crisis impacting the structure of the industry?

There is still a profound need for large pharmaceutical companies to acquire innovation. These companies are gene rating significant positive cash flows but are challenged by lack of innovation and regulatory hurdles. At the same time, small biopharm companies that do not yet have products on the market will have increasing difficulty accessing long-term venture capital. These firms are likely to either look for opportunities to partner with larger fi rms or put themselves up for sale. In this environment, we expect to see consolidation in the industry.

We have not changed direction; we have stayed the course, and we believe this will now present us with new opportunities.

How was Novo Nordisk impacted by market volatility in 2008?

While Novo Nordisk has continued to of the Novo Group companies, including Novo Nordisk. Beyond the Foundation, we have experienced changes in the holdings of other large investors, notably US investors repatriating funds.

We have also seen a number of Danish pension institutions reducing their holdings in Novo Nordisk in order to maintain portfolio diversification. The challenge in the Danish stock exchange environment is that the relative performance of Novo Nordisk compared with other companies listed on NASDAQ OMX Copenhagen increased Novo Nordisk's weighting on the exchange dramatically during 2008.

So we have seen the shareholdings of some of the company's largest investors reduced. At the same time, we have seen solid support from new European and US investors, as well as from retail investors in Denmark.

These changes have not impacted the way the company interacts with the equity market, but have highlighted the need to be very transparent.

How does Novo Nordisk manage its balance sheet, and have there been recent changes in direction?

Historically, Novo Nordisk, like most pharmaceutical and large-cap biopharm firms, has had a balance sheet with little debt. In fact, Novo Nordisk has operated with slightly positive net financial assets on its balance sheet. This is an advantage because having access to cash can now provide us with interesting

been an advantage for the industry from the migration of patients from Medicaid to the Medicare Part D programme and we did not think this was sustainable. The details of a potential pricing reform remain to be seen, but we do anticipate changes in some of the schemes funded by the federal government, including Medicare Part D.

In the private health insurance market in the US, we are also looking at a scenario where funds are getting tighter. Patients have strong sales and cash flow and has not experienced any liquidity issues, recent market turmoil has had a bigger impact on the composition of Novo Nordisk's shareholder base than we originally anticipated.

Novo Nordisk's largest shareholder continues to be The Novo Nordisk Foundation through the Novo A/S holding company. The Foundation has bylaws stating that its primary objective is to be a stable owner investment possibilities. We have not changed direction; we have stayed the course, and we believe this will now present us with new opportunities.

In terms of cash returned to shareholders, Novo Nordisk has adhered to its dividend policy of gradually increasing the payout ratio to a level around the pharma industry average, which is now approximately 40%.

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What impact did exchange rate fluctuations have on the company in 2008?

One obvious example of the impact that currency developments had on Novo Nordisk in 2008 was the impact on sales growth. In 2008, Novo Nordisk achieved sales growth of 12% when adjusted for the impact of currencies. However, in reported terms sales growth was 9% due to negative exchange rate impact compared to the Danish kroner of approximately 3%, or more than 1 billion kroner.

For a company with global operations like Novo Nordisk, extreme volatility requires that we be ever more transparent in our disclosures. In the longer term, it also requires that we continue to make investments globally that help to balance our long-term currency exposure.

A good example of this is the 400 million US dollar investment the company committed to make in China in 2008 for a new production facility. Beyond the attractiveness of the project in a growing market, the investment will help provide Novo Nordisk with a better balance between the company's income base and cost base. In addition, the more assets the company has in China, the easier it becomes to attract local talent.

Are there lessons that Novo Nordisk has learned from previous economic downturns that apply to the current situation?

Previous downturns we've seen in recent years have been confined to specific regions, such as the Asian currency crisis in the late 1990s. The current downturn is likely to turn into a global recession with wide-ranging implications, some of which will be difficult to predict.

Cautious spending behaviour combined with a willingness to invest in markets with long-term growth prospects will continue to be the cornerstones of Novo Nordisk's strategy. In the longer term, this approach, along with a commitment to managing responsibly, has proven to be integral to the sustainable business model that the company is pursuing.

Jesper Brandgaard, chief financial officer.

Fareed Zakaria
Editor, *Newsweek International*

Novo Nordisk invited Fareed Zakaria to provide his perspective on the global economy.

A problem of growth

I would argue that the current economic crisis is a problem of growth, created by 124 countries growing simultaneously and by the fact that you have a single world economy in which everyone is participating, so Chinese savings can fuel US consumption and vice versa.

The most important real world effect we have to worry about is countries turning inward. The possibility of turning away from the single, global market, away from the idea that we can create a greater degree of global prosperity and raise standards of living.

The challenge for a company like Novo Nordisk is to explore

whether it can play a role in trying to keep the Western world open.

The challenge for a company like Novo Nordisk is to explore whether it can play a role in trying to keep the Western world open. This is a path most corporations have steered away from because they don't want to get politically involved.

Dr Fareed Zakaria is editor of Newsweek International, *host of CNN's Fareed Zakaria GPS, and co-host of PostGlobal, an online discussion of international issues.*

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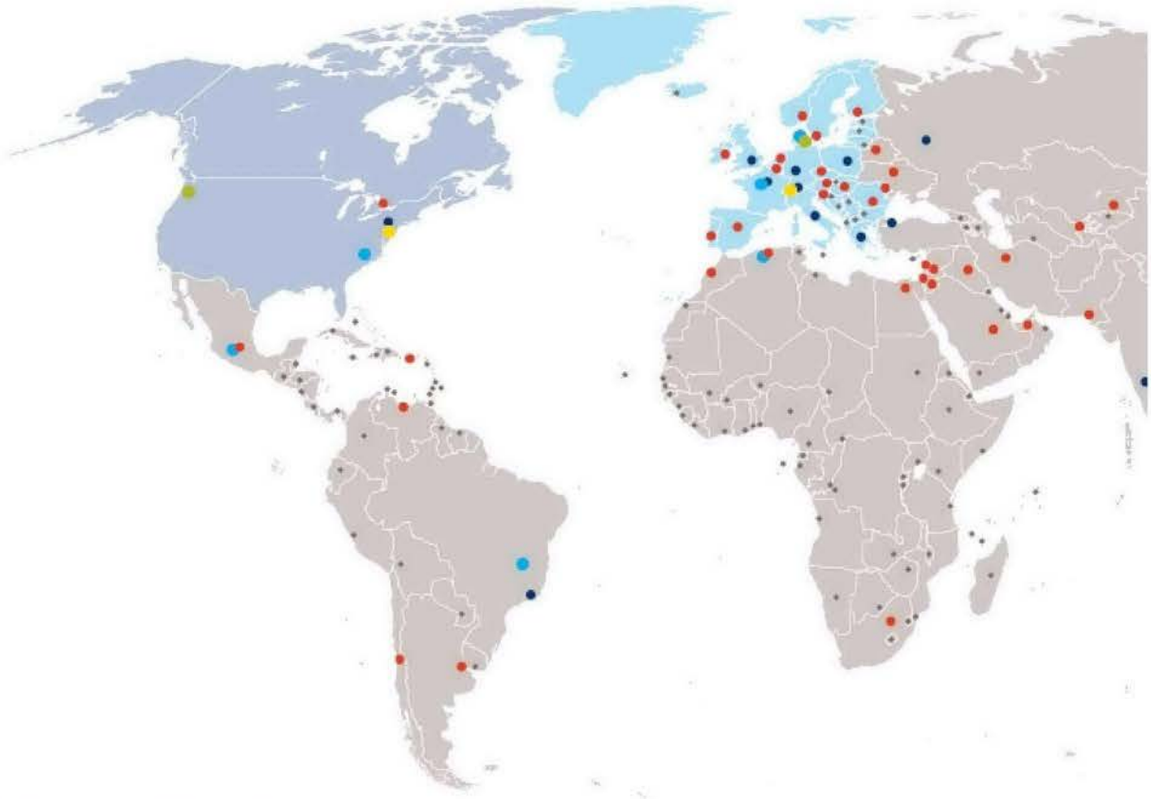

Novo Nordisk at a glance

Novo Nordisk is a focused healthcare company and a world leader in diabetes care. Key market figures for the diabetes care business are provided here and on p 10.

In its other business segment, biopharmaceuticals, Novo Nordisk has a leading position within the therapeutic areas of haemostasis management, growth hormone therapy and hormone replacement therapy. The company reports biopharmaceutical sales globally and by therapy area. See pp 10–11 for more information.

North America

Sales: 33% of total sales.

Insulin/modern insulin volume share:
42% of the total market; 33% of the segment.

International Operations

Sales: 19% of total sales.

Insulin/modern insulin volume share:
57% of the total market; 57% of the segment.

Europe

Sales: 38% of total sales.

Insulin/modern insulin volume share:
55% of the total market; 51% of the segment.

Performance: The number of people with diabetes in the US is now 24 million, according to the national Centers for Disease Control (CDC), and this is projected to exceed 30 million within 10 years. The rate of new cases of diabetes soared by about 90% in the past decade, according to the CDC, fuelled by growing obesity and sedentary lifestyles.

Novo Nordisk sees significant opportunities to improve care and treatment for people with diabetes in the US. To deliver on these opportunities, market access is crucial. More than 80% of the US population is currently covered by medical insurance. Novo Nordisk's products are eligible for reimbursement through 90% of managed care formularies, a key competitive advantage.

Capacity-building: 89,500 healthcare professionals have been trained or educated through Novo Nordisk's National Changing Diabetes® programmes.

Performance: Novo Nordisk's International Operations – covering South and Central America, the Middle East, Africa and Asia (excluding Japan & Oceania) – is a vast area representing 85% of the world's population and 80% of all people with diabetes.

Lack of access to adequate diabetes care is a continuing concern in these countries, although there are encouraging signs that diabetes is rising on the public health agenda. A growing middle class in emerging markets such as China and India are also better able to afford more advanced treatments. The dramatic rise in the number of people with diabetes in these markets is driven by several factors, including urbanisation, an ageing population, unhealthy eating habits and sedentary lifestyles.

Capacity-building: 151,500 healthcare professionals have been trained or educated through Novo Nordisk's National Changing Diabetes® programmes.

Performance: Modern insulins are driving growth in the company's European operations. Levemir®, the company's basal insulin, is reinforcing Novo Nordisk's market leadership in the region.

Through its affiliates, Novo Nordisk is driving home the message that changing diabetes care begins with raising awareness and working with partners. In Italy, Novo Nordisk supported a meeting of about 200 diabetes experts, policy-makers, patient representatives, industry and media to discuss how to stop the epidemic growth of diabetes. Marking its 50th anniversary, Novo Nordisk's affiliate in Germany held its second Camp D for young people with diabetes in 2008. Nearly 700 young people attended the four-day event, which focuses on enhancing quality of life for people with type 1 diabetes.

Capacity-building: 79,000 healthcare professionals have been trained or educated through Novo Nordisk's National Changing Diabetes® programmes.

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- **Production sites**
  Bagsværd, Denmark
  Chartres, France
  Clayton, North Carolina, US
  Dely Brahim, Algeria
  Gentofte, Denmark
  Hillerød, Denmark
  Hjørring, Denmark
  Kalundborg, Denmark
  Koriyama, Japan
  Køge, Denmark
  Mexico City, Mexico
  Montes Claros, Brazil
  Måløv, Denmark
  Tianjin, China
  Værløse, Denmark
- **R&D facilities**
  Bagsværd, Denmark
  Beijing, China
  Gentofte, Denmark
  Hillerød, Denmark
  Måløv, Denmark
  Seattle, Washington, US
- **Clinical development centres**
  Beijing, China
  Princeton, New Jersey, US
  Tokyo, Japan
  Zurich, Switzerland
- **Regional and business area offices**
- **Affiliates**
- **Representative offices**

Japan & Oceania

Sales: 10% of total sales.

Insulin/modern insulin volume share: 71% of the total market; 61% of the segment.

Innovation and growth

Novo Nordisk was created in 1989 from the merger of two companies founded in the 1920s that independently pioneered several breakthroughs in diabetes care. Both companies focused on treating the whole person and not just diabetes symptoms, and this approach continues to be a hallmark of Novo Nordisk's business.

The company has experienced significant growth in recent years, with total sales increasing by 119% since 2000. In the same period, the number of Novo Nordisk employees almost doubled to more than 27,000 in 81 countries. The milestones below highlight the company's recent innovations and growth.

1996 NovoSeven® – for the treatment of haemophilia patients with inhibitor reaction – is launched.

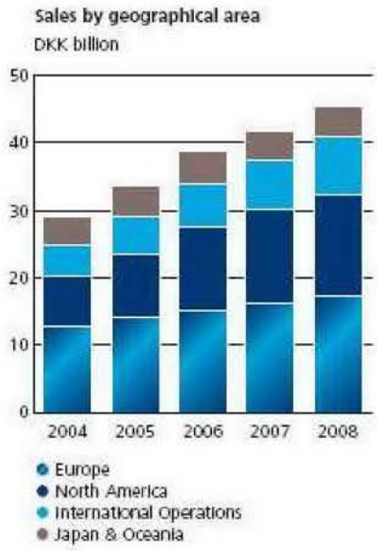
1998 Activelle® (Activella® in the US) – the first low-dose continuous-combined oral HRT for postmenopausal women – is introduced.

1999 NovoRapid® (NovoLog® in the US) – the company's first modern insulin, a rapid-acting insulin analogue – is marketed. Modern insulins are designed

Performance: Recognition of the need for better screening and earlier diagnosis of diabetes and other chronic diseases prompted a move by Japanese authorities in 2008 to establish a health-screening programme for adults ages 40–74, or 45% of the population, which will include a check of HbA_{1c} or blood glucose levels.

Levemir® is helping drive Novo Nordisk's longstanding market leadership in Japan, where it was introduced in 2007 and has had the fastest penetration among the company's major markets, owing to an aggressive and tightly focused launch, as well as its high acceptance among physicians and patients. While there has been increased competition, not least in the area of devices, Novo Nordisk's products and devices continue to hold a strong position in Japan.

Capacity-building: 60,000 healthcare professionals have been trained or educated through Novo Nordisk's National Changing Diabetes® programmes.



to better mimic the normal insulin response to changes in blood sugar levels.

2000 The company's enzymes business is spun off as a separate company, Novozymes A/S.

2001 NovoRapid® FlexPen® is marketed. FlexPen® is a new prefilled pen, designed for easy and discreet use.

2002 NovoMix® 30 – a dual-release modern insulin – is introduced.

2003 Norditropin NordiFlex® – the world's first prefilled growth hormone pen – is launched.

2004 Levemir® – a long-acting modern insulin – is launched.

2007 In Montes Claros, Brazil, Novo Nordisk inaugurates its largest insulin production facility outside Denmark.

See more at novonordisk.com/about_us/history/milestones_in_nn_history.asp.

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Performance in 2008

Novo Nordisk continued on a sustainable growth path in all its major business areas and delivered solid results in 2008.

Sales increased by 12% measured in local currencies and by 9% in Danish kroner. Modern insulins continued to be the main contributor to growth increasing by 28% in local currencies (24% in Danish kroner), and Earnings per share (diluted) increased by 16% to DKK 15.54.

2008 performance on long-term financial targets

Focusing on growth, profitability, financial return and generation of cash, the four long-term financial targets guide the company's financial development, aimed at ensuring a focus on shareholder value creation. These targets are operating profit growth, operating margin, return on invested capital and cash conversion. By 2008, Novo Nordisk reached the performance level stipulated in the four long-term financial targets which were outlined in 2006. The four ratios are still considered an appropriate way to ensure value creation, and several of the targets

NovoSeven® and Norditropin® also continued to contribute to growth, increasing, respectively, by 14% in local currencies (9% in Danish kroner) and 12% in local currencies (10% in Danish kroner).

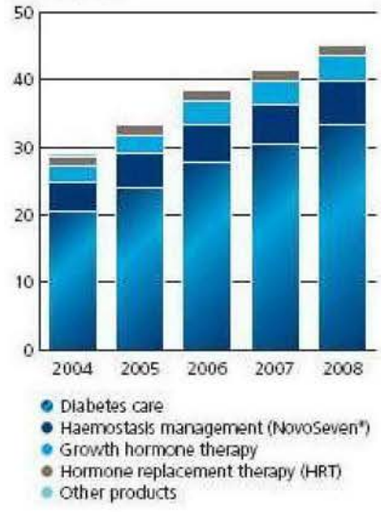
Sales growth was realised in all regions measured in local currencies. The main contributors to growth were North America and International Operations, which contributed 48% and 29%, respectively, of total sales growth. Europe contributed 21% and Japan & Oceania 2% of total sales growth in 2008, measured in local currencies.

The gross margin increased to 77.8% in 2008, up from 76.6% in 2007, reflecting an improvement of 1.2 percentage points, primarily driven by sustainable productivity improvements. Costs related to research and development decreased by 8%; however, when adjusted for non-recurring costs related to the closure of all pulmonary diabetes projects in 2007 and 2008, research and development costs increased by 4%. This reflects a sustained high level of investment in research and development activities supporting the future growth of the company.

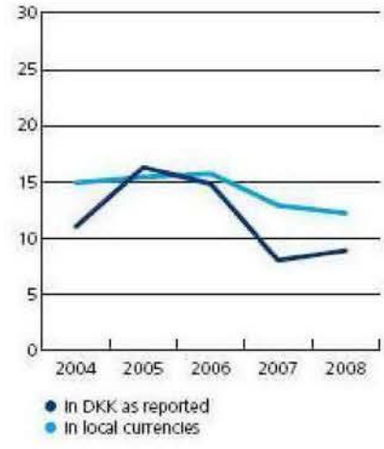
Operating profit in 2008 increased by 38% to DKK 12,373 million compared to 2007.

Net profit increased by 13% to DKK 9,645 million. When adjusted for the non-recurring income from the divestment in 2007 of Dako A/S's business activities and the non-recurring costs related to the closure of all pulmonary diabetes projects, net profit increased by 22%.

Sales by therapy area
DKK billion



Sales growth
Local and reported rates
%



have consequently been increased. The revision is based on an assumption of a continuation of the current business environment and given the current scope of business activities and has been prepared assuming that currency exchange rates remain at current levels.

Operating profit growth was realised at 38%. However, adjusted for non-recurring costs related to the closure of all pulmonary diabetes projects and a negative currency impact, the underlying operating profit increased by more than 25%. The long-term target is an average annual growth of 15%. The performance reflects solid underlying sales growth as well as an improved gross margin.

The *operating margin* for 2008 was realised at 27%, up from 24.5% in 2007 adjusted for non-recurring costs related to the closure of AERx®, and exceeds the long-term target of 25%. The improvement in operating margin is driven by an improved gross margin.

The *return on invested capital* was 37%, significantly up compared to 2007 and now exceeding the long-term target of 30%. The improvement mainly reflects solid growth in operating profit as well as a lower level of invested capital primarily due to a reduction in the fixed asset base.

The *cash to earnings ratio* was realised at 114% in 2008 and at 98% for the last three years on average compared to the long-term target of 70%. The cash-conversion ability will fluctuate in any given year, and therefore the long-term target measures the cash to earnings ratio over a three-year period.

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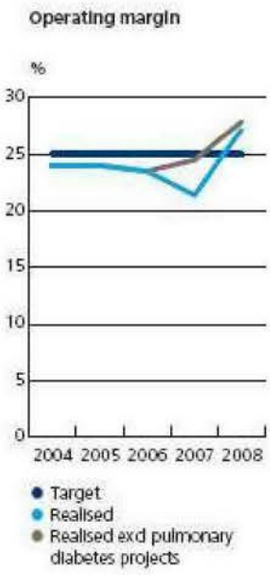

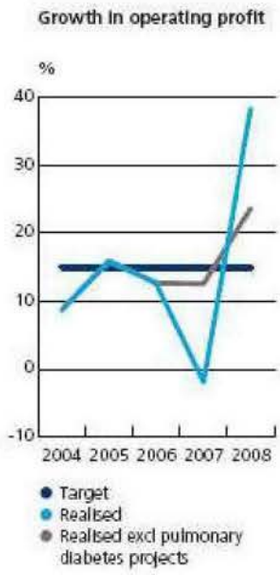

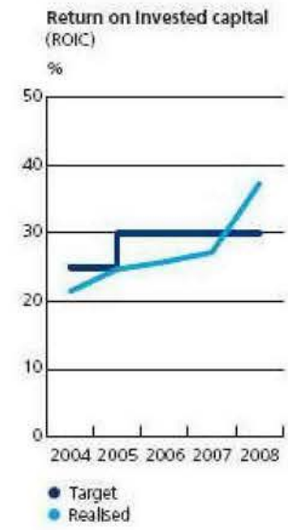

Long-term financial targets

Focusing on growth, profitability, financial return and generation of cash, Novo Nordisk introduced four long-term financial targets in 1996 to balance short- and long-term considerations, thereby ensuring a focus on shareholder value creation. The targets were subsequently revised and updated in 2001 and in 2006. By 2008, and despite a challenging currency exchange rate environment since the last update of the targets, Novo Nordisk has now reached the performance level stipulated in the four long-term financial targets and has consequently revised the target levels. The revision is based on an assumption of a continuation of the current business environment and given the current scope of business activities and has been prepared assuming that currency exchange rates remain at current levels.

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

The target level for operating margin is increased from 25% to 30%. The key enabling factors are expected to be further productivity improvements in the manufacturing and administrative areas while at the same time ensuring investments for both research and development as well as sales and marketing. It should be noted that the achievement of the operating margin target may be influenced by significant changes in market conditions including regulatory developments, changes in pricing environment, healthcare reforms as well as exchange rate movements.

The target level for return on invested capital (ROIC) measured post tax is increased from 30% to 50%. The raised target reflects the expectation of continued lower growth in invested capital relative to operating profit as well as a stable effective tax rate.

The target level for the cash-to-earnings ratio is increased from 70% to 80%, reflecting improved cash conversion ability. As previously, this target will be pursued looking at the average over a three-year period. Performance on this ratio may be impacted in individual years by significant acquisitions, investments or licensing activities.

Ratio	Previous target	Result 2008	New targets

Growth in operating profit	15%	38.4%	**15%**
Operating margin	25%	27.2%	**30%**
Return on invested capital (ROIC)	30%	37.4%	**50%**
Cash to earnings (three-year average)	70%	97.6%	**80%**

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Diabetes care

Novo Nordisk retained its position as global leader with 52% of the total insulin market and 44% of the modern insulin market, both measured by volume. The company is determined to sustain its leadership in diabetes care by leveraging the value of its full portfolio of modern insulins and delivery devices while developing new antidiabetic agents and a new generation of insulins to better address future needs for effective diabetes care. See pp 30–37.

Sales performance

Sales of diabetes care products increased by 13% measured in local currencies and by 9% in Danish kroner to DKK 33,356 million compared to last year.

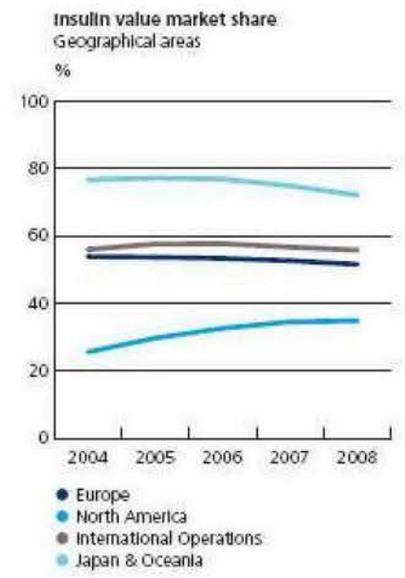
Modern insulins, human insulins and insulin-related products

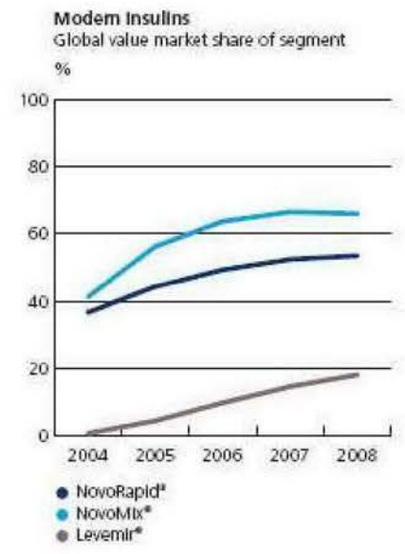
Sales of modern insulins, human insulins and insulin-related products increased by 12% measured in local currencies and by 9% in Danish kroner to DKK 30,965 million. All regions contributed to growth, with North America and International Operations having the highest growth rates.

Sales of modern insulins increased by 28% in local currencies in 2008 and by 24% in Danish kroner to DKK 17,317 million. Sales of Levemir® increased by 55%, sales of NovoRapid® (NovoLog® in the US) increased by 22% and sales of NovoMix® (NovoLog® Mix 70/30 in the US) increased by 23%, all measured in local currencies. All regions realised solid growth rates, with North America in Danish kroner. The sales development reflects sales growth for the modern insulins NovoRapid®, NovoRapid Mix® 30 and Levemir®. 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®/Prandin®)

Sales of oral antidiabetic products increased by 16% in local currencies and by 11% in Danish kroner to DKK 2,391 million compared to 2007. This primarily reflects increased sales in International Operations and North America, mainly due to an increased market share in China and a higher average sales price in the US market.





and Europe as the primary contributors to growth. Sales of modern insulins contributed 77% of the overall growth in local currencies and now constitute 59% of Novo Nordisk's sales of insulins.

North America
Sales in North America increased by 21% in local currencies in 2008 and by 14% in Danish kroner, reflecting a solid penetration of the modern insulins Levemir®, NovoLog® and NovoLog® Mix 70/30. In the fourth quarter of 2008, US sales were positively impacted by a rebate reversal related to a federal healthcare programme. Novo Nordisk maintains its leadership position in the US insulin market with 41% of the total insulin market and 32% of the modern insulin market, both measured by volume. Currently, more than 37% of Novo Nordisk's modern insulin volume is sold in FlexPen®.

Europe
Sales in Europe increased by 6% in local currencies and 5% measured in Danish kroner, reflecting continued progress for the portfolio of modern insulins. Novo Nordisk holds 55% of the total insulin market and 51% of the modern insulin market, both measured by volume, and is capturing the main share of growth in the modern insulin market.

International Operations
Sales within International Operations increased by 18% in local currencies and by 14% in Danish kroner. The main contributor to growth in 2008 was sales of modern insulins, primarily in Turkey and China. 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 1% in local currencies and by 6% measured

Biopharmaceuticals

Novo Nordisk continues to grow its biopharmaceuticals therapy areas by pursuing new indications for its existing product range and by exploring new potential proteins in other areas. See pp 38–41.

Sales performance
Sales of biopharmaceutical products increased by 11% measured in local currencies and by 7% measured in Danish kroner to DKK 12,197 million compared to last year.

NovoSeven®
Sales of NovoSeven® increased by 14% in local currencies and by 9% in Danish kroner to DKK 6,396 million compared to last year. Sales growth for NovoSeven® was primarily realised in North America and International Operations. The sales growth for NovoSeven® during 2008 primarily reflected increased sales within the congenital bleeding disorder segments, where Novo Nordisk is the global leader, and was supported by the launch of room temperature-stable NovoSeven® in the US as well as key markets in Europe. Treatment of spontaneous bleeds for congenital inhibitor patients remains the largest area of use. In the fourth quarter of 2008, sales of NovoSeven® in the US were positively impacted by wholesaler stock building. Sales of NovoSeven® in International Operations in 2008 were positively impacted by the timing of tender sales compared to 2007.

Growth hormone therapy (Norditropin®)
Sales of Norditropin® (ie growth hormone in a liquid, ready-to-use formulation) increased by 12% measured in local currencies and by 10% measured in Danish kroner to DKK 3,865 million. North America and Europe were the main contributors to

growth measured in local currencies. Novo Nordisk is the second-largest company in this market with 23% market share measured by volume.

Other products
Sales of other products within bio-pharmaceuticals, which predominantly consist of hormone replacement therapy (HRT)-related products, increased by 1% in local currencies and decreased by 2% in Danish kroner to DKK 1,936 million. This development primarily reflects generic competition in the US for Activella®, a continuous-combined HRT product, but also continued sales progress for Vagifem®, Novo Nordisk's topical oestrogen product.

Pipeline progress

Novo Nordisk made significant progress in research and development in 2008. See pp 18–19 for a status on the current pipeline and progress during the year.

Within biopharmaceuticals the key events for late-stage pipeline compounds in 2008 were:

- Novo Nordisk received marketing approval for a temperature-stable version of NovoSeven® which is expected to deliver significant patient benefits including immediate access to treatment as well as fast and convenient administration when a bleeding episode occurs.
- A phase 3 study with recombinant FXIII in congenital FXIII deficiency was initiated.
- A phase 2 clinical study was initiated with a long-acting human growth hormone analogue designed for once-weekly treatment.
- Novo Nordisk decided to discontinue the phase 3 clinical study with NovoSeven® for the treatment of bleeding in patients with severe trauma.

In 2008, costs amounting to DKK 171 million in connection with general employee share programmes were expensed. In 2008, Novo Nordisk expensed costs in relation to share-based long-term incentive programmes for senior management and other senior employees (around 580 participants in total) amounting to DKK 160 million. The comparable expense for 2007 was DKK 121 million (around 525 participants in total).

Licence fees and other operating income were DKK 286 million in 2008 compared to DKK 321 million in 2007.

Operating profit in 2008 increased by 38% to DKK 12,373 million compared to 2007.

Net financials and tax
Net financials showed a net income of DKK 322 million in 2008 compared to a net income of DKK 2,029 million in 2007.

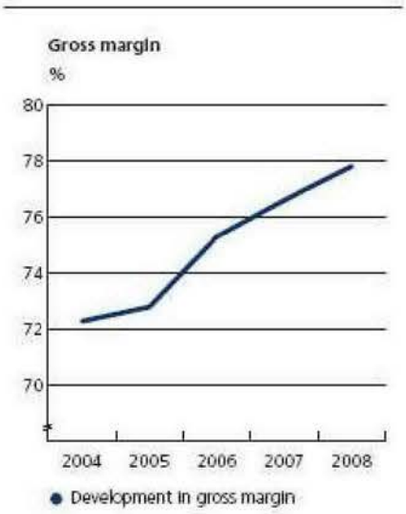
Within diabetes care the key events for late-stage pipeline compounds during 2008 are summarised below:

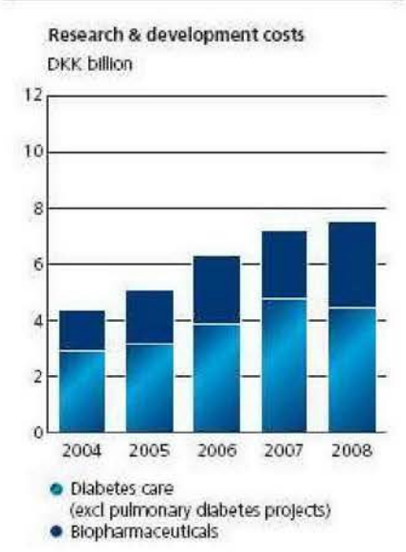
- Novo Nordisk filed for regulatory approval of liraglutide for the treatment of type 2 diabetes in the US, Europe, Japan and many other countries. The applications contain documentation from an extensive clinical development programme designed to obtain the indication for use of liraglutide to treat type 2 diabetes as an adjunct to diet and exercise, both as monotherapy and in combination with commonly used antidiabetic medications.
- Novo Nordisk initiated the phase 3 programme with liraglutide for the treatment of severe obesity.
- Novo Nordisk finalised two phase 2 clinical studies with NN1250, a long-acting new generation of insulin with a potential duration of action of more than 24 hours, and two phase 2 clinical studies with NN5401, a neutral, soluble dual-acting, new generation of insulin, also with a potential duration of action of more than 24 hours.
- A phase 2 clinical study was initiated with the longer-acting human GLP-1 analogue, NN9535, designed for once-weekly treatment of type 2 diabetes.
- Novo Nordisk discontinued all pulmonary diabetes activities, including AERx®, in 2008 and decided to focus on injection-based delivery and alternative non-invasive approaches to delivery of insulin, GLP-1 and other therapeutic proteins.
- An update of the haemostasis strategy was presented including plans for continuing development of potential successors to NovoSeven® as well as extending activities into general haemophilia.
- Novo Nordisk decided to discontinue the phase 3 study with Norditropin® in dialysis patients with low serum albumin.

Operating performance

The cost of goods sold was DKK 10,109 million in 2008, representing a gross margin of 77.8% compared to 76.6% in 2007. This improvement reflects improved production efficiency and higher average prices in the US. The gross margin was negatively impacted by around 0.5 percentage points due to a negative currency development.

In 2008, total non-production-related costs amounted to DKK 23,357 million and were largely at the same level as in 2007. This development reflects lower costs related to research and development, primarily refl ecting the non-recurring costs related to the discontinuation of AERx® in 2007, of DKK 1,325 million and non-recurring costs of DKK 325 million in 2008 related to the discontinuation of AERx® and other pulmonary diabetes projects. Sales and distribution costs increased at a lower level than sales, primarily explained by a return of a deposit related to an antidumping case in Brazil countered by higher costs related to the expanded sales force in the US.





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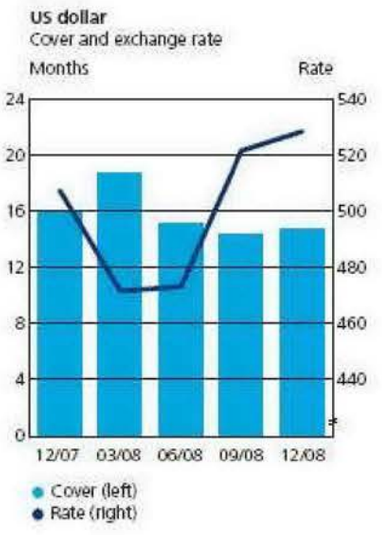
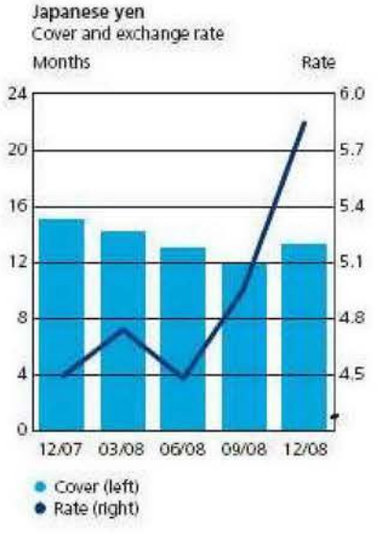
Included in net financials is the result from associated companies with an expense of DKK 124 million, primarily related to Novo Nordisk's share of losses in ZymoGenetics, Inc of approximately DKK 192 million.

In 2007, the result from associated companies was an income of DKK 1,233 million, primarily related to the non-recurring tax-exempt income of approximately DKK 1.5 billion from Novo Nordisk's divestment of the ownership of Dako's business activities.





The foreign exchange result was an income of DKK 159 million compared to an income of DKK 910 million in 2007. This development reflects gains on foreign exchange hedging activities, especially in US dollars, partly offset by losses on commercial balances in primarily non-hedged currencies. Foreign exchange hedging losses of DKK 864 million have been deferred for future income recognition, primarily in 2009.

The effective tax rate for 2008 was 24.0%, an increase from 22.3% in 2007, when the effective tax rate was positively impacted by the non-recurring tax-exempt income from the divestment of Novo Nordisk's ownership of Dako A/S's business activities as well as from the non-recurring effect from the re-evaluation of the company's deferred tax liabilities as a consequence of the reduction in the Danish corporation tax rate to 25%, introduced in 2007.

Capital expenditure and free cash flow

Net capital expenditure for property, plant and equipment in 2008 was realised at DKK 1.8 billion compared to DKK 2.3 billion for 2007. The main investment projects in 2008 were manufacturing expansion of FlexPen® assembly capacity as well as expansion of the purification and filling capacity for insulin products.

Free cash flow for 2008 was realised at DKK 11.0 billion compared to DKK 9.0 billion for 2007. Novo Nordisk's financial resources at the end of 2008 were DKK 17.2 billion, higher than the level at the end of 2007. Included in the financial resources are unutilised committed credit facilities of approximately DKK 7.5 billion.

Proposed dividend

At the Annual General Meeting on 18 March 2009, the Board of Directors will propose a 33% increase in dividend to DKK 6.00 per share of DKK 1, corresponding to a payout ratio of 37.8%, compared to 34.9% for the financial year 2007, when adjusted for the impact from the divestment of Dako's business activities and the AERx® discontinuation in 2007. No dividend will be paid on the company's holding of treasury B shares.

Share repurchase programme

During 2008, Novo Nordisk repurchased 15,579,207 B shares at an average price of DKK 303 per share, equal to a cash value of DKK 4.7 billion. The Board of Directors has approved an increase of DKK 1.0 billion in the ongoing DKK 17.5 billion share repurchase programme, bringing the total share repurchase programme to DKK 18.5 billion. Novo Nordisk still expects to finalise the share repurchase programme before the end of 2009. As a consequence Novo Nordisk expects to repurchase shares equal to a cash value of DKK 6 billion in 2009. In 2006 and 2007, Novo Nordisk repurchased B shares equal to a cash value of DKK 7.8 billion in total.

Holding of treasury shares and reduction of share capital

As per 28 January 2009, Novo Nordisk A/S and its wholly-owned affiliates owned 25,721,095 of its own B shares, corresponding to 4.06% of the total share capital.

In order to maintain capital structure flexibility, the Board of Directors at the 2009 Annual General Meeting will also propose a reduction in the B share capital from DKK 526,512,800 to DKK 512,512,800 by cancelling 14,000,000 B shares of DKK 1 from the company's own holdings of B shares at a nominal value of DKK 14,000,000, equal to 2.2% of the total share capital. After implementation of the share capital reduction, the company's share capital

Equity
Total equity was DKK 32,979 million at the end of 2008, equal to 65.2% of total assets, compared to 67.4% at the end of 2007.

will amount to DKK 620,000,000 divided into an A share capital of DKK 107,487,200 and a B share capital of DKK 512,512,800.

Legal issues
Novo Nordisk is party to a number of legal cases. See key legal issues and information on contingencies for pending litigations on pp 86–87.

Long-term incentive programmes

Novo Nordisk's existing remuneration policy for executives aims to attract, retain and motivate members of the Board of Directors and Executive Management of Novo Nordisk. Remuneration levels are designed to be competitive and to align the interest of the executives with those of the shareholders.

Long-term share-based incentive programme for senior management
As from 2004, members of Novo Nordisk's Executive Management (currently five) and the other members of the Senior Management Board (currently 24) have participated in a performance-based incentive programme where a proportion of the calculated shareholder value creation has been allocated to a joint pool for the participants. For members of Executive Management and the other members of the Senior Management Board the joint pool operates with a yearly maximum allocation per participant equal to eight months' fixed base salary plus pension contribution. Once the joint pool has been approved by the Board of Directors the total cash amount is converted into Novo Nordisk A/S B shares at market price. The shares in the joint pool are locked up for a three-year period before they potentially may be transferred to the participants.

will, according to the principles of the scheme, be transferred to 23 current and former members of senior management immediately after the announcement of the full-year 2008 financial results on 29 January 2009.

For 2008 and based on an assessment of the economic value generated in 2008, as well as the performance of the R&D portfolio and key sustainability projects, the Board of Directors on 28 January 2009 approved the establishment of a joint pool for the financial year 2008 by allocating a total of 171,492 Novo Nordisk B shares, corresponding to a cash value of DKK 55 million. This allocation amounts to eight months of fixed base salary and pension on average per participant. This amount was expensed in 2008.

As the long-term share-based incentive programme is evaluated by the Board of Directors to have worked successfully in 2008, it is planned to continue in 2009 with an unchanged structure.

Long-term share-based incentive programme for corporate vice presidents and vice presidents
As from 2007, a number of key employees below top-level management also participate in a share-based programme with similar performance criteria as the programme for the members of Executive Management and the other members of the Senior Management Board. The share-based incentive programme for key employees will, as is the case for the programme for Executive Management and the other members of the Senior Management Board, be based on an annual calculation of shareholder value creation performance of the R&D portfolio and key sustainability projects, the Board of Directors on 28 January 2009 approved the establishment of a pool for 2008 by allocating a total of 570,390 Novo Nordisk B shares, corresponding to a cash value of DKK 181 million. This allocation amounts to four months of fixed base salary on average per participant. The number of participants for 2008 is approximately 550. The cash value of the allocation will be amortised over four years.

Compliance with Sarbanes–Oxley requirements

In 2008, Novo Nordisk was, as was the case in 2007, compliant with the US Sarbanes–Oxley Act section 404 that requires detailed documentation of how financial reporting processes, systems and controls are designed and operating. Management's conclusion and the external auditor's certification of the 2008 compliance are included in the Form 20-F, which Novo Nordisk as a listed company on the New York Stock Exchange is required to file with the US Securites and Exchange Commission (SEC). Form 20-F is expected to be filed in February 2009.

Non-financial performance

Managing direct and indirect economic, environmental and social impacts in areas of strategic importance serves a dual purpose: to reduce risks and to strengthen competitiveness. Novo Nordisk's Triple Bottom Line approach aims to deliver long-term value to the business and benefits to society. See performance highlights on p 17 and the

For 2005, 232,026 shares were allocated to the joint pool and the market value of the scheme, corresponding to DKK 35.5 million, was expensed in 2005. The number of shares in the 2005 joint pool has not been reduced as the financial performance in the subsequent years (2006–2008) reached specified threshold levels. Hence, the original number of shares allocated to the joint pool

compared to the planned performance for the year. The pool will operate with a maximum contribution per participant equal to four months' fixed base salary. The shares in the pool are also locked up for a three-year period before they potentially may be transferred to the participants.

Based on an assessment of the economic value generated in 2008 as well as the

consolidated non-financial statements on pp 89–99.

Economics
In 2008, Novo Nordisk created 1,059 new positions worldwide and had 26,575 full-time positions, measured as full-time equivalents (FTE) at the end of the year. This is an increase of 4% compared to 2007 and reflects the company's continued expansion, particularly in sales and

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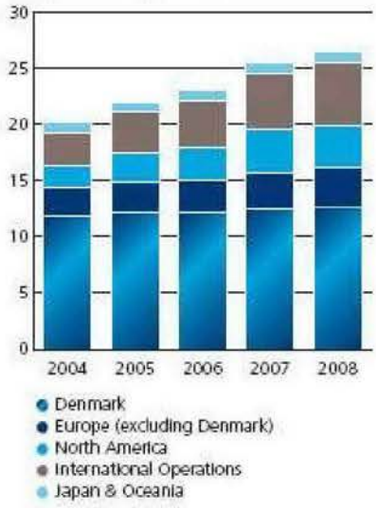
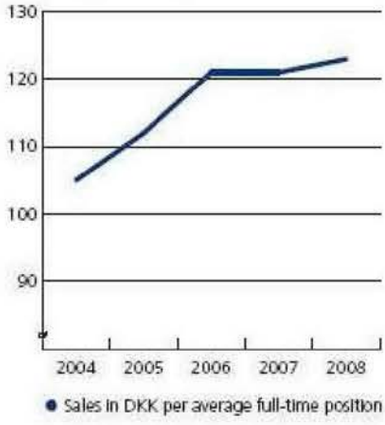
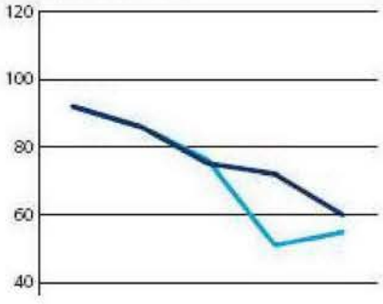
Full-time positions
Geographical areas
1,000 full-time positions



Sales per average full-time position
Index (2003 = 100)



Environmental impacts compared to sales
Index (2003 = 100)



marketing functions and geographically in International Operations. Via the multiplier effect, the increase translates into 61,925 indirect jobs in the global supply chain.

Sales per employee was DKK 1.7 million, up from DKK 1.6 million in 2007, indicating an ability to maintain high productivity while expanding the workforce.

Environment

Novo Nordisk strives to reduce resource consumption and waste production. The aim is to decouple production growth and environmental impacts.

The company's ambitious long-term target to achieve a 10% absolute reduction in CO_2 emissions from production by 2014 as compared with 2004 levels is on track. In 2008, CO_2 emissions fell for the first time from 236,000 tons in 2007 to 215,000 tons. It is expected that the curve will break significantly at the end of 2009 when supplies of wind energy for the Danish production facilities can begin.

Measured by volume, the consumption of water and energy decreased by 17% and 9%, respectively, while waste volumes increased by 16%. The Eco Intensity Ratios (EIR) showed improved performance in both diabetes care and biopharmaceuticals, and for both water and energy, and on track with the targets for a 10% reduction by 2010 compared with 2005. A set of new long-term targets for environmental performance will be implemented as of 2009. See pp 28–29.

A continued preventative focus on compliance with environmental regulation is beginning to show results. In 2008, the number of accidental releases decreased by 13% to a total of 91. However, in the same period, the number of breaches of regulatory limit values increased by 27% from 22 in 2007 to 28.

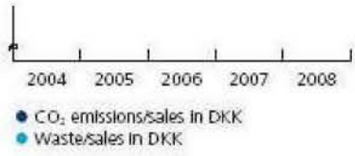
In 2008, a new diversity strategy was implemented, setting a five-year goal for all senior management teams to be diverse in terms of gender and nationality. See p 27.

The level of employee engagement is measured by the average answers of 10 equally weighted questions in the annual survey, eVoice. In 2008, the consolidated score (on a scale of 1–5, with 5 being highest) was 4.2, increasing by 0.1 from 2007 and well above the long-term target of 4.0. This is underscored by a continued high closure rate at 99% of all action points arising from facilitations.

In 2008, the annual spending on training, measured as average spent per employee remained high, amounting to DKK 13,192, which was a slight increase of 0.5%. This level reflects the company's strategic priority on talent and leadership development, and on lifelong learning offered to all employees.

Changing Diabetes®, Novo Nordisk's global campaign to improve prevention, detection and care, effectively put diabetes on the public and political agendas. In the second year of marking the UN-observed World Diabetes Day, 14 November, Novo Nordisk succeeded in engaging more than 300,000 people in events in 56 countries. The company's global advocacy to raise awareness of and spur action on diabetes supports the implementation of the UN Resolution on diabetes, adopted in December 2006, in recognition of diabetes as a major global health challenge and in respect of the human right to proper care. See pp 34–37.

Novo Nordisk's strategy to improve access to diabetes care is a long-term leadership strategy to promote on-time insulin and provide sustainable diabetes care for all who need it. It focuses on giving people with diabetes priority, driving health outcomes and breaking the curve of the diabetes pandemic. See pp 30–33.



During 2008, 13 prescreening audits and 19 regular audits of suppliers' environmental and social performance were conducted. These resulted in four critical findings and termination of relationship with one supplier.

Social

Attraction and retention of talented people is a key precondition for Novo Nordisk's ability to develop and grow its business. In 2008, employee turnover increased to 12.1% from 11.6%. A global employer-branding campaign was launched in 2008.

In 2008, the company launched an ambitious five-year programme to supply free insulin and care for children with type 1 diabetes in the world's poorest countries. The programme, 'Changing the Future for Children with Diabetes' aims to reach a total of 10,000 children by 2013. It will be carried out in partnership with the World Diabetes Foundation and local partners.

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Outlook for 2009

Expectations are *as reported, if not* otherwise stated	**Current expectations 29 January 2009**
Sales growth	
• in local currencies	At the level of 10%
• as reported	Around 5 percentage points higher
Operating profit growth	
• in local currencies	At the level of 10%
• as reported	Around 9 percentage points higher
Net financial expense	Around DKK 1.6 billion
Effective tax rate	Around 24%
Capital expenditure	Around DKK 3 billion
Depreciation, amortisation and impairment losses	Around DKK 2.6 billion
Free cash flow	At least DKK 9 billion

Novo Nordisk expects sales growth in 2009 at the level of 10% measured in local currencies. This is based on expectations of continued market penetration for Novo Nordisk's key strategic products within diabetes care and biopharmaceuticals as well as expectations of continued intense competition during 2009. Given the current level of exchange rates versus Danish kroner, the reported sales growth is expected to be around 5 percentage points higher than the growth rate measured in local currencies.

For 2009, operating profit growth measured in local currencies is expected to be at the level of 10%. The forecast reflects a continued improvement of the gross margin and increased spending for sales and distribution relative to sales due to an expected high level of sales and marketing activities primarily related to the expected approval and launch of liraglutide and continued global market penetration for the portfolio of modern insulins. Given the current level of currency exchange rates versus Danish kroner, the reported operating profit growth is expected to be around 9 percentage points higher than the growth rate measured in local currencies.

For 2009, Novo Nordisk expects a net financial expense of around DKK 1.6 billion, reflecting significant foreign exchange hedging losses, primarily related to the US dollar and the Japanese yen as well as expected losses related to non-hedged currencies.

The effective tax rate for 2009 is expected to be around 24%. Capital expenditure is expected to be around DKK 3 billion in 2009. Expectations for depreciations, amortisation and impairment losses are around DKK 2.6 billion, and free cash flow is expected to be at least DKK 9 billion.

All of the above expectations are based on the assumption that the global economic downturn will not significantly deteriorate the business environment for Novo Nordisk during 2009. In addition, all of the above expectations are provided that currency exchange rates, especially the US dollar, remain at the current level versus the Danish krone for the rest of 2009. Novo Nordisk has hedged expected net cash flows in relation to US dollars, Japanese yen, British pounds, Chinese yuan and Canadian dollars and, all other things being equal, movements in key invoicing currencies will impact Novo Nordisk's operating profit as outlined in the table below.

Invoicing currency

	Annual impact on Novo Nordisk's operating profit of a 5% movement in currency	**Hedging period (months)**
USD	DKK 530 million	15
JPY	DKK 150 million	14
GBP	DKK 80 million	13
CNY	DKK 80 million	15*)
CAD	DKK 40 million	5

*)USD used as proxy for hedging of Novo Nordisk's CNY exposure.

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

Forward-looking statement

share, capital expenditures, dividends, capital structure or other financial ratios, or failure of projects related to research and/or development, unplanned loss of patents, interruptions of supplies and

Novo Nordisk's reports filed with or furnished to the US Securities and Exchange Commission (SEC), including this document and the company's Form 20-F (expected to be filed with the SEC in February 2009), 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', 'project', 'anticipate', 'can', 'intend', 'target' 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:

- statements of plans, objectives or goals for future operations, including those related to Novo Nordisk's products, product research, product development, product introductions and product approvals as well as cooperations in relation thereto,

- statements containing projections of or targets for revenues, income (or loss), earnings per

- statements of future economic performance, future actions and outcome of contingencies such as legal proceedings, and

- statements of the assumptions underlying or relating to such statements.

In this document, examples of forward-looking statements can be found under the headings 'Our focus is our strength', 'Pursuing a focused strategy', 'Performance in 2008', including long-term financial targets, 'Outlook for 2009' and note 31, 'Financial risk', on p 76.

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

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

production, product recall, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Novo Nordisk's products, introduction of competing products, reliance on information technology, Novo Nordisk's ability to successfully market current and new products, exposure to product liability and legal proceedings and investigations, changes in governmental laws and related interpretation thereof, including on reimbursement, intellectual property protection and regulatory controls on testing, approval, manufacturing and marketing, perceived or actual failure to adhere to ethical marketing practices, investments in and divestitures of domestic and foreign companies, unexpected growth in costs and expenses, failure to recruit and retain the right employees and failure to maintain a culture of compliance. Please also refer to the overview of risk factors in 'Managing risks' on pp 24–25.

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

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Sales

	2004	2005	2006	2007	**2008**	2007–2008	2007	2008
	DKK million	DKK million	DKK million	DKK million	**DKK million**	Change	EUR million	EUR million
Diabetes care:								
Modern insulins (insulin analogues)	4,507	7,298	10,825	14,008	**17,317**	3,309	1,880	2,323
Human insulins	13,033	13,543	13,451	12,572	**11,804**	(768)	1,687	1,583
Insulin-related sales	1,350	1,463	1,606	1,749	**1,844**	95	235	247
Oral antidiabetic products (OAD)	1,643	1,708	1,984	2,149	**2,391**	242	288	321
Diabetes care total	**20,533**	**24,012**	**27,866**	**30,478**	**33,356**	**2,878**	**4,090**	**4,474**
Biopharmaceuticals:								
Haemostasis management	4,359	5,064	5,635	5,865	**6,396**	531	788	858
Growth hormone therapy	2,317	2,781	3,309	3,511	**3,865**	354	471	518
Hormone replacement therapy	1,488	1,565	1,607	1,668	**1,612**	(56)	224	216
Other products	334	338	326	309	**324**	15	41	43
Biopharmaceuticals total	**8,498**	**9,748**	**10,877**	**11,353**	**12,197**	**844**	**1,524**	**1,635**
Total sales by segment	**29,031**	**33,760**	**38,743**	**41,831**	**45,553**	**3,722**	**5,614**	**6,109**
Europe *)	12,887	14,020	15,300	16,350	**17,219**	869	2,194	2,309
North America	7,478	9,532	12,280	13,746	**15,154**	1,408	1,845	2,032
International Operations *)	4,368	5,497	6,494	7,295	**8,425**	1,130	979	1,130
Japan & Oceania	4,298	4,711	4,669	4,440	**4,755**	315	596	638
Total sales by geographical area	**29,031**	**33,760**	**38,743**	**41,831**	**45,553**	**3,722**	**5,614**	**6,109**
Price and volume/mix	15%	15%	16%	13%	**12%**			
Currency	(4%)	1%	(1%)	(5%)	**(3%)**			
Total growth	**11%**	**16%**	**15%**	**8%**	**9%**			

Key figures

	DKK million	DKK million	DKK million	DKK million	DKK million	Change	EUR million	EUR million
Operating profit	6,980	8,088	9,119	8,942	**12,373**	3,431	1,200	1,660
Operating profit excl AERx®**)	–	–	–	10,267	**12,698**	2,431	1,378	1,704
Net financials	477	146	45	2,029	**322**	(1,707)	272	43
Profit before income taxes	7,457	8,234	9,164	10,971	**12,695**	1,724	1,472	1,703

Net profit	5,013	5,864	6,452	8,522	**9,645**	1,123	1,144	1,294
Equity	26,504	27,634	30,122	32,182	**32,979**	797	4,316	4,426
Total assets	37,433	41,960	44,692	47,731	**50,603**	2,872	6,401	6,792
Capital expenditure (net)	2,999	3,665	2,787	2,268	**1,754**	(514)	304	235
Free cash flow	4,278	4,833	4,707	9,012	**11,015**	2,003	1,210	1,478

Per share/ADR of DKK 1

	DKK	DKK	DKK	DKK	DKK	Change	EUR	EUR
Earnings per share	7.45	8.95	10.05	13.49	**15.66**	2.17	1.81	2.10
Earnings per share, diluted	7.42	8.92	10.00	13.39	**15.54**	2.15	1.80	2.08
Proposed dividend	2.40	3.00	3.50	4.50	**6.00**	1.50	0.60	0.81
Quoted price at year-end for B shares	150	178	236	335	**271**	(64)	44.96	36.35

Ratios

	%	%	%	%	%	Long-term financial target in % ***)
Growth in operating profit	8.7	15.9	12.7	(1.9)	**38.4**	15%
Growth in operating profit excl AERx®**)	–	–	–	12.6	**23.7**	
Growth in operating profit, three-year average	8.9	11.0	12.4	8.9	**16.4**	
Operating profit margin	24.0	24.0	23.5	21.4	**27.2**	25%
Operating profit margin excl AERx®**)	–	–	–	24.5	**27.9**	
Return on invested capital (ROIC)	21.5	24.7	25.8	27.2	**37.4**	30%
Cash to earnings	85.3	82.4	73.0	105.7	**114.2**	
Cash to earnings, three-year average	59.0	82.4	80.2	87.0	**97.6**	70%
Net profit margin	17.3	17.4	16.7	20.4	**21.2**	
Equity ratio	70.8	65.9	67.4	67.4	**65.2**	

*) Comparative sales figures from 2004 to 2006 have been adjusted in order to reflect a changed organisational structure from 1 January 2007 which transferred eight countries, incl Bulgaria and Romania, from International Operations to Europe.
**) Excluding costs related to the discontinuation of pulmonary projects.
***) The long-term financial targets were updated in January 2009. See p 9.
Key figures are translated into EUR as supplementary information – the translation of income statement items is based on the average exchange rate in 2008 (EUR 1 = DKK 7.45593) and the translation of balance sheet items is based on the exchange rate at the end of 2008 (EUR 1 = DKK 7.45060).

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Economics

			2004	2005	2006	2007	**2008**
R&D	R&D expenditure to tangible investments *)	Ratio	1.5:1	1.4:1	2.3:1	3.2:1	**4.3:1**
	R&D as share of sales *)	%	15.0	15.1	16.3	17.2	**16.5**
Remuneration	Remuneration as share of cash received	%	34	34	33	32	**31**
Employment	Employment impact worldwide (direct and indirect)	Number of jobs	73,100	78,000	82,700	81,600	**88,500**
Corporate tax	Total corporate tax as share of sales	%	8.4	7.0	7.0	5.9	**6.7**
Exports	Novo Nordisk exports as share of Danish exports (estimated)	%	3.9	4.7	4.0	3.4	**2.7**

Environment

Resources	Water consumption	1,000 m^3	2,756	3,014	2,995	3,231	**2,684**
	Energy consumption	1,000 GJ	2,397	2,679	2,712	2,784	**2,533**
	Raw materials and packaging materials	1,000 tons	111	135	142	152	**132**
Wastewater	COD	Tons	1,448	1,303	1,000	813	**891**
	Nitrogen	Tons	121	126	107	107	**95**
	Phosphorus	Tons	21	22	19	14	**15**
Waste	Total waste	Tons	21,855	23,776	24,165	17,576	**20,346**
	Recycling percentage	%	40	33	35	38	**51**
Emissions to air	CO_2	1,000 tons	210	228	229	236	**215**
	CO_2 emissions/sales in DKK (Index 2003 = 100)	Tons/Sales in DKK	92	86	75	72	**60**
	Organic solvents	Tons	115	124	102	81	**93**
EIR Water	Diabetes care	m^3/MU	–	–	7.8	7.3	**5.5**
	Biopharmaceuticals	m^3/g API	–	–	4.8	4.1	**3.7**
EIR Energy	Diabetes care	GJ/MU	–	–	5.5	5.1	**4.0**
	Biopharmaceuticals	GJ/g API	–	–	9.2	7.9	**7.3**
Compliance	Breaches of regulatory limit values	Number	74	174	123	22	**28**
	Accidental releases	Number	29	104	135	105	**91**

Social

Living our values	Importance of social and environmental issues for the future of the company **)	Scale 1–5	4.2	4.2	4.3	4.4	**4.5**

	Managers' behaviour consistent with Novo Nordisk's values **)	Scale 1–5	4.0	4.0	4.1	4.2	**4.3**
	Fulfillment of action points from facilitations of the NNWoM	%	96	100	99	99	**99**
People	Employees (total)	Number	20,725	22,460	23,613	26,008	**27,068**
	Rate of absence	%	3.2	3.2	3.0	2.7	**2.2**
	Rate of employee turnover	%	7.3	8.0	10.0	11.6	**12.1**
	Engaging culture (employee engagement) **)	Scale 1–5	–	–	4.0	4.1	**4.2**
	Opportunity to use and develop competences/skills **)	Scale 1–5	3.8	3.8	3.9	4.0	**4.1**
	People from diverse backgrounds have equal opportunities **)	Scale 1–5	3.8	3.9	3.9	4.0	**4.1**
Health & safety	Frequency of occupational injuries	No/million work hrs	5.6	7.3	6.2	5.9	**5.4**
	Fatalities	Number	1	0	0	0	**0**
Training costs	Annual training costs per employee	DKK	8,992	9,899	11,293	13,130	**13,192**
Access to health	LDCs where Novo Nordisk operates	Number	35	35	35	38	**36**
	LDCs where Novo Nordisk sells insulin at or below the policy price	Number	33	32	34	36	**32**
	Healthcare professionals trained or educated	1,000	–	–	297	336	**380**
	People with diabetes trained or treated	1,000	–	–	1,060	1,260	**1,854**
Patent families	Active patent families to date	Number	778	812	913	1,003	**890**
	New patent families (first filing)	Number	145	130	149	116	**71**
Animals	Animals purchased	Number	47,311	57,905	56,533	54,675	**57,253**

*) R&D costs adjusted for costs related to discontinuation of all pulmonary diabetes projects.
**) On a scale of 1–5, with 5 being the highest.
See the consolidated non-financial statements on pp 89–99.

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Pipeline progress

Diabetes care **Biopharmaceuticals**

In 2008, significant progress was made across Novo Nordisk's clinical development pipeline.

This overview illustrates key development activities: entries into the pipeline, progression of development compounds, exits from the pipeline and major regulatory approvals.

See more at novonordisk.com/investors/rd_pipeline/rd_pipeline.asp.

Phase 1
Studies in a small group of healthy volunteers, and sometimes patients, usually between 10 and 100, to investigate how the body handles new medication and establish maximum tolerated dose.

rFVIIa subcutaneous formulation (NN7720)
(Haemophilia patients with inhibitors)

Novo Nordisk is conducting a phase 1 study investigating bioavailability of subcutaneous injections of innovative formulation technologies to increase convenience of administration for patients. The trial is expected to be completed in 2009.

Long-acting factor VIIa derivative (NN7128)
(Haemophilia patients with inhibitors)

In 2008, Novo Nordisk completed a phase 1 study of its long-acting recombinant factor VIIa analogue involving 40 healthy males. The analogue is a potential next-generation derivative of NovoSeven® in the treatment of haemophilia patients with inhibitors. With its long duration of action, it is intended to enable prevention of bleeding for the patient. Novo Nordisk expects to initiate a phase 2 clinical trial in 2009.

rFXIII (NN1810)
(Cardiac surgery)

In 2008, Novo Nordisk completed a phase 1 study of recombinant blood-clotting factor FXIII in patients undergoing cardiac surgery involving 43 patients and

Phase 2
Testing a drug at various dose levels in a larger group of patients to learn about its effect on the condition and its side effects.

NN1250
(Type 1 and type 2 diabetes)

In 2008, Novo Nordisk completed a phase 2 programme for NN1250, a neutral, soluble, long-acting new generation of insulin with a flat and predictable profile, potentially providing more than 24-hour coverage by once-daily injection. Novo Nordisk expects to initiate phase 3 trials in the second half of 2009.

NN5401
(Type 1 and type 2 diabetes)

In 2008, Novo Nordisk completed a phase 2 programme for NN5401, a neutral, soluble, dual-acting new generation of insulin with improved properties and potential duration of action above 24 hours. Novo Nordisk expects to initiate phase 3 trials in the second half of 2009.

Once-weekly GLP-1 analogue (NN9535)
(Type 2 diabetes)

Novo Nordisk is conducting a phase 2 clinical trial of a once-weekly GLP-1 human analogue, designed for people with type 2 diabetes. The phase 2 clinical trial

expects to initiate a phase 2 trial in 2009.

involves more than 400 patients and is expected to be completed in the first half of 2009.

Anti-IL20
(Psoriatic arthritis and rheumatoid arthritis)

In 2008, Novo Nordisk initiated a phase 1 clinical study of anti-IL20, a monoclonal antibody neutralising the interleukin 20 protein. The clinical trial programme involves a study of about 80 patients with moderate-to-severe plaque psoriasis as well as a smaller combined phase 1 trial in healthy volunteers and patients with rheumatoid arthritis.

rFVIIa analogue (NN1731)
(Haemophilia patients with inhibitors)

Novo Nordisk is conducting a phase 2 trial of its fast-acting recombinant analogue of rFVIIa involving about 75 haemophilia patients with inhibitors. The targeted and topicalised mode of action is expected to deliver predictable, fast and sustainable haemostasis. The trial is expected to be completed in 2009.

Anti-C5aR
(Rheumatoid arthritis and systemic lupus erythematosus)

A phase 1 clinical study was initiated in 2008 for anti-C5aR, a monoclonal antibody blocking the C5a receptor. The study involved around 50 healthy volunteers. If successful, this will be followed by trials in patients with rheumatoid arthritis and systemic lupus erythematosus.

Once-weekly growth hormone
(Growth hormone deficiency)

In 2008, Novo Nordisk moved its long-acting growth hormone compound into a phase 2 trial involving more than 30 adults. The product is intended to improve patient convenience by reducing the number of injections needed. The trial is expected to be completed in 2009.

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"Novo Nordisk will sustain its leadership in diabetes care by providing new treatments to achieve safe glycaemic control and weight benefits."

Mads Krogsgaard Thomsen
Chief science officer

Phase 3
Studies in large groups of patients worldwide, comparing the new medication with a commonly used drug or placebo for both safety and efficacy in order to establish its benefit-risk relationship.

Filed/regulatory approval
A New Drug Application is submitted for review by various government regulatory agencies.

Liraglutide
(Obesity)

In 2008, Novo Nordisk moved its study for the use of liraglutide as an antiobesity treatment into phase 3. The phase 3 programme will include around 5,000 people and will focus on weight loss and delayed onset of type 2 diabetes, weight loss in subjects with type 2 diabetes and prevention of weight regain. Novo Nordisk expects to complete the programme in 2011.

rFXIII (NN1841)
(Congenital rFXIII deficiency)

Novo Nordisk is developing a recombinant FXIII intended to treat congenital FXIII deficiency. FXIII is part of the coagulation cascade and functions by cross-linking fibrin to increase the stability of the clot, making it mechanically stronger and more rigid and elastic. The phase 3 trial involves 40 patients and is expected to be completed in 2009.

Liraglutide
(Type 2 diabetes)

In 2008, Novo Nordisk applied for regulatory approval for liraglutide in the US, Europe and Japan among many other countries. Liraglutide is a long-acting human GLP-1 analogue. The clinical development programme involved around 6,200 patients. It is targeted as a treatment for type 2 diabetes as an adjunct to diet and exercise, both as monotherapy and in combination with commonly used antidiabetic medications.

NovoMix® 50 and 70
(Type 1 and type 2 diabetes)

NovoMix® 50 and 70 are premixed formulations of the rapid-acting modern insulin aspart. The phase 3 programme involved around 1,500 patients with type 1 or type 2 diabetes. NovoMix® 50 and 70 have been launched in Europe and NovoMix® 50 is approved in the US. Phase 3 trials are under way in Japan.

PrandiMet®
(Type 2 diabetes)

A tablet formulation combining the short-acting insulin secretagogue repaglinide with the insulin-sensitising agent metformin in a single tablet. The clinical development programme for this combination regimen has involved more than 550 patients. PrandiMet® has been approved and launched in the US.

Activelle®/Eviana® low dose
(Hormone replacement therapy)

The low-dose version of Activelle® (Activella® 0.5 mg/0.1 mg in the US) is a continuous-combined hormone replacement therapy intended for treatment of menopausal symptoms and as one of the treatment alternatives for osteoporosis prevention. In 2008, it was launched in the US and approved by EU regulatory authorities.

Vagifem® low dose
(Hormone replacement therapy)

Vagifem® low dose is a topical product for vaginal appli cation. It was filed for approval in the EU in November 2008.

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Doing business the Novo Nordisk Way

The Novo Nordisk Way of Management forms the values-based governance framework for the company. From vision to policies, it guides how people at Novo Nordisk put values into action and defines the principles for how the company does business.

The Novo Nordisk Way of Management describes the principles for how to work and behave as an employee of Novo Nordisk. It consists of three elements: the vision, the charter and a set of global policies.

This comprehensive framework was developed more than a decade ago to help grow a culture of empowerment and innovation, and it has proven to be a robust system.

Pursuing the vision
Novo Nordisk's aspiration is to be the world's leading diabetes care company and, ultimately, to defeat diabetes. This is the core business proposition, the essence of Novo Nordisk's contribution to sustainable development and the heart of the vision.

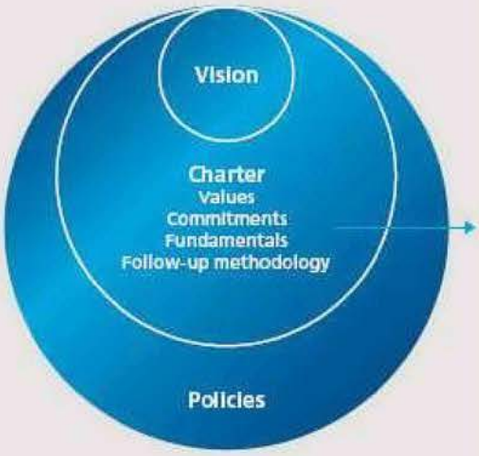
The vision sets Novo Nordisk's objectives in context and inspires people in their work. It serves to keep everyone's focus on creating long-term shareholder value and leveraging the company's unique qualities to gain competitive advantage.

Values in action
The charter includes the values, the commitment to corporate responsibility, expressed by the Triple Bottom Line, fundamental principles of management, as well as a follow-up methodology to ensure adherence to the principles across the organisation.

As part of the follow-up methodology Novo Nordisk has a global facilitator team consisting of senior people with deep insight into the business and the business environment. On a three-year basis, or more frequently, they measure the extent to which business units operate in compliance with the Novo Nordisk Way of Management.

The head of the facilitation group has a formal reporting line to the chairman of the Board.

The Novo Nordisk Way of Management



Vision

The vision describes what the company aims to achieve, and how:

- We will be the world's leading diabetes care company
- We will offer products and services in other areas where we can make a difference
- We will achieve competitive business results
- A job here is never just a job
- Our values are expressed in all our actions

Charter

Values

Each employee is expected to be: accountable, ambitious, responsible, engaged with stakeholders, open and honest, and ready for change.

Commitments

Novo Nordisk is committed to conducting its activities in a financially, environmentally and socially responsible way. This commitment is anchored in the company's Articles of Association. Any decision should always seek to balance three considerations: Is it economically viable? Is it socially responsible? Is it environmentally sound?

Fundamentals

A set of 11 management guidelines to ensure focus on efficiency and alignment in business direction, customer focus, organisational development, cross-functional cooperation and product quality.

Follow-up methodology

Ongoing systematic and validated documentation of performance in all material areas of Novo Nordisk. Four components provide assurance to stakeholders of the quality of the company's processes and performance: financial and non-financial performance; facilitations; organisational audit including an assessment of 'linking business and organisation' as well as succession management; and quality audits.

Policies

In 13 selected areas greater mutual understanding and global standards are particularly helpful in guiding company operations: bioethics, business ethics, communication, environment, finance, global health, health and safety, information technology, legal, people, purchasing, quality and risk management.

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Values drive performance

In today's interconnected economy the ability to manage the complexity of business and societal challenges helps ensure sustained growth. The Triple Bottom Line principle enables Novo Nordisk to balance corporate profitability with corporate responsibility, stay attuned to stakeholder concerns and exploit opportunities for innovative collaboration.

From one perspective, the financial downturn is likely to slow economic wealth creation and hamper equitable social development. From another, the current challenges may offer opportunities for alternative solutions that generate long-term value. Energy efficiency supports operational excellence and helps mitigate climate change, healthier lifestyles reduce costs for public healthcare systems and enhance people's quality of life, and cost-consciousness sharpens focus on value-adding activities. The implications of the current global economic situation are yet to be seen, but history presents ample evidence that businesses that operate with a long-term view and a broad approach are more likely to be risk resilient and adaptable to change.

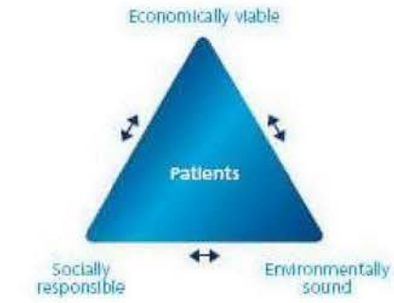
Novo Nordisk employee Jeppe Kjems took personal leave to travel across South America to help raise awareness and screen people for diabetes.

Earning trust

Novo Nordisk's values-based approach to doing business drives performance and enhances shareholder value. The Triple Bottom Line principle expresses Novo Nordisk's commitment to sustainable development and balanced growth and is consistent with the principles of the United Nations Global Compact. Through this approach, the company seeks to build its business in a way that is financially, environmentally and socially responsible. Decision-making seeks to balance short-term gains with long-term profitability and shareholder return with other stakeholder interests.

In the current business environment licence to operate and innovate. It helps build reputation and earn trust among stakeholders, attract talent and engage people, build customer loyalty and drive innovation. Ultimately, the commitment to pursue ambitious long-term targets for socially, environmentally and ethically responsible conduct strengthens the company's competitive position in its markets.

The Triple Bottom Line approach



there is more focus than ever on accountability and transparency. Renewed attention is given to risk management, and for the pharmaceutical industry reputational risk is of particular importance. Regulatory authorities, policy-makers, payers, patients and other stakeholder groups seek assurance that companies act with integrity and can demonstrate consistency of words and deeds.

The Triple Bottom Line plays a key role in earning and maintaining Novo Nordisk's

This is why Novo Nordisk has chosen to account for the company's financial and non-financial performance in one, inclusive report. The intent is to enhance shareholders' valuation of the company and demonstrate accountability to other stakeholders.

See how Novo Nordisk defines materiality of sustainability-driven issues on p 89 and performance data for prioritised actions on pp 90–99.

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Roger Longman
Editor in Chief, *IN VIVO*

Novo Nordisk invited Roger Longman to comment on the main challenges facing the pharmaceutical industry today.

Industry trends

It's been a tough decade for the world's largest drug companies.

Big Pharma remains disturbingly reliant on developing new primary-care drugs that may improve upon existing therapies without significantly changing them. World regulatory bodies increasingly demand levels of safety assurance in chronic medicines that most companies simply can't provide. And when they can, governments and insurers in the world's largest markets increasingly balk at paying for the drugs.

Science – at least the way Big Pharma has gone about taking advantage of it – hasn't done much to help. The extraordinary predictions that prompted and were in turn prompted by, the flood of funding into genomics and other new drug discovery technologies in the late 1990s and early 2000s, have proven hollow. Plenty of new drugs may still come out of all this science, but they won't come quickly.

drugs are often better suited to mid-size and smaller companies, which haven't built, and don't have to maintain, regulatory and commercial infrastructures whose economic rationale depends on mass-market products.

Which leaves the drug industry in a particularly difficult position: infrastructure- and expense-heavy propped up for now by the significant cash flow from its existing products, but with precious little in its pipelines to replace essential blockbusters soon to face generic competition. Most Big Pharmas face the challenge of replacing products that will be generic within a few years and that today accounts for 25% or more of their 2007 cash flow.

In reaction, many drug firms are diversifying into generics and OTC medicines, to tap into new markets and a more stable cash flow. All of them are acquiring and/ or allying with biotechs to access large-molecule technologies and products. And all of them are at least attempting to restructure their commercial organisations to permit the kind of specialised marketing that is second nature to mid-size and smaller companies.

Maybe some of their experiments will work. But for large companies to thrive in this new environment, they will have to do more than experiment. They will have to embrace wholly new strategies which in turn will require painful managerial and infrastructure decisions. The shape of the industry – and the winners within it – will be determined by how the large drug companies adapt to the new realities.

Roger Longman co-founded Windhover Information, publisher of pharmaceutical industry publications IN VIVO *and* STARTUP*, and the comprehensive database of industry alliances,* Strategic Transactions. *In March 2008, Windhover was acquired by Reed Elsevier and Longman is now managing director of Elsevier Business Intelligence. He has*

Pursuing a focused strategy

Novo Nordisk is a focused healthcare company clearly differentiated from most other major global pharmaceutical companies. It has more than 85 years of specialisation in therapeutic proteins (biologicals) with a clear focus on targeted therapy areas and a strong research and development pipeline.

Focus on proteins
One of the key differentiators for Novo Nordisk compared with traditional big pharmaceutical companies is that Novo Nordisk's business is almost purely focused on protein engineering, expression and formulation supported by device technology for the convenient administration of medicines. Conversely, most major pharmaceutical companies are currently dependent on small-molecule drugs (medicines in tablet form) and trying to build a presence within proteins. However, developing protein-based drugs requires a very different set-up compared with small-molecule drugs.

Novo Nordisk has world-leading competences in engineering human proteins to make efficacious, convenient and safe treatment options for serious diseases such as diabetes, haemophilia and growth hormone disorders.

Expression of proteins is a key area for Novo Nordisk. In fact, Novo Nordisk is at the forefront of innovation in protein expression in yeast, which is used for insulins, *E coli,* used for growth hormone, as well as mammalian cells, which are used for NovoSeven®.

And they may not come from, or to, Big Pharma. The new drugs that are being approved often target conditions affecting relatively small patient populations, sometimes because regulatory bodies impose strict marketing conditions. Those aren't the kinds of markets in which Big Pharma is used to making money. Moreover, more of these new products are biologicals – fruits of a technology Big Pharma is still struggling to master. Indeed, today's new

been involved with the healthcare industry for more than 20 years, is regularly asked to speak at many key industry events and lectures at leading universities.

Global reach
Even though Novo Nordisk focuses on relatively few therapy areas, the company sells its products in 179 countries and has a presence in 81 countries. Global sales force reach has been achieved by the company's leadership position in diabetes care and is supported by expanded market positions within haemophilia and growth hormone disorders.

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Historically, Novo Nordisk's sales and marketing efforts have been focused on specialist doctors in all its therapy areas. Due to the rapid increase in diabetes prevalence, Novo Nordisk is expanding its reach to general practitioners to ensure people with diabetes receive timely treatment. This reduces the risk of long-term complications such as blindness and kidney failure.

Focus on key therapy areas

Diabetes care: strategy to expand leadership
Novo Nordisk is the world's leading insulin company with more than 50% market share by volume. Novo Nordisk is the only company with a full portfolio of modern insulins and the company produces the most widely used disposable and durable insulin pen devices in the world. Beginning with the first patients treated with insulin in the 1920s, Novo Nordisk has been dedicated to continuously improving the safety, effectiveness and convenience of diabetes treatment.

Novo Nordisk's leadership position within diabetes care is further underlined by the fact that it is the only company with two new generation insulins in late-stage clinical development. If successful, this new generation of insulins is expected to improve treatment outcomes and convenience for people with diabetes even further. Both compounds are expected to enter into the final phase of clinical development before the end of 2009.

The company's long-acting GLP-1 analogue, liraglutide, has been submitted for regulatory review in the US, Europe and Japan, as well as other markets. Backed by robust clinical data, liraglutide is believed to be well positioned to gain leadership in this new segment in the diabetes care market.

long-term ambition within diabetes care to develop GLP-1 products and oral insulin. The development of these new products is still at an early stage and many technological barriers remain, but significant progress has been made and Novo Nordisk and its partners are enthusiastic about the potential within this area.

Obesity and prediabetes: strategy to explore opportunity
Novo Nordisk is looking at new ways to prevent type 2 diabetes by treating its pre-stages, including obesity, which is known to be a major risk factor in developing type 2 diabetes, cardiovascular disease as well as a range of other life-threatening diseases. More than 75% of people with diabetes are overweight or obese, as are the majority of prediabetic patients. The company initiated a phase 3 clinical trial for liraglutide treatment of obesity at the end of 2008. From a commercial perspective there is attractive potential, but also many challenges, for Novo Nordisk to move into prediabetes and obesity treatment.

Biopharmaceuticals: strategy to establish leadership
Novo Nordisk has a solid position in haemophilia with inhibitors due to the success of NovoSeven®, which remains the only recombinant treatment option for haemophilia patients with inhibitors. In 2008, Novo Nordisk launched a room temperature-stable version of NovoSeven®. Novo Nordisk is also working to develop two potential successors to NovoSeven®: a long-acting recombinant factor VIIa derivative and a short-acting recombinant factor VIIa analogue, both in clinical development.

To expand its leadership beyond haemophilia with inhibitors, Novo Nordisk is committed to leveraging its core protein capabilities to develop

Within growth hormone therapy, Novo Nordisk continues to expand the label for Norditropin®, which is still the only liquid, room temperature-stable growth hormone product in a prefilled pen device on the market. Novo Nordisk is developing a new-generation growth hormone that may significantly improve convenience for patients with growth hormone disorders. The new-generation growth hormone is designed to be injected once a week, compared with the existing growth hormone products that are once daily.

Inflammation: strategy to build presence
Inflammation is a relatively new area of investment for Novo Nordisk but, following the discontinuation of all research and development activities within oncology, Novo Nordisk has strengthened its efforts to establish a presence within this area. Building a presence within inflammation is a long-term commitment and the company is in the process of establishing a research centre in Seattle as well as investing in research and development in Denmark. In order to succeed, Novo Nordisk expects to rely on both internal research and external partnerships.

The way forward
The pharmaceutical industry and Novo Nordisk face a multitude of challenges (see pp 24–25). Compared with most major pharmaceutical companies, however, Novo Nordisk is relatively well positioned for future growth owing to its focus on proteins, attractive therapy areas and exciting opportunities in the development pipeline.

To secure long-term success, Novo Nordisk will continue to grow its business in ways that are both responsible and sustainable. The company seeks to make a positive economic, environmental and social impact through its operations, global management standards, community

In early 2008, Novo Nordisk decided to stop all further development of inhaled insulin and to accelerate efforts in a new recombinant factor VIII and IX compounds for the treatment of haemophilia A and B, respectively. The long-term ambition is to develop more convenient treatment options for haemophilia patients. Novo Nordisk expects to move several new compounds into clinical development over the next couple of years.

engagements, partnerships and knowledge exchanges.

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Managing risks

Increased pressure for substantial innovation in research and development and the need to sustain the growth of Novo Nordisk's business require an entrepreneurial spirit that encourages calculated risk-taking while upholding rigorous quality standards. At the same time, to protect its people, assets and reputation, Novo Nordisk has to be vigilant about assessing and effectively managing financial and non-financial risks. In the volatile economic climate of 2008, the importance of Novo Nordisk's approach became clearer than ever.

Overseen by its Risk Management Board, representing senior managers from all parts of the company's value chain, Novo Nordisk has a systematic, integrated process to continually risk assess a wide range of potential issues. Enterprise risk management increases the company's ability to assess and understand risks separately and in relation to each other.

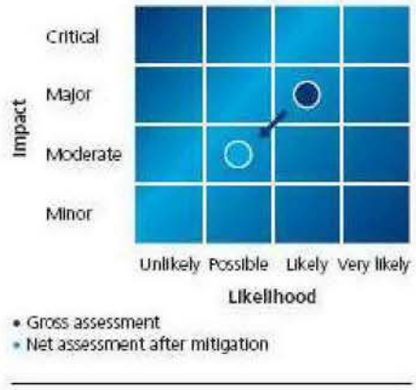
Each quarter, all major business areas in the company are required to report to the Risk Office their most significant risks, along with plans or processes to manage these risks. The Risk Office challenges business areas about reported risks and encourages exploration of longer-term concerns. Reported risks are then consolidated into a ranking and assessment of the company's key risks. This information is presented to the Risk Management Board, who challenges the overall risk and control profile of Novo Nordisk.

The process is linked to the strategic planning process and considers both financial and non-financial risks.

All assessments of risk take into account the likelihood of an event and its potential impact on the business. Impacts are quantified and assessed in terms of potential financial loss and reputational damage. Risks are assessed based both on the assumption that no mitigating actions will be implemented and at the net risk level, taking into account mitigating actions and their anticipated effect.

The risks that Novo Nordisk deems of greatest importance to its business are categorised and described below. They are not, however, ranked. Many of these issues are discussed elsewhere in the report.

Risk assessment example

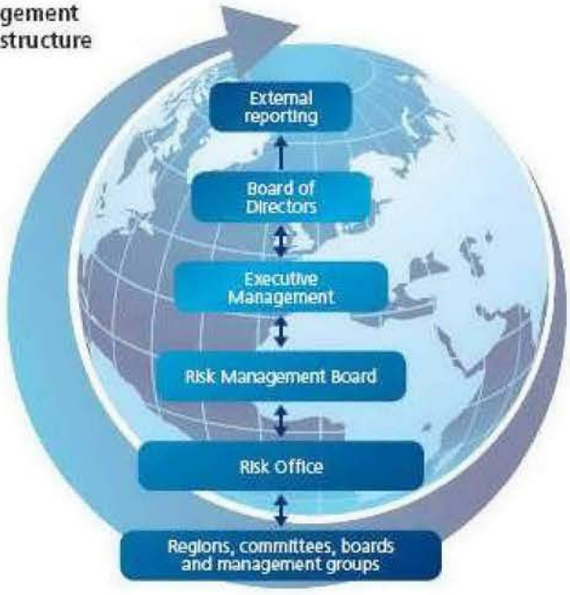


Market risks

Price pressures

Novo Nordisk focuses on developing differentiated products that offer improved treatment options for patients and economic benefits to healthcare systems. As healthcare costs have risen, outstripping the pace of economic growth, there is increasing economic, political and regulatory pressure to contain pharmaceutical prices. The current global economic contraction is likely to add to pressure on government budgets, exacerbating this trend, which could impact the company's profitability.

Risk management reporting structure



Documenting treatment benefits is critical to ensuring that innovation is properly valued. Novo Nordisk is increasing the number of clinical and health economic studies to substantiate the benefits of its products, particularly for improved diabetes treatment.

Biosimilar competition
The market for therapeutic proteins is becoming more attractive to biosimilar producers as more lenient regulatory rules in Europe have made it easier for producers to introduce biosimilar products when patent protection for branded products expires. More lenient rules have also been proposed

in the US. The introduction of lower-priced, biosimilar products could potentially result in a significant reduction in net sales.

Traditional insulins have been off patent for years so this is a risk with which Novo Nordisk is familiar and has considerable experience addressing. In countries such as India and China, where the company has long had biosimilar competition, Novo Nordisk has a volume market share of approximately 60% in insulin.

Infringement of intellectual property rights
Patent rights promote and protect investment in innovation, which leads to new and better treatments and long-term economic growth and job creation. Novo Nordisk defends its patent rights whenever there is infringement that could have financial implications for the company.

R&D risks

Bringing new products to market
Continued growth in Novo Nordisk's business, particularly as patents expire, depends on the company's ability to develop and market new treatments or breakthrough products. While Novo Nordisk commits substantial effort and

Fire-prevention design, alarms and fire instructions, annual inspections, back-up facilities and safety inventories are aimed at mitigating this risk. To spread this risk geographically and optimise costs and supply logistics, Novo Nordisk is expanding production capacity beyond the company's European base to the US, Brazil and China.

Risk of product recalls
Product safety is directly linked to patient well-being, so safety and product quality are paramount concerns from both financial and reputational perspectives. While the gross risk is very high, with product safety having the potential to adversely affect operations, Novo Nordisk believes that its vigorous efforts to manage and mitigate this risk effectively reduce the company's net risk profile. Novo Nordisk has a corporate quality system in place, with quality audits, quality improvement plans and systematic management reviews.

People-related risks

Attracting and retaining talented people
The company's ability to develop innovative products and ensure growth and high performance depends on its

Particularly in areas where Novo Nordisk does not currently have a leadership position, recruiting can be a challenge. Novo Nordisk makes substantial investments in training, and this makes Novo Nordisk people attractive to other companies, particularly those seeking to build a strong platform within the diabetes segment. Appropriately managing remuneration, non-financial benefits and recognition is critical to the company's long-term success and is prioritised accordingly.

Financial risks

Exchange rates
As a global business, fluctuations in currency exchange rates impact the reported performance. Novo Nordisk's reporting currency and the functional currency of corporate operations is the Danish krone, which is closely linked to the euro in a narrow range of ±2.25%. However, the company has substantial exposure to other currencies, including the US dollar, Japanese yen, Chinese yuan and British pound.

For information on how the company manages these risks, see note 31 in the financial statements on p 76.

Ethical risks

resources to research and development activities, certain challenges could delay the introduction of new products. These include an increasingly difficult regulatory environment, recruitment of patients for clinical trials and issues related to production processes.

Regulatory approval
Before a new treatment can be launched, it must receive regulatory approval based on its safety and efficacy. The approval process for new products is generally lengthy and can be expensive and subject to delays. Failure to obtain, or delays in obtaining, regulatory clearance to market products could adversely affect the results of operations. Even after a product is approved, it may be subject to regulatory action based on newly discovered findings about safety or efficacy. Regulatory action may adversely affect product marketing, require changes to product labelling or even lead to withdrawal of regulatory approval.

Production and quality risks

Supply disruptions
Failure or breakdown in any of the company's vital production facilities could adversely affect the results of operations, as well as possibly causing employee injuries or infrastructure damage.

ability to attract and develop talented people.

Mao Jingmei, senior medical affairs manager for Novo Nordisk in China, has been with the company since 2001 and has seen the company's growth first hand.

Marketing practices
In a competitive environment with increas ing public scrutiny and regulation, marketing practices can be the source of legal action or reputational risk. The company's reputation as a trusted healthcare partner is integral to its ability to effectively maintain and grow its business. At the same time, the regulatory context for marketing activity is constantly changing.

A business ethics policy and global business ethics procedures, paired with close monitoring of performance and enhanced reporting requirements, all aim to mitigate these risks. The policy supplements long-standing local ethics and compliance policies. Significant resources are also dedicated to training marketing and sales people around the world.

Legal risks

Legal issues related to intellectual property, product liability claims and business practices are included in the overview of current legal cases on pp 86–87.

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Universal principles guide action

Harnessing the potential of markets and business by putting values into action is the basis of the United Nations Global Compact. Novo Nordisk has been a subscriber and an active supporter since 2001, and the Compact's 10 principles for responsible business are incorporated into the company's governance framework, the Novo Nordisk Way of Management.

Acting with integrity in the market place is paramount to earn trust and win stakeholders' confidence. Novo Nordisk's sustainability-driven approach aims to secure the company's licence to operate and innovate. It also drives performance and sparks innovation across the value chain.

UN Global Compact as a strategic frame
The UN Global Compact's 10 principles on human rights, labour rights, environment and anticorruption are well aligned with the Novo Nordisk Way of Management (see p 20). The company's annual communication on progress accounts for achievements and challenges in relation to the business and within its sphere of influence.

ers to document performance in terms of compliance with laws and regulations, environment, health and safety, labour practices, ethics and subsuppliers. Expanding the reach to all of the company's approximately 38,000 suppliers requires a robust methodology to identify and assess relative levels of commercial and reputational risk. This work began in 2008 and will be completed in 2009, with the aim of segmenting suppliers into high-, medium- and low-risk groups. A correlating audit system undertakes prescreenings with new suppliers and audits.

"Respect for human rights is relevant to our business in several ways. It guides our approach to improving access to health, promoting diversity in the workplace and managing risks in our supply chain."

Lise Kingo
Executive vice president and chief of

Business ethics compliance
Novo Nordisk has established a Business Ethics Compliance office to support and monitor the company's business ethics policy and procedures, and manage training covering anticorruption, conflicts of interest, promotion of pharmaceutical products, and interaction with healthcare professionals, suppliers and intermediaries.

These procedures were updated in 2008 to ensure the company's public affairs work is consistent with its values and in compliance with legal requirements. All managers must be trained in business ethics, and sales and marketing employees undergo annual training. In 2008, 99% of sales and marketing employees were trained. Compliance is overseen by Group Internal Audit, which conducts reviews of business units worldwide. In 2008, 25 reviews were conducted and recommendations are followed up.

Measuring values-based orientation internally

The risk of not living up to the Novo

In 2008, Novo Nordisk continued to drive company-wide initiatives in respect of these principles across the value chain. Some of these are described below and on the following pages.

Respect for human rights
In 1998, Novo Nordisk was among the first companies to publicly declare support for the United Nations Universal Declaration of Human Rights and include respect for human rights into its principles of doing business. 2008 was the 60th anniversary of this declaration, and Novo Nordisk marked the occasion, along with its partners in Business Leaders Initiative on Human Rights, chaired by Mary Robinson, president of Realizing Rights.

Standards for responsible sourcing
Novo Nordisk has implemented global standards for responsible sourcing in a first phase, asking direct spend suppli-

staff

High standards in bioethics
In research and development, ethical standards for bioethics apply, and Novo Nordisk has a track record of leading this field. In 2008, the company advocated successfully for a new European Medicines Agency guideline on virus safety that postpones the requirement for animals in cell line testing until after phase 3 clinical trials. Since many products never reach that stage, this stipulation will reduce the number of animals used in the development of new pharmaceuticals in Europe. The guideline comes into force in February 2009.

Nordisk Way of Management is greater for some activities than for others, and this relative risk determines the frequency of facilitations, the internal values audit pro cess. For some units, facilitations take place annually; for others, the process takes place once every three years.

A consolidated report, covering the 45 facilitations undertaken in 2008, was presented to the Board in December. These facilitations covered units representing about 9,000 employees, and more than 2,000 were interviewed to determine how corporate values are being lived and implemented throughout the organisation.

The report concludes that there is a strong level of compliance with not just systems and procedures, but also the spirit of the Novo Nordisk Way of Management. Issues observed included opportunities to further improve employee development activities and ways to improve the company's work climate.

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Diversity supports global growth

Effective globalisation of Novo Nordisk's business operations is a precondition for further development and growth. A new diversity strategy aims to leverage individuals' unique perspectives, talents and skills to strengthen teams' ability to deliver competitive business results.

Diverse management teams are best suited to promote globalisation and drive performance. This is the underlying assumption of the company's renewed diversity strategy. Inclusion is an integral element; the key to success is valuing and utilising differences.

In a first phase the focus will be on fostering gender and nationality diversity in management teams. Taking a five-year perspective, the aspiration is that all senior management teams should be diverse in gender and nationality. Currently, 12 of 28 senior management teams include men, women, locals and non-locals. To bring the remaining teams in line with this objective, a number of supporting actions are being introduced.

Tamara Turman, a sales representative in the US, provides doctors with information in different languages to help patients with diverse backgrounds.

Best individual for the position
Selecting the best individual for a particular position remains the primary principle for recruitment. Secondly, ensuring equal opportunities and non-discrimination is part of the company's values-based framework.

Greater transparency and a peer challenger function are being introduced for this process, which includes succession lists and preparation of individuals through development plans. From 2009, inclusion of men, women, locals and non-locals must be considered for succession lists for all key positions.

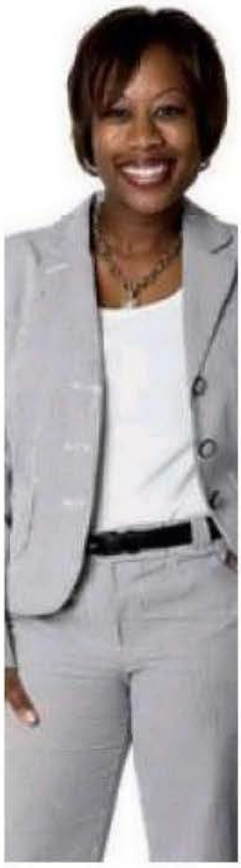
Mentorship will be offered and supportive network initiatives including expatriate networks and a 'family-buddy' system is being set up. A network established in the US in 2007, Women in Novo Nordisk (WINN), is being replicated in other regions to support women's career development throughout the company.

Training in diversity and cultural stakeholders, it is critical to be able to attract, retain and develop talented people from diverse backgrounds.

Strong global growth can best be supported by a diverse team that reflects the diversity of the company's customers. The majority of the nearly 3,500 new employees hired in 2008, about 75%, work in the company's expanding affiliates. Projections indicate a particular need to recruit people for research and development activites, and sales and marketing. Notably, the majority of the company's workforce growth over the next decade will be outside Denmark.

Recruiting talent
To attract the best talent as the company grows rapidly, Novo Nordisk invests in strengthening its profile at leading universities in key markets. In 2008, the company expanded its Graduate Programme to China, where university graduates work for three eight-month stints at different locations, including locations in both China and Denmark.

A great place to work
The annual global work climate survey,



inclusion is also offered to all employees and is integrated in the company's leadership development programmes for managers, vice presidents and young talent to build leadership capabilities and a global mind-set. In 2008, nearly 500 new managers went through a four-day personal leadership programme.

The outcome of these measures will be tracked through key performance indicators and assessed through the annual organisational audit process.

Expanding workforce globally

For Novo Nordisk to continue to innovate and grow globally, the quality of its people is *the* competitive factor. Novo Nordisk is committed to managing in a socially responsible manner by caring for the people who rely on the company's products as well as employees. To successfully create long-term value and relationships with

eVoice, shows that people at Novo Nordisk are highly engaged. On an index that measures employees' level of engagement by 10 criteria, the average score was 4.2 on a scale of 1 to 5, with 5 being the highest.

The company's commitment to fight diabetes and the way it takes social and environmental responsibility are particularly motivating to employees. The Novo Nordisk values, global standards and the opportunity for a life-changing career are the building blocks for the company's recent employer-branding initiative.

"The company culture, the opportunity to save people's lives, to make a difference in society, and to grow personally and professionally: this is the employer value proposition that differentiates Novo Nordisk. It also reflects what many of today's job applicants seek in an employer," says Lars Christian Lassen, senior vice president, Corporate People & Organisation.

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Strengthening environmental management

Through prudent use of nature's resources since the early 1990s, Novo Nordisk has achieved improvements in eco-productivity. Efficient resource consumption reduces environmental impacts and lowers costs for both the company and society.

The correlation between sound environmental management and cost optimisation is a well-established business case for a broader business perspective. Now Novo Nordisk's updated strategy for environment, health and safety raises the bar. The company expects to continue to increase production. This means being able to provide treatment for more patients while decreasing environmental impacts and reducing the frequency of occupational injuries.

Progress towards the ambitious target of achieving an absolute 10% reduction in 2004 CO_2 emissions by 2014 demonstrates that it is possible to reduce energy consumption while increasing production. Similar absolute reduction targets have now been set for energy and water consumption, frequency of occupational injuries and injury severity. CO_2 emissions fell for the first time in 2008, achieving a 9% reduction compared to 2007.

Climate action shows results

Novo Nordisk's climate strategy aims to reduce carbon-based fuel dependency and demonstrate leadership. It hinges on three levers: continued efficiency gains, energy savings and conversion to renewable energy. While the strategy is global, particular focus has been on Danish production sites. The energy-intensive process of producing the active pharmaceutical ingredient for Novo Nordisk's insulin products takes place only in Denmark and in 2008 represented 85% of the company's total CO_2 emissions.

Novo Nordisk launched its pioneering partnership with its Danish energy supplier, DONG Energy, in 2007 to help identify energy savings and translate the financial value of these into new wind energy. The company's objective was to use only green electricity for its Danish operations by 2014. Significant reductions in energy consumption, even as sales and production have increased, mean that this goal is expected to be achieved several years ahead of schedule.

Pharmaceutical industry standards include stringent air quality requirements, so a large percentage of energy is used for ventilation and cooling. By making rela tively simple facility management changes to optimise ventilation, the company has achieved significant energy savings and emission reductions.

Nearly a quarter of the 112 energy-saving projects the company undertook during the year required no upfront investment, only changes in facility management. Half of the energy-saving projects undertaken globally in 2008 are expected to pay for themselves within one year, and two-thirds of the rest are expected to pay for themselves within three years.

Outside Denmark, the company's Brazilian production facility in Montes Claros is now using biomass instead of fuel oil for steam production, bringing the facility close to CO_2 neutral as the main electricity supply is based on hydropower. When running at full capacity, this plant will be the company's biggest insulin filling facility.

Novo Nordisk has also built significant energy and water efficiencies into the production facility currently under construction in Tianjin, China. The facility is expected to open in 2012, and as a result of eco-efficient design will need less energy than similar production facilities elsewhere.

Jonathon Porritt
Founder director, Forum for the Future

Novo Nordisk invited Jonathon Porritt to present his perspective on the connection between climate change and global health.

Climate change and health

The World Health Organization's new report on 'The Social Determinants of Health' is an extraordinary document. It spells out the dire consequences for societies all over the world of the cumulative impact of today's toxic 'policy mix' – a mix that has driven economic growth at all costs, increasing levels of inequality, trashing the environment, and bringing us to the brink of runaway climate change.

The health impacts of climate change, particularly in developing and emerging economies are already severe: more people suffering from water and food shortages, more people displaced from degraded lands or spreading deserts; insect-borne diseases expanding their range, and so on. The WHO estimates as many as 150,000 excess deaths a year from climate change.

Understandably, scientists are cautious about claiming that any particular event

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Credit for much of the company's progress in resource management is due to the hard work and diligence of energy stewards placed throughout the organisation. In addition to implementing efficiency projects, the 30 energy stewards serve as challengers at the production facilities, looking for ways the company can improve.

Updated strategy
Following an assessment of the company's performance, trend analysis and peer reviews, an updated strategy for environment, health and safety at Novo Nordisk's production sites highlights six focus areas: energy, water, waste, accidental releases, occupational injuries and ergonomics. The strategy sets three- to five-year targets in each of the areas, and action plans will be implemented in 2009.

Credit for much of the company's progress in resource management is due to the hard work and diligence of energy stewards.

Reducing water usage
Understanding and developing a comprehensive plan for managing the company's water footprint was another 2008 achievement. An absolute water reduction target has now been set, and detailed water mapping will be finalised by 2012 at sites using the most water. The company's filling plants, particularly those outside Denmark, offer the biggest opportunities for reducing water usage per produced unit.

Waste management next on list
Performance improvements were seen in all of the company's key environmental indicators in 2008 with the exception of waste. Efficient waste management is a challenge that will have to be tackled. A systematic assessment to better understand the sources of waste and their impact will be undertaken with the aim of stabilising waste volumes.

Certified health and safety management
Novo Nordisk's commitment to health and safety supports the company's people-centred culture, which helps attract employees and reduce staff turnover.

All production units passed an OHSAS 18001 health and safety certification process in 2008. This required introduction of health and safety stewards and workplace assessments at sites globally, as well as a more structured process for assessing health and safety risks. As a result, despite the company's growth, job-related injuries fell during 2008, nearly reaching the company's target for 2010. At the new facility construction in China, the health and safety target is a maximum of 10 injuries for every 1 million working hours, the company's global target for production sites. Construction contractors must undergo regular inspections, have extensive safety training in place, investigate all work-related injuries and submit plans to avoid future injuries.

Frank Jensen-Maar discusses energy savings at Novo Nordisk's production site in Hillerød, Denmark, with Johan Moltke of DONG Energy.

is the direct consequence of climate change. After all, there have always been floods and droughts, heat waves, forest fires, extreme air and water

All that is just a taste of things to come. Accelerated climate change, whether in the rich world or the poor world, brings with it the prospect of increasingly

Jonathon Porritt is co-founder of Forum for the Future, a leading sustainable development charity. He was appointed chairman of the UK Sustainable

pollution events. But it is the increased incidence of such phenomena that is now being laid at the door of climate change – as with the dramatically increased incidence of forest fires in Mediterranean countries, for instance.

The heat wave that hit France in August 2003 (leading to at least 30,000 additional premature deaths) exceeded 'normal' temperature ranges by such a huge margin that all scientists now attribute this directly to climate change.

serious health impacts. Public health practitioners and sustainable development activists may still speak 'different languages', but they have everything to gain from working much more closely together.

Governments need to make that happen in terms of joining up different policy areas (climate change, health, transport, education and so on), and businesses can make that happen by helping employees and customers to understand that a healthy life has to be a low-carbon life.

Development Commission, the UK government's principal source of independent advice across the sustainable development agenda, in July 2000. His latest books are Capitalism As If The World Matters *and* Globalism & Regionalism.

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Rury Holman FRCP
Professor of Diabetic Medicine,
University of Oxford

Novo Nordisk invited Rury Holman to discuss research that supports earlier insulin inititation for diabetes treatment.

Limitations of existing diabetes treatment

Despite the availability of many different treatment modalities for type 2 diabetes, two fundamental therapeutic issues have yet to be addressed. People with type 2 diabetes continue to have an excess cardiovascular morbidity and mortality, compared with the general population, and no single therapy is able to maintain good blood glucose control in the longer term.

reported in 2008 (ACCORD, ADVANCE and VADT) all showed small reductions in cardiovascular risk but none achieved statistical significance. Although inconclusive, these favourable trends are however in line with UKPDS data that suggest improving blood glucose control could result in a modest reduction in the risk of heart attacks (14% reduction for a 1% drop in HbA_{1c}). The good news is that the new UKPDS 10-year post-trial monitoring data, also published in 2008, confirms the long-term cardiovascular benefits of earlier improved blood glucose control with emerging risk reductions of 15% for heart attacks and 13% for death. The ACCORD trial, however, added a cautionary note with an unexpected 22% increased risk of death associated with overly aggressive glucose lowering in people with longstanding diabetes, many of whom already had cardiovascular disease.

It is now clear that the achievement and maintenance of good glycaemic control should be a primary aim from the time diabetes is first diagnosed. The ACCORD, ADVANCE and VADT trials showed that sustained improved glucose control could be obtained with combinatorial use of currently available therapies but there remains a major unmet need for more durable glycaemic treatments. These should facilitate near-normal HbA_{1c} levels without promoting weight gain or hypoglycaemia, be simple to administer without onerous glucose monitoring requirements and, crucially, have no long-term adverse effects such as further increasing patients' cardiovascular risk.

Prof Rury Holman was the first

Changing diabetes is possible

With effective insulin treatment people with diabetes can achieve good blood sugar control. The critical factor is for care providers to offer timely initiation and intensification.

Achieving and maintaining good glycaemic control is key to effective diabetes care, but many people with type 2 diabetes do not achieve treatment targets. Poor control can lead to late-stage complications such as blindness, kidney disease and lower limb amputations.

Novo Nordisk's diabetes strategy is to provide innovative treatments that improve quality of life and treatment outcomes for people with diabetes.

In the near term, the main focus is a continued drive to make Novo Nordisk's portfolio of modern insulins available to more people and to ensure optimal treatment outcomes. For the individual, this means 'treat to target' – that is, keeping blood sugar levels stable within the recommended range.

New treatment guidelines

Individuals with type 2 diabetes are two to four times more likely to develop cardiovascular disease than non-diabetic individuals, even after adjustment for age, ethnicity, household income, cholesterol, blood pressure and smoking. 65% of people with diabetes continue to die from coronary heart disease or a stroke, despite cholesterol, blood pressure, smoking and other risk-reduction strategies. An open question is whether long-term good blood glucose control can further reduce cardiovascular risk in these individuals. The 20-year UK Prospective Diabetes Study (UKPDS) showed that improved blood glucose control reduced the risk of loss of vision and kidney damage but had only a marginal impact on coronary disease. Three new cardiovascular outcome trials of improved blood glucose control that

Professor of Diabetic Medicine to be appointed at the University of Oxford. He is immediate past Academic Chairman of the Oxford Centre for Diabetes, Endocrinology and Metabolism (OCDEM), Director of the University of Oxford Diabetes Trials Unit, and an Honorary Consultant Physician to the Oxford Radcliffe Hospitals NHS Trust. He divides his time between clinical care of patients, teaching and his extensive research interests. He has published over 250 peer-reviewed manuscripts and has designed and run many multicentre studies that focus primarily on the prevention, appropriate treatment and cardiovascular risk reduction of type 2 diabetes. Currently he Co-Chairs the NAVIGATOR and TECOS trials and is Chief Investigator of the 4-T, ACE and UKPDS trials.

In October 2008, a new set of treatment guidelines for type 2 diabetes was issued jointly by a panel of experts from the American Diabetes Association and the European Association for the Study of Diabetes. For the initial treatment phase, the guidelines continue to suggest lifestyle changes – diet and exercise – and treatment with metformin.

If glucose/glycaemic goals are not met or maintained over time, the guidelines recommend combining metformin with a basal insulin, such as long-acting Levemir®, with Glucagon-Like Peptide-1s (GLP-1s) as an alternative treatment option. GLP-1s are the class of diabetes treatment that includes liraglutide, a once-daily human analogue of the naturally occurring human hormone, submitted by Novo Nordisk for regulatory approval in the US, Europe, Japan and many other countries in 2008.

As a third step, the guidelines call for a transition to intensive insulin treatment

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to maintain treatment targets. This may include adding a rapid-acting modern insulin at mealtimes, such as NovoRapid®, in addition to a basal insulin.

Substantial innovation

The use of GLP-1 as an option for early treatment is supported by clinical data and experience, including Novo Nor disk's comprehensive LEAD™ programme (Liraglutide Effect and Action in Diabetes). LEAD™, a series of six randomised, controlled, double-blind studies conducted in more than 40 countries, involved about 4,000 patients with type 2 diabetes and inadequately controlled blood glucose.

Mads Krogsgaard Thomson, chief science officer, was interviewed during the 2008 meeting of the European Association for the Study of Diabetes.

"High blood glucose levels lead to health complications. Unfortunately, better control has long been associated with hypoglycaemia and weight gain and it is known that some patients avoid treatment to avoid the associated weight gain."

Mads Krogsgaard Thomsen
Chief science officer

Liraglutide works by stimulating the release of insulin only when glucose levels become too high and by suppressing appetite. Data from a 52-week phase 3 study (LEAD™ 3) published in *The Lancet* showed that liraglutide, when taken alone, produces statistically significant and sustained improvements in blood sugar control in patients with early type 2 diabetes, as compared with glimepiride, a widely used oral antidiabetic drug. Treatment with liraglutide also led to weight loss, reduced systolic blood pressure and lower rates of hypoglycaemia[1].

See more at annualreport2008.novonordisk.com/how-we-perform/responsible-business-practices/advocacy/ changing-diabetes.asp.

Focus on patients

For people with diabetes, like Leena Irmeli Lallukka of Finland, achieving treatment targets and staying in good control is often a challenge. She was 44 with a demanding job as head of two day care centres when she was diagnosed with type 2 diabetes.

Leena Irmeli Lallukka first tried to regulate her diabetes by following a healthy diet, but when her blood sugar levels were still too high, she was prescribed tablets and insulin to treat the condition. Now that she is combining exercise with a low-fat diet and proper medication, "I feel quite well," she says.

Still, she admits that managing her treatment can be difficult. "I don't monitor my blood sugar level as often as I should. I want to lose more weight, and I would like to lower the stress I am feeling because of my work. Then I could eat better and exercise regularly."

In addition to advocating for treatment improvements and care access, Novo Nordisk encourages healthcare professionals and policy-makers to adopt clinically validated solutions to support better self-management through the DAWN (Diabetes Attitudes Wishes and Needs) programme. The initiative, a collaboration with the International Diabetes Federation, the International Society for Pediatric and Adolescent Diabetes and an international expert advisory board, puts patients at the centre of diabetes care.

Leena Irmeli Lallukka, who was diagnosed with type 2 diabetes at the age of 44, wishes she had more time for exercise.

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Supporting individualised treatment options

At the end of 2008, Novo Nordisk was the global market leader in diabetes care with 52% of the total insulin market and 44% of the modern insulin market, both measured by volume. Market growth is expected to continue and there is significant potential, particularly with modern insulins.

Modern insulins are designed to mimic the body's own physiological insulin regulation of blood glucose levels more closely than human insulin, resulting in better glucose control, low hypoglycaemia and increased convenience. Better regulation of blood glucose levels is associated with fewer serious complications and better treatment outcomes. Modern insulins are classified by how fast they start to work in the body and how long their effects last.

Novo Nordisk offers a full portfolio of modern insulins covering fast-acting, long-acting and premixed modern insulins:

- Levemir®, a soluble long-acting modern insulin for once-daily use.
- NovoRapid® (NovoLog® in the US), a rapid-acting modern insulin to be used at mealtimes.
- NovoMix® 30 (NovoLog® Mix 70/30 in the US), a dual-release modern insulin that covers both mealtime and basal requirements.

Strategy to expand leadership
The company's commercial strategy is to expand its leadership within injectable insulin, gain GLP-1 leadership and continue to offer innovations that address unmet medical needs. Two new generation insulins, which have finalised phase 2 development, are designed to be even longer acting to improve treatment outcomes and provide more convenient therapy. If successfully brought to market, Novo Nordisk's continued insulin leadership will be sustained when current modern insulin patents expire and biosimilar insulin analogues potentially enter the markets.

"Our full portfolio of modern insulins and superior delivery devices offer treatment options for all people with diabetes."

Kåre Schultz
Chief operating officer

Novo Nordisk's protein engineering expertise, combined with device competences, provides a strong base for continued leadership in diabetes care. Insulins and GLP-1s must currently be injected through the skin with the help of a pen device. Novo Nordisk's advanced products within insulin delivery systems include FlexPen®, the world's most used insulin delivery device.

Diabetes key events 2008

- Novo Nordisk maintains global market leadership in diabetes care.
- Novo Nordisk files for regulatory approval of liraglutide in the US, Europe, Japan and many other countries.
- Novo Nordisk researchers are nominated for Europe's top innovation prize for engineering Levemir®.
- Novo Nordisk launches the new generation of FlexPen® – the world's most widely used prefilled insulin pen.
- NovoMix® 30 achieves block-buster status, with 1 billion US dollars in sales in a 12-month period.
- Novo Nordisk discontinues the development of pulmonary projects.

would discontinue its development of inhaled insulin and instead focus on research and development of a new generation of delivery systems and options such as oral administration. As a result, 360 employees at Novo Nordisk Delivery Technologies Inc. in Hayward, California, became redundant but all were offered other positions or

Kåre Schultz, chief operating officer.

Development of new prefilled and durable devices support new products and offers improved convenience. Research in this area includes new injection device platforms, insulin pumps, and oral administration of GLP-1 and insulin.

Pursuing options for treatment administration

Sometimes clinical development does not lead to desired outcomes despite hard work and dedication. That was the case when in early 2008 Novo Nordisk announced it outplacement assistance.

The decision also brought to an end phase 3 clinical trials involving around 2,500 patients in nearly 40 countries. Patients were switched to treatment alternatives recommended by their doctors. The decision was not due to safety concerns, but because it was found that fast-acting inhaled insulin, in the form it is known today, is unlikely to offer significant benefits over injections with pen devices.

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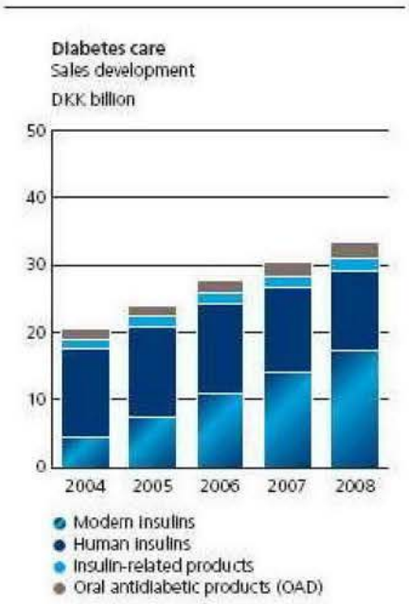

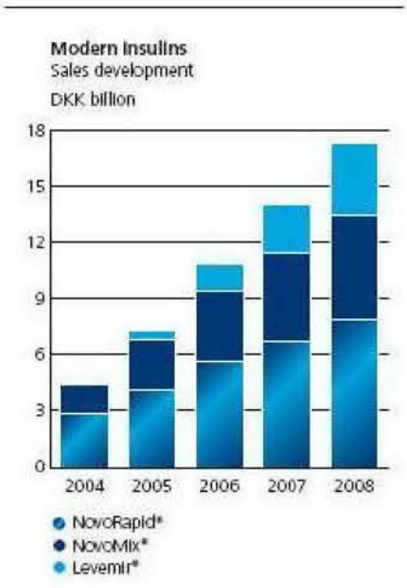

American Eric Howell, pictured with his mother Bobbi, has type 1 diabetes.

Modern insulin portfolio update

Levemir® available in 69 countries

Levemir® was launched in six countries in 2008, including Mexico and Algeria, bringing the total number of countries where it is marketed to 69.

Two studies during 2008 confirmed the benefits of Levemir®: a head-to-head study with an alternative treatment, insulin glargine, demonstrated that once daily is an effective dosing frequency for Levemir® and that Levemir® has a comparable blood glucose response to insulin glargine over a 24-hour period in patients with type 2 diabetes[2]. In the other study, Levemir® additionally demonstrated significant weight loss for overweight or obese type 2 patients because weight gain is a common barrier to insulin initiation, according to diabetes experts.

NovoRapid® in pumps for children

In 2008, the US regulatory authorities, FDA, approved NovoRapid® (NovoLog® is the brand name in the US) for infusion by external insulin pump in paediatric patients between the ages of 4 and 18 years. NovoLog® is the first and only modern insulin approved for this use.

Over 70% of patients reach target with NovoMix® 30

In 2008, results were published from IMPROVE™, one of the largest-ever observational studies in diabetes, designed to assess the safety and effectiveness of NovoMix® 30 in type 2 diabetes. The study involved over 58,000 patients from 11 countries. Results 30, 71% of patients reached the target HbA_{1c} (a way of measuring blood glucose levels) of less than or equal to 7%. This was achieved with a 70% reduction in patient-reported major hypoglycaemic events and no significant weight gain[4]. At enrolment, more than half of all patients were in poor control, with an HbA_{1c} of over 9%, significantly higher than the recommended target of less than 7%.

FlexPen® simplifies treatment

Because treatment compliance is closely linked to better health outcomes, the company continues to develop more convenient delivery systems that make it easier for patients to manage their condition and without interruption to their lives. These include FlexPen®, the world's most used insulin delivery device[5]. Novo Nordisk launched

being initiated into insulin treatment[3]. The weight advantage is important

showed that after six months of treatment with NovoMix®

a new generation of FlexPen® during 2008.

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Former Secretary-General of the UN Kofi Annan with Novo Nordisk's Chief of staffs Lise Kingo at the 'Unite to Change Diabetes' Leadership Forum in Moscow.

Setting an agenda for change

Novo Nordisk's promise of Changing Diabetes® underpins the company's strategy in diabetes care. Three ambitions drive its efforts: give priority to people with diabetes, improve treatment outcomes and break the curve of the global diabetes pandemic.

tion and spreads awareness of best treatment practices that can lead to improved outcomes. The second international Forum 'Unite to Change Diabetes' was held in Moscow in November 2008 at the initiative of the Russian Diabetes Federation. Kofi Annan, former secretary-general of the UN, gave the keynote address.

"When people get involved, politicians often find the courage to do the right thing," he said, proposing the Global Fund for HIV/AIDS as a potential model

Through its Changing Diabetes® initiatives, Novo Nordisk supports the implementation of the UN Resolution on Diabetes to secure the right to diabetes care. With its resolution, adopted in December 2006, the UN encourages member countries to develop national policies for the prevention, treatment and care of diabetes in line with the sustainable development of their healthcare systems.

Give diabetes priority

Putting diabetes on the health policy agenda is the aim of the Global Changing Diabetes® Leadership Forums spearheaded by Novo Nordisk. This initiative calls for action for diabetes.

"Without tackling the diabetes epidemic which is now gripping our world, we will, I fear, find many of our ambitions for the future simply impossible to achieve."

Kofi Annan
Former Secretary-General of the United Nations

Improving healthcare is a priority of the current Russian government. Diabetes and related complications are the third most common cause of death in the country, after cardiovascular disease and cancer.

The forum was attended by about 300 healthcare professionals, regional government officials, and people representing international and national patient organisations. Participants adopted a resolution for improving quality of care and a pilot project was launched to improve diabetes screening and diagnosis with the aim of improving treatment outcomes.

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In 2009, Novo Nordisk will coordinate a Forum to address the diabetes challenge in China.

Improving treatment
The Novo Nordisk IMPROVE™ programme is a global medical and public awareness campaign seeking to engage stakeholders in solving the problem of inadequate treatment. The programme is backed by the Changing Diabetes® Barometer which identifies best practices for the prevention and management of diabetes. The Barometer provides a set of quality indicators defined by international guidelines including targets for blood glucose, blood pressure, weight control and lipids. It also measures quality of life experienced by patients and direct and indirect healthcare expenditures. By creating more transparency, it is the aim to give policy-makers and healthcare providers the best possible basis for making informed decisions about improving health outcomes while bringing down total costs.

By the end of 2008, more than 70 countries had submitted data for the Changing Diabetes® Barometer online world map, which goes live in 2009. The map shows the status of diabetes treatment and is a collaboration with the International Diabetes Federation.

Where data is available, the map includes health economic data. One such case comes from the US where a study found that, due to higher medical expenditures and lost productivity, the total cost of diabetes in the United States exceeds 217 billion US dollars[6]. The research commissioned by Novo Nordisk's National Changing Diabetes® Programme shows that beyond the estimated 174 billion dollars that is widely accepted as the cost of diagnosed diabetes in 2007, other costs include 18 billion dollars spent on 6.3 million people with undiagnosed diabetes; 25 billion dollars for 57 million American adults with prediabetes; and 623 million dollars for the 180,000 pregnancies where diabetes during pregnancy is diagnosed.

Breaking the curve
With 380 million people predicted to be in need of diabetes care for the rest of their lives by 2025, this condition presents a significant challenge to socioeconomic development. Every 10 seconds two people develop diabetes, and one person dies from diabetes-related complications. In one generation, the prevalence of diabetes has increased sixfold worldwide.

While diabetes is not yet a curable disease, it can be treated and, in many cases, it can even be prevented. Novo Nordisk's global awareness-raising campaign, which includes the Changing Diabetes® Bus, drives awareness of the personal and societal risks of diabetes. Through its National Changing Diabetes® programmes, Novo Nordisk promotes better education of healthcare professionals and wider availability of screening for diabetes symptoms to help save lives and significant costs long term. Capacity-building outreach is reported on pp 6–7.

More than 40,000 people visited the Changing Diabetes® Village in Cairo on World Diabetes Day in 2008.

Making change happen in Turkey

Increased prevalence of diabetes is particularly notable in emerging markets such as Turkey. The country's move in 2004 from a central provision system to a free pharmaceutical market with reimbursement made healthcare available to more people in a country where the national prevalence of diabetes is higher than the global average (7.8% versus 5.9%). An estimated 3.2 million people have the condition – a number expected to nearly double to 5.5 million by 2025. Many are in poor glycaemic control.

In 2007, Turkey created a national plan for awareness and treatment of diabetes and initiated a Turkish Diabetes Control Project. The project's aim is to educate physicians about better diabetes treatment. By the end of 2008, it had reached an estimated 700 physicians, 200 nurses and 750 patients.

Novo Nordisk was a catalyst for these activities as part of its efforts to highlight diabetes on Turkey's healthcare agenda. Since establishing its affiliate in Turkey in 1993, Novo Nordisk has collaborated closely with healthcare authorities, healthcare professionals and patients on activities such as sponsoring information supplements, TV and radio programmes about diabetes, diabetes congresses for physicians, and meetings for people with diabetes to learn how to better manage the condition.

Novo Nordisk is the insulin market leader in Turkey. Its basal insulin, Levemir®, has gained the highest market share in Turkey of all of the company's top 10 markets. Motivation

and engagement by employees is high, with an unusually low level of staff turnover.

As in any fast-growing pharmaceutical market, there are challenges, including increased competition, pricing pressures and more regulation of the industry. Yet Turkey's recognition of the need to apply resources to address diabetes and other chronic diseases serves as a model for other countries.

"Improving diabetes care not only benefits the quality of life for millions of people but also greatly reduces healthcare costs in the long run due to fewer complications and better health outcomes. This is what Changing Diabetes® is all about," says Mads Bo Larsen, vice president of Novo Nor disk's Near East business area and general manager of Novo Nordisk in Turkey.

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Ensuring access to care

Novo Nordisk leverages its history of building healthcare partnerships to create long-term solutions that have impacts far beyond the company's own efforts. The company's approach to improved access aligns with the UN Global Compact principles in respect of human rights and the UN Millennium Development goals.

Novo Nordisk's comprehensive programmes in the field of diabetes care target disadvantaged communities and the most vulnerable populations with the least access to care. These groups include people living in the countries classified by the United Nations as least developed countries (LDCs); low-income groups in emerging economies; migrants in developed countries; women and children.

While affordability of care is a significant barrier, there are other obstacles that are just as critical. These include lack of awareness about diabetes, lack of knowledge among healthcare providers in diagnosing and treating the condition, too few hospitals and clinics equipped to treat diabetes, and a lack of national healthcare strategies to tackle the epidemic. Seeking to overcome these barriers, the company puts efforts into building sustainable solutions that provide immediate relief while also building long-term capacity.

Changing the future for children in Africa

While access to insulin is generally difficult in poor countries, many children die in hospitals even where insulin is available. Parents often lack money to pay for transportation to hospitals. Because diabetes shows in children as an acute crisis, they are often misdiagnosed and given the wrong, sometimes fatal, treatment.

In December 2008, Novo Nordisk announced an ambitious five-year project to change the future of these children. The programme, called 'Changing the Future for Children with Diabetes', will begin in 2009 with an initial roll-out in Camaroon, Uganda, Tanzania, Guinea-Conakry and the Democratic Republic of Congo. A series of satellite centres will be set up around

During the World Diabetes Foundation summit in India in 2008, Lars Rebien Sørensen, CEO, greeted the teacher of a course on healthy eating.

existing hospitals and clinics for diagnosis, patient education and registration, and healthcare training. Treatment, including free insulin, will also be provided.

The programme, which supports the UN goal of reducing child mortality, builds on an approach the company began in Tanzania in 2006. Children with type 1 diabetes are referred to a Novo Nordisk-funded diabetes clinic for specialised care, which has led to dramatically decreased mortality. Emergency admissions have also dropped. The company hopes to reach 10,000 children by 2013 by expanding this approach.

Improved pricing initiative

Novo Nordisk has since 2001 been committed to improving access to care and essential medicines to people living in the least developed countries. One important initiative involves offering insulin to the public health systems in the least developed countries at or below a price of 20% of the average prices for insulin in the Western world. In 2008, the company launched pilot projects in six countries to ensure that people with diabetes actually benefit from preferential pricing. These measures include reducing insulin prices on the private

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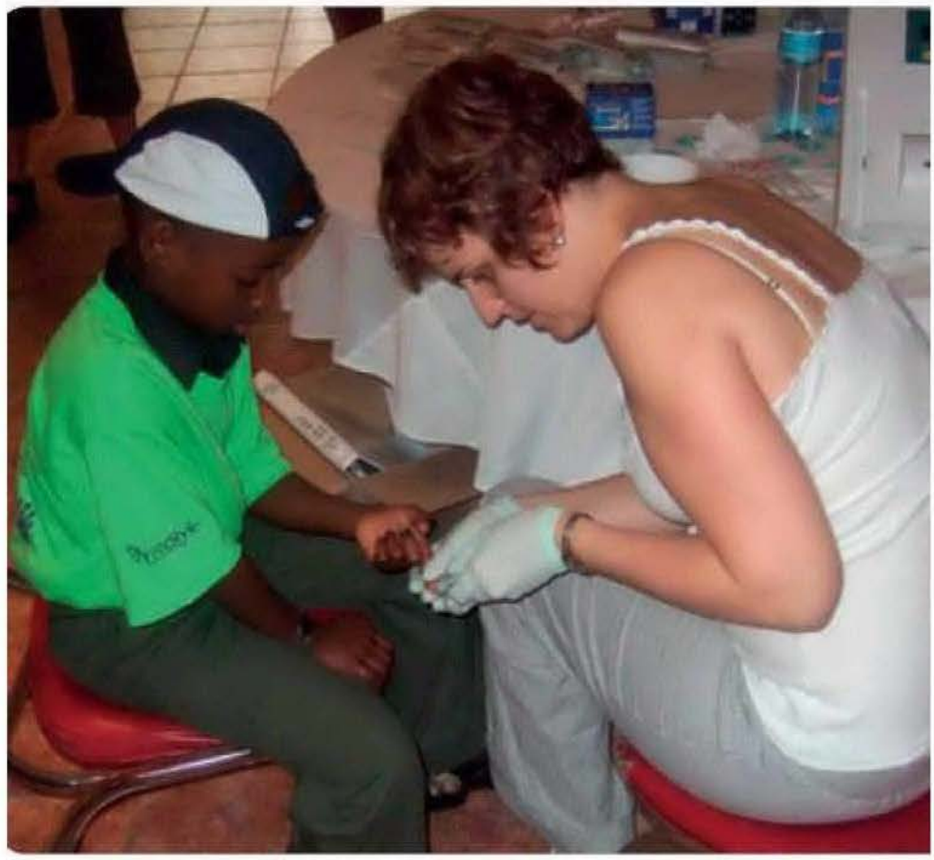
market, initiating discussions with local agents to reduce mark-ups, and working with governments to centralise insulin procurement.

Women at higher risk
Children born to mothers with gestational diabetes are eight times more likely to develop diabetes, and the mothers have a 70% risk of redeveloping diabetes. Novo Nordisk initiated a new focus on this issue along with the Danish Minister for Development Cooperation, the Global Alliance for Women's Health and the World Diabetes Foundation, at a leadership forum in 2008. Novo Nordisk, as part of its commitment to support the Millennium Development Goal on gender equality and women's empowerment, is working with partners to conduct further research into women, diabetes and development. The company will also increase its focus on women and diabetes through other diabetes care activities in the developing world. These include screening programmes and awareness campaigns.

See more at annualreport2008.novonordisk.com/how-we-perform/access-to-health/default.asp.



Anja Lægaard Almind, a lab technician at Novo Nordisk, volunteered at Tanzania's second diabetes summer camp for children.

The World Diabetes Foundation (WDF)

In recognition of the World Diabetes Foundation's (WDF's) achievements during its first five years, shareholders of Novo Nordisk approved an additional donation of up to 575 million Danish kroner at the March 2008 Annual General Meeting for the next 10-year period.

In addition, Novo Nordisk employees donated nearly 500,000 kroner in 2008 to support specific WDF fundraising projects. The WDF has funded 182 projects in 83 countries, focusing on awareness, education and capacity-building at local, regional and global levels. The total project portfolio has reached 191.4 million US dollars of which 62.2 million dollars were donated by the WDF. A projection based on achievements to date indicates that the initiatives funded by the WDF will positively impact the lives of 66 million people.

Performance indicators
- 5,103,470 people have attended 4,427 screening camps.
- 2,876,565 people have been screened for diabetes.
- 229,829 people have been treated at the 754 established clinics funded by the WDF.

By the end of 2008, the WDF had supported the training of 14,433 doctors, 12,835 nurses and 27,852 paramedics. In addition, more than 32,090 cases of diabetic retinopathy have been detected, and 21,991 eyes and 18,232 feet saved.

See more at worlddiabetesfoundation.org.

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Focusing on strengths in biopharmaceuticals

Novo Nordisk's ambition is to offer products and services that make a difference. Over the years, Novo Nordisk has built very specialised expertise in protein engineering and formulation. The company's focus on haemophilia, inflammatory conditions, human growth hormone therapy and hormone replacement therapy builds on this expertise, as well as decades of experience with chronic and auto-immune conditions.

Expanded haemophilia pipeline

Since its introduction 12 years ago, NovoSeven® has been a first-line treatment for bleeding in haemophilia patients with inhibitors. Because of the effectiveness of NovoSeven® as a coagulant to stop bleeding, the company pursued regulatory approval for the product in critical and severe bleeding. It was hoped that NovoSeven® could be used to reduce severe bleeding in cases where no other treatment exists, but the practical difficulties of proving effectiveness for severe traumatic injuries in a way that would

The company has continued to introduce improvements that have made NovoSeven® more convenient, including the launch in 2008 of a room temperature-stable formulation, which may reduce the time to treatment both inside and outside home and hospital settings. NovoSeven® was developed to meet the needs of the approximately 3,500 people with haemophilia worldwide who have developed inhibitors. Novo Nordisk's ambition is also to develop new compounds based on other blood-clotting factors, offering treatment options to the more than 300,000 people with haemophilia A and B.

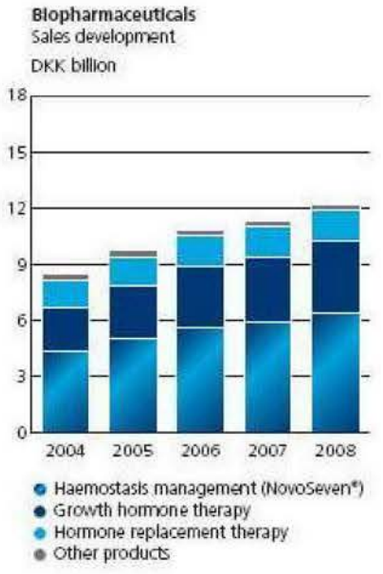
Today, treatments for haemophilia require frequent intravenous infusions. Novo Nordisk's pipeline includes work on both long-acting compounds allowing for less frequent treatment and products that support more convenient subcutaneous delivery.

As part of the company's expanded focus on general haemophilia, Novo Nordisk acquired intellectual property

Biopharmaceuticals key events 2008

- Novo Nordisk launches a temperature-stable formalation of NovoSeven®.
- Novo Nordisk celebrates the 20th anniversary of the launch of Norditropin®.
- Novo Nordisk launches a new inflammation R&D centre in Seattle.
- Novo Nordisk begins phase 3 trials for a recombinant FXIII to treat congenital FXIII deficiency
- Novo Nordisk maintains market leadership with Vagifem®, the world's best-selling topical oestrogen therapy.
- Novo Nordisk discontinues phase 3 trials of NovoSeven® for trauma and

satisfy regulators led Novo Nordisk to discontinue this research in 2008.



rights from its long-standing partner Neose Technologies Inc. during 2008. Application of Neose's proprietary GlycoPEGylation technology allows the half-life of proteins to be extended for less frequent treatment.

Leveraging protein strengths to fight inflammation

In inflammation, Novo Nordisk's protein heritage combined with its long experience of management of chronic disease provides the company with a significant opportunity to address unmet medical needs. Many inflammatory conditions also have autoimmune characteristics with similarities to type 1 diabetes.

Novo Nordisk's commitment to inflammation research and development is being pursued by leveraging R&D competences in Denmark while establishing a new, specialised R&D centre in Seattle, Washington, US. By 2010, the company expects to have around 80 scientists working on inflammation at the US centre.

consequently closes its haemostasis centre in New Brunswick, New Jersey, US, affecting 26 employees.

- Novo Nordisk discontinues phase 3 trials of Norditropin® for patients with low serum albumin on dialysis (LSAD).

"There are huge numbers of people with autoimmune inflammatory conditions that have unmet medical needs, even with the best existing therapies," says Don Foster, head of the new Novo Nordisk inflammation discovery centre in Seattle.

In 2008, Novo Nordisk initiated phase 1 trials for anti-IL20 and anti-C5aR, compounds the company is developing for treatment of psoriatic arthritis, rheumatoid arthritis and systemic lupus ery-thematosus. The company also entered into a collaboration agreement with VLST Corporation, a Seattle-based biotechnol-

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ogy company. Novo Nordisk and VLST will jointly undertake a research programme to identify collaboration targets and develop product candidates within the field of autoimmune and inflammatory disorders.

Market leadership in human growth hormone

Novo Nordisk is on its way to becoming the world's leading company within the human growth hormone segment, driven by solid sales of Norditropin®, the only liquid growth hormone product that does not require refrigeration and is available in a prefilled device, ready to use.

Novo Nordisk's advanced device technology is used for Norditropin®. Years of research have gone into finding the simplest and most convenient ways to inject protein molecules and, across product lines, the strategy is to provide improvements in compound formulations, along with easy-to-use device systems for optimal treatment outcomes.

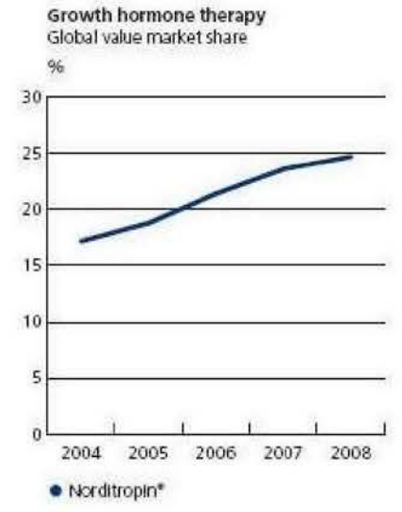
Sales of Norditropin® have increased by 12% annually over the past five years and the treatment is the best-selling human growth hormone therapy in many markets. Long-acting once-weekly human growth hormone in a prefilled device is in the pipeline.

In 2008, Norditropin® was approved in the US for the treatment of short stature in children born small for gestational age (SGA). Approximately 100,000 children are born annually in the US with this diagnosis, which is characterised by very low relative birth weight. A 13-year clinical trial of children born SGA found that, when treated with Norditropin®, 63% reached normal height by adulthood.

Patrick Moll, who has a growth disorder, lives with his parents in Wuppertal, Germany.

Novo Nordisk decided in October 2008 to discontinue the phase 3 study of Norditropin® in dialysis patients with low

2007, does not currently have generic competition. Novo Nordisk's



serum albumin, which was started in 2007. The decision to discontinue the study was due not to safety concerns, but to difficulties in recruitment of patients for the study, which was expec ted to impact study outcomes.

Topical oestrogen and low-dose hormone replacement therapy
Novo Nordisk is also expanding market leadership with Vagifem®, the world's best-selling topical oestrogen therapy.

Generic competition for Activelle® (Activella® 1.0 mg/0.5 mg in the US) since mid-2008 has eroded the company's market share in the US. However, Activella® 0.5 mg/0.1 mg, launched in

longstanding position is that HRT should be prescribed at the lowest effective doses and for the shortest duration consistent with treatment goals and risks for the individual woman.

Don Foster is the head of Novo Nordisk Inflammation Research Center in Seattle. He is an expert in autoimmunity and coagulation biology, has published over 120 scientific papers and is the author of 45 issued patents.

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Paul Mahoney, pictured near his home in England, has haemophilia with inhibitors.

Living with haemophilia

Paul Mahoney has had haemophilia with inhibitors as far back as he can remember but it hasn't slowed him down. "I have never wrapped myself up in cotton wool and subsequently suffered from lots of bleeds," he says.

When he was a boy, he had a wisdom tooth removed and it "just bled and bled – it was so serious that I got to a point when my life was in danger," he recalls.

As he got older, he learned to deal with the bleeds himself. "All my joints have their story to tell," he says. "Some are more damaged than others but I get by England, working as a web designer and pursuing wildlife photography and boating. While he has developed arthritis as a consequence of his damaged joints, Paul Mahoney is grateful to have access to reliable treatment.

"My body allows me to do most things I want. Obviously as I get older it becomes less easy. But then that's true for everyone to some degree. I reckon the world is out there, and it's up to me to take advantage of all it has to offer."

For more than a decade, Novo Nordisk has revolutionised treatment for people

"I lead a pretty active life, and particularly love sailing, so being able to get hold of my treatment as soon as I need it is a big help. Plus I have a smaller volume to inject, which means less discomfort each time I treat a bleed."

Paul Mahoney

and have no complaints. My attitude to haemophilia is to live and learn from it, and I heartily follow the old maxim 'carpe diem' – live for today."

Today Paul Mahoney leads an active life in a small seaside village in Cornwall, like Paul Mahoney with haemophilia with inhibitors. He uses NovoSeven®, which remains the only recombinant treatment available to people with inhibitors. In 2008, he began using the new room temperature-stable NovoSeven®, which does not need to be refrigerated.

Haemophilia patient

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Changing possibilities for people with haemophilia

Novo Nordisk's research and development efforts targeting haemophilia with inhibitors began 20 years ago and today NovoSeven® is still the only recombinant medication available. Novo Nordisk's understanding of the needs of people with haemophilia, both those with and without inhibitors, is reflected in the company's commitment to changing possibilities for all people with haemophilia. Backed by an ambitious clinical development programme, Novo Nordisk is building one of the broadest haemophilia portfolios in the industry.

Novo Nordisk has a heritage of working to improve existing standards of care by facilitating education, awareness and training for physicians, patients and caregivers.

In the US, the company offers a range of educational grants and individual achievement awards, and general information for patients on the changingpossibilities-us.com website. SevenSecure® is an assistance programme offering financial and insurance support to people with haemophilia with inhibitors.

Novo Nordisk collaborates with the French national association for haemophilia patients to support roundtable meetings among patients and healthcare professionals about treatment and the challenges of living with the condition.

In South Africa, where haemophilia remains largely undiagnosed and often poorly managed, Novo Nordisk in 2008 sponsored a mobile education unit in collaboration with the South African Haemophilia Foundation and the Department of Health. More than 1,300 South Africans were screened for haemophilia in 2008 as a result of this programme.

The Novo Nordisk Haemophilia Foundation

Haemophilia is a neglected and non-prioritised disease in the developing world, where 75% of people with the condition live. Many of them suffer serious complications and premature death. By working to build a network of partners around the world who can share experiences and better practices, the Novo Nordisk Haemophilia Foundation (NNHF) helps to improve the care and treatment of patients with haemophilia and related bleeding disorders. The activities the NNHF supports include capacity-building, awareness creation and disease impact reduction. The NNHF partners with healthcare professionals, patient organisations and health ministries to carry out projects.

In 2008, it supported 25 projects in 22 countries in many regions of the world, including South America, North Africa, South Africa, Asia, the Middle East and Eastern Europe. Four fellowships were awarded in 2008 to physicians from China, Iraq and Thailand for further training in haemophilia diagnosis and bleeding disorder management.

In Venezuela, the NNHF expanded

Peter Sinclair, pictured with his family, has lived with haemophilia for more than 40 years.

haemophilia care into rural areas, where it was largely unavailable. A multidisciplinary team focused on patient and physician education and improving cooperation between patient associations and their local hospitals, and benefiting about 1,300 patients and their families. The programme covered the entire country, increased the diagnosis of known haemophilia patients from around 1,300 to more than 1,700, and trained 250 healthcare professionals. The result is a stronger haemophilia care system, increased awareness and the formation of a national haemophilia network.

In the NNHF project in Poland, haemophilia care was decentralised from two centres in Warsaw to a further 17 regional blood centres, and a newly established group of haemophilia experts developed national treatment guidelines for haemophilia. Almost 500 medical professionals received training, and a diagnostic campaign screened over 1,000 people, who were then registered.

See more at nnhf.org.

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Corporate governance

Novo Nordisk is part of the Novo Group, a family of independent companies with a common history and shared values. The Novo Group comprises a holding company, Novo A/S, wholly owned by the Novo Nordisk Foundation.

Corporate governance refers to the way a company is managed and controlled, and the major principles and frameworks that regulate interaction between the company's managerial bodies, its owners and other stakeholders.

Framework

The framework for Novo Nordisk's corporate governance system consists of external regulation and codes, and internal principles.

Novo Nordisk is in compliance with applicable securities laws in Denmark, the US and the UK. The company is also in full compliance with the Danish Corporate Governance Recommendations and is in general compliance with corporate governance standards as a foreign listed issuer on the New York and London stock exchanges.

Novo Nordisk's values are consistent with principles of good governance, and The Novo Nordisk Way of Management forms the internal values-based governance framework (see p 20).

Governance

Accountability to shareholders

Novo Nordisk holds itself accountable to shareholders for its performance. The company seeks to enhance the accuracy, completeness and reliability liability company wholly owned by the Novo Nordisk Foundation, which is a commercial, profit-making foundation. The B shares are traded on the stock exchanges in Copenhagen and London and in the form of ADRs on the New York Stock Exchange. Each A share (= nominal value 1 Danish krone) carries 1,000 votes and each B share (= nominal value 1 Danish krone) carries 100 votes (see p 50).

Special rights attached to A shares include preemptive subscription rights in case of an increase of the A share capital and preemptive purchase rights in case of a sale of A shares and priority dividend if dividend is below 0.5%, while B shares take priority for dividend between 0.5% and 5% and B shares take priority for winding up proceedings.

Novo Nordisk is of the opinion that the current share and ownership structure is appropriate for the long-term development of the company. The company's transparent share structure benefits shareholders, who know in advance the relative voting power of each share class.

Novo Nordisk is not aware of the existence of any agreements with or between shareholders on the exercise of votes or control.

Shareholders have ultimate authority over the company and exercise their right to make decisions regarding Novo Nordisk at general meetings, either in person or by proxy. Resolutions can generally be passed by a simple majority, while resolutions to amend the articles are subject to adoption by at least two-thirds of votes cast and capital represented unless stricter requirements meetings. Simultaneous interpretation between English and Danish is available, and the meeting is webcast live.

The Novo Nordisk Foundation

The Foundation supports Novo Nordisk in achieving its vision and adhering to the Charter for Companies in the Novo Group. All strategic and operational matters are solely decided by the Board and the management of Novo Nordisk. Overlapping board memberships help to ensure that the Foundation and Novo Nordisk share a common vision and strategy.

Board of Directors

The company has a two-tier board structure consisting of the Board of Directors and Executive Management. The two bodies are separate and no person serves as a member of both. On behalf of the shareholders, the Board determines the company's overall strategy and actively contributes to developing the company as a focused global pharmaceutical company. The Board supervises Executive Management in its decisions and operations and may issue new shares or buy back shares in accordance with authorisations granted by the general meeting and recorded in the minutes.

The Board currently has 11 members, seven of whom are elected by shareholders at general meetings and four by employees. Shareholder-elected board members serve a one-year term and may be re-elected at the general meeting. Board members must retire at the first general meeting after reaching the age of 70. A proposal for nomination of shareholder-elected board members is presented by the Chairmanship to the

of the information provided in the company's annual financial and non-financial reporting through internal controls, assurance and independent audits. Reporting helps shareholders assess the actions of the Board and management.

Shareholder rights
Novo Nordisk's share capital is divided between A shares and B shares. All A shares are held by Novo A/S, a Danish limited

are imposed by Danish company law. At the annual general meeting, shareholders approve the annual report and any amendments to the company's articles. They also elect board members and the independent auditor.

All shareholders may, no later than 1 February, request that proposals for resolution be included on the agenda. All shareholders may also ask questions at the general

Board, taking into account required competences and reflecting the result of a self-assessment process. The assessment process is based on written questionnaires and evaluates whether each board member and executive participates actively in board discussions and contributes with independent judgement. The Audit Committee conducts a similar self-assessment.

In nominating candidates, the Chairmanship seeks to achieve a balance between

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renewal and continuity. Executive search has helped identify board members who meet such criteria. Four of the shareholder-elected board members are independent as defined by the Danish Corporate Governance Recommendations, while three shareholder-elected board members are related to the majority shareholder through board or executive positions, and two of these have also previously been executives in Novo Nordisk (see pp 46–47).

Under Danish law, Novo Nordisk employees in Denmark are entitled to be represented by half of the total number of board members elected at the general meeting. Board members elected by employees serve a four-year term and have the same rights, duties and responsibilities as shareholder-elected board members.

In 2008, the Board met eight times and all board members attended all board meetings and the Annual General Meeting, except for two occasions where one and two members, respectively, were excused.

With the exception of agenda items reserved for the Board's internal discussion at each meeting, executives attend and may speak, without voting rights, at board meetings to ensure that the Board is adequately informed of the company's operations. Executives' regular feedback from meetings with investors allows board members an insight into major shareholders' views of Novo Nordisk.

Chairmanship
A chairman and a vice chairman elected by the Board from among its members form the Chairmanship of the Board.

In 2008, the Chairmanship held seven meetings and both members participated in all meetings. The Chairmanship carries out administrative tasks, such as planning board meetings to ensure a balance between overall strategy-setting and financial and managerial supervision of the company. It also reviews the fixed asset investment portfolio.

Other tasks include recommending the remuneration of directors and executives and suggesting candidates for election by the general meeting. In practice, the Chairmanship has the roles and responsibilities of a nomination committee and a remuneration committee.

In March 2008, the Board re-elected Sten Scheibye chairman and Göran A Ando vice chairman.

Research and development facilitator
The Board has appointed a research and development facilitator to assist the Board and Executive Management in preparing the Board's discussions about research and development. The key tasks are reviewing R&D strategies and evaluating the competitiveness of the R&D organisation, processes and projects.

In March 2008, the Board re-elected Göran A Ando as R&D facilitator.

Audit Committee
The Audit Committee currently has two members elected by the Board from among its members. Both members qualify as independent as defined by the US Securities and Exchange Commission (SEC). In 2008, the Audit Committee held four meetings and both members participated in all meetings.

The Audit Committee assists the Board of Directors with oversight of:

- The external auditors
- The internal audit function
- The procedure for handling complaints regarding accounting, internal accounting controls, auditing or financial reporting matters and business ethics matters ('whistleblower function')
- The financial reporting process including the effectiveness of the systems of internal controls, risk management and the accounting policies
- Post-completion reviews and post-investment reviews of investments

In March 2008, the Board re-elected Kurt Anker Nielsen as chairman and Audit Committee financial expert (as defined by the SEC) and re-elected Jørgen Wedel as a member of the Audit Committee. In January 2009, the Board designated Jørgen Wedel as financial expert (as defined by the SEC).

Hotline support (whistleblower programme)
Concerns over possible breaches of ethical business conduct and financial fraud may be raised anonymously to the Audit Committee by telephone or on the web in nine languages, with no subsequent disciplinary or retaliatory action towards the whistle-blower.

The Novo Nordisk model of corporate governance

The Novo Nordisk corporate governance model sets the direction and is the framework within which the company is managed (see also p 20).

Corporate governance codes and practices

Novo Nordisk is in compliance with the Danish Corporate Governance Recommendations and – as a foreign listed issuer – is in general compliance with the corporate governance standards of the stock exchanges in London and New York, where Novo Nordisk's B shares and ADRs respectively are listed:

- **NASDAQ OMX Copenhagen**
  Danish Corporate Governance Recommendations (2008)
- **New York Stock Exchange**
  Corporate Governance Standards (2008)
- **London Stock Exchange**
  The Combined Code (2008)

The applicable codes and a detailed review of Novo Nordisk's compliance are available at annualreport2008.novonordisk.com/who-we-are/corporate-governance/compliance.

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Each complaint, concern or other communication is investigated and the Audit Committee retains records of complaints. As the company wishes to encourage good faith reporting of any violation of this policy, while avoiding damage to the reputation of innocent persons initially suspected of wrongful misconduct, investigations are conducted in a confidential manner to the maximum extent consistent with a thorough and complete investigation.

Management of the company
The Board has delegated responsibility for day-to-day management to Executive Management. Executive Management consists of the president and chief executive officer and four other executives (see p 48) and is responsible for organisation of the company as well as allocation of resources, determination and implementation of strategies and policies, direction-setting and ensuring timely reporting and provision of information to the Board and the stakeholders of Novo Nordisk. Executive Management meets at least once a month and often more frequently.

The Board appoints members of Executive Management and determines remuneration. The Chairmanship reviews the performance of the executives.

Assurance

External audit
The company's financial reporting and the internal controls over financial reporting processes are audited and assessed by an external auditor elected by the annual general meeting. The auditor acts in the interest of shareholders and the public (see p 114). The auditor reports any significant findings regarding accounting matters and any significant internal control deficiencies via the Audit Committee to the Board and in the auditor long-form report.

As part of the company's commitment to financial, environmental and social responsibility, Novo Nordisk voluntarily includes an assurance report for non-financial reporting in its annual report (see p 115). The assurance provider reviews whether the non-financial performance information included in the annual report is complete, covers aspects deemed to be material and is responsive to company stakeholders.

Internal audit
The internal audit function provides independent and objective assurance primarily within internal control and governance. To ensure that the function works indepen dently of management, its charter, audit plan and budget are approved by the Audit Committee chairman. The Audit Committee must approve the appointment, remuneration and dismissal of the head of the internal audit function.

Internal control
Novo Nordisk's risk management and internal controls in relation to financial processes are designed with the purpose of effectively controlling the risk of material misstatements. A detailed description of the implemented internal controls and risk management system in relation to financial reporting processes is available at novonordisk.com/about_us.

Novo Nordisk is in compliance with US Sarbanes–Oxley Act section 404, which requires detailed documentation of the design and operation of financial reporting processes. Novo Nordisk must ensure that there are no material weaknesses in the internal controls that could lead to a material misstatement in its financial reporting. The company's conclusion and the auditor's evaluation of these processes are included in its Form 20-F filing to the US Securities and Exchange Commission.

Executive remuneration

Board members

Remuneration of the Board of Directors is aligned with other major Danish companies, and payments made to members of the Board are reported in detail on p 80.

The remuneration of board members is approved by the annual general meeting in connection with the approval of the to additional payments of 0.5 times the base fee or, in the case of the committee chair, 1.25 times the base fee.

Individual board members may take on specific ad hoc tasks outside the normal assigned duties. In such cases the Board determines a fixed fee for the work. This is the case for the R&D

Executives

Executive remuneration is proposed by the Chairmanship and requires the approval of the entire Board. Detailed reporting of 2008 executive pay appears on p 81.

Levels are evaluated annually against a Danish benchmark of large companies with international activities. This

annual report and any proposed changes are announced in advance. Beginning in 2009, remuneration of board members will be a separate agenda item at the Annual General Meeting.

Each board member receives a fixed fee per year. Board members receive a fixed amount (the base fee) while the Chairmanship receives a multiplier thereof: the chairman receives 2.5 times the base fee and the vice chairman 1.5 times. Service on the Audit Committee entitles members

facilitation.

Expenses, such as travel and accommodation in relation to board meetings as well as relevant training, are reimbursed. It will be proposed at the 2009 Annual General Meeting that all board members residing outside Denmark be paid a fixed travel allowance per meeting attended in Denmark. No travel allowance will be paid to board members when attending board meetings outside Denmark.

Board members are not offered stock options, warrants or other incentive schemes.

information is supplemented by information on remuneration levels for similar positions in the international pharmaceutical industry.

Executive remuneration packages consist of a base salary, a short-term cash bonus, a long-term share-based incentive, pensions and other benefits. For executives being expatriated at the request of the company, the remuneration package is based on current Danish remuneration levels, including pension entitlements, while

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a specific expatriation package is added for the period of expatriation.

The short-term cash incentive bonus may yield a maximum annual payout equal to four months' fixed base salary plus pension contribution. The long-term incentive programme may result in a maximum grant per year equal to eight months' fixed base salary plus pension contribution.

Base salary
The base salary for each executive accounts for between 40% and 60% of the total value of the remuneration package.

Short-term incentive programme
The short-term incentive programme consists of a cash bonus linked to the achievement of predefined functional and individual business targets for each executive. The targets for the chief executive officer are set by the chairman of the Board, while targets for executive vice presidents are set by the chief executive officer.

The chairman of the Board evaluates the degree of target achievement for each executive and presents this, along with proposed cash bonus payments, for approval by the Board.

Long-term incentive programme
In January each year the Board decides whether to establish a long-term incentive programme for the calendar year. The programme is based on a calculation of shareholder value creation compared with budgeted performance. In line with Novo Nordisk's long-term financial targets, the calculation of shareholder value creation is based on reported operating profit after tax reduced by a WACC-based (weighted average cost of capital) return requirement on average invested capital.

A proportion of the calculated shareholder value creation is allocated to a joint pool for the participants, which in addition to Executive Management include other senior managers.

For executives the joint pool operates with a yearly maximum allocation per participant equal to eight months' fixed base salary plus pension contribution. The joint pool may, subject to the Board's assessment, be reduced in the event of lower-than-planned performance in significant research and development projects or key sustainability projects. Targets for non-financial performance may include achievement of certain milestones by set dates.

Once the joint pool has been approved by the Board, the total cash amount is converted into Novo Nordisk B shares at market price. The market price is calculated as the average trading price for Novo Nordisk B shares on NASDAQ OMX Copenhagen in the open trading window following the release of financial results for the year prior to the bonus year. The shares in the joint pool are allocated to the participants on a pro rata basis: the chief executive officer has three units, executive vice presidents have two units each and other members of the Senior Management Board have one unit each. Joint pool shares for a given year are locked up for three years before they are transferred to participants.

If an executive resigns during the lockup period, their shares will remain in the joint pool to the benefit of the other participants. In the lock-up period, the Board may remove shares from the joint pool in the event of lower-than-planned value creation in subsequent years if, for example, the economic profit falls below a predefined threshold compared with the budget for a particular year. In the lockup period the value of the joint pool will change depending on the development in the share price, aligning the interests of participants with those of shareholders.

Pension
The pension contribution for executives is between 25% and 30% of the fixed base salary including bonus.

Other benefits
Non-monetary benefits such as company car and phone are negotiated with each executive individually. In addition, the executives may participate in normal programmes that are offered to Novo Nordisk employees.

Severance
In addition to their notice period, executives are entitled, in the event of termination, whether by Novo Nordisk or by the individual due to a merger, acquisition or takeover of Novo Nordisk, to a severance payment of 36 months' fixed base salary plus pension contribution. In the event of termination by Novo Nordisk for other reasons, the severance payment is three months' fixed base salary plus pension contribution per year of employment as an executive, but in no event less than 12 or more than 36 months' fixed base salary plus pension contribution.

The Remuneration Policy for Novo Nordisk Board members and Executive Management is available at novonordisk.com/about_us/corporate_governance/remuneration.asp. Application of the Remuneration Policy in 2008 is described in notes 33 and 34 on pp 78–82. Remuneration for board members and Executive Management will be in accordance with this policy for 2009. This is also expected to be the case for 2010.

Global remuneration strategy

Novo Nordisk aspires to be an employer of choice. The company's remuneration such as continuing education, career progression and working environment are important elements of the 'total rewards' package. employee performance and remuneration. Variable pay is used to reward performance, with base pay increases reflecting market conditions.

strategy aims to attract, retain and motivate employees around the world. Compensation is designed to be competitive and to align interests with those of shareholders.

On a global basis, compensation packages are guided by five broad principles:

• *A total rewards approach*
In addition to base pay, incentives and benefits, non-financial remuneration

• *Market linked*
Salaries, incentives and benefits are positioned and maintained at the level required to be competitive in local markets, generally between the local market median and upper quartile. Novo Nordisk also provides adequate life insurance, health-care and pension provisions irrespective of local competitive practice.

• *Performance linked*
There is a transparent, direct link between

• *Transparency*
Clear communication of remuneration programmes is a priority, and all costs associated with compensation practices are known and publicly disclosed.

• *Flexibility*
Subject to corporate governance or legal requirements, flexibility is encouraged. Flexible solutions must be cost neutral to Novo Nordisk, and adequate levels of insurance must be maintained.

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Board of Directors

Sten Scheibye
Chairman of the Board of Directors

From 1995 to 2008, Mr Scheibye was president and CEO of Coloplast A/S, Denmark. Before joining Coloplast in 1993, Mr Scheibye served as senior vice president, sales and marketing in Leo Pharma A/S, Denmark. He joined Leo Pharma in 1981. Mr Scheibye is chairman of the Board of Governors of DTU (the Technical University of Denmark) and a member of the boards of Danske Bank A/S, DADES A/S, the Industrial Mortgage Fund and the Aase and Ejnar Danielsen Foundation, all of Denmark. Furthermore, he is chairman of the Denmark–America Foundation and vice chairman of the Danish Fulbright Commission.

Mr Scheibye has an MSc in Chemistry and Physics from 1978 and a PhD in Organic Chemistry from 1981, both from the University of Aarhus, Denmark, and a BComm from the Copenhagen Business School, Denmark, from 1983. Mr Scheibye is also an adjunct professor of applied chemistry at the University of Aarhus.

The special competences possessed by Mr Scheibye that are important for the performance of his duties are his knowledge of the healthcare industry, particularly as relates to patients requiring chronic care, and managerial skills relating to international organisations.

ing fellow of the American College of Rheumatology in the US. Dr Ando serves as chairman of the Board of Novexel SA, France, as vice chairman of the Board of S*Bio Pte Ltd, Singapore, and as a board member of Novo A/S, Denmark, Bio*One Capital Pte Ltd, Singapore, NicOx SA, France, Enzon Pharmaceuticals, Inc, US, and EUSA Pharma, UK, CBio Pte, Australia, and Albea Pharmaceuticals AG, Switzerland. Dr Ando also serves as a Senior Advisor to Essex Woodlands Health Ventures UK Ltd. and is chairman of the Scientific Advisory Board, Southwest Michigan First, US.

Dr Ando qualified as a medical doctor at Linköping Medical University, Sweden, in 1973, and as a specialist in general medicine at the same institution in 1978.

The special competences possessed by Dr Ando that are important for the performance of his duties are his medical qualifications and his extensive executive background within the international pharmaceutical industry.

Dr Ando became vice chairman of the Novo Nordisk A/S Board in 2006. Dr Ando has also been designated Research and Deve lopment Facilitator by the Board of Novo Nordisk A/S.

Kurt Briner

Kurt Briner works as an independent consultant to the pharmaceutical and biotech industries and is a board member of OM Pharma, Switzerland, Progenics Pharmaceuticals Inc, US, and GALENICA SA, Switzerland. From 1988 to 1998, he was president and CEO of SanofiPharma, France. He has

Enzymes Division in 1977. After a number of years in various specialist and managerial positions within this area, Mr Gürtler was appointed corporate vice president of Human Resource Development in Novo Nordisk A/S in 1991, and in 1993 he was appointed corporate vice president of Health Care Production. From 1996 to 2000, he was a member of Corporate Management of Novo Nordisk A/S with special responsibility for Corporate Staffs.

Mr Gürtler is chairman of the boards of Novozymes A/S, Copenhagen Airports A/S and COWI A/S, all of Denmark.

Mr Gürtler has an MSc in Chemical Engineering from the Technical University of Denmark (1976).

The special competences possessed by Mr Gürtler that are important for the performance of his duties are his knowledge of the Novo Group's business and its policies and his knowledge of the international biotech industry.

Johnny Henriksen

Johnny Henriksen joined Novo Nordisk in January 1986 and currently works as an environmental adviser in Product Supply.

Mr Henriksen has an MSc in Biology from the University of Copenhagen, Denmark (1977).

Pamela J Kirby

Mr Scheibye became vice chairman of the Board of Directors of Novo Nordisk A/S in 2004 and chairman in 2006.

Göran A Ando, MD
Vice chairman
of the Board
of Directors

Dr Ando was CEO of Celltech Group plc, UK, until 2004. He joined Celltech from Pharmacia, now Pfizer, US, where he was executive vice president and president of R&D with additional responsibilities for manufacturing, IT, business development and M&A from 1995 to 2003. From 1989 to 1995, Dr Ando was medical director, moving to deputy R&D director and then R&D director of Glaxo Group, UK. He was also a member of the Glaxo Group Executive Committee. Dr Ando is a specialist in general medicine and a found-

been chairman of the European Federation of Pharmaceutical Industries and Associations (EFPIA). Mr Briner holds a Diploma of the Commercial Schools of Basel and Lausanne, Switzerland.

The special competences possessed by Mr Briner that are important for the performance of his duties are his executive background and knowledge of the pharmaceutical and biotech industries as well as of global, particularly European pharmaceutical regulations and policies.

Henrik Gürtler

Henrik Gürtler has been president and CEO of Novo A/S, Denmark, since 2000. He was employed by Novo Industri A/S, Denmark, as an R&D chemist in the

Pamela J Kirby is chairman of the Board of Scynexis Inc, US, and a board member of Smith & Nephew plc and Informa plc, both UK. From 2001 to 2003, Dr Kirby was CEO of the contract research organisation Quintiles Transnational Corporation, US, and before that Dr Kirby was director of Global Strategic Marketing of F. Hoffman-La Roche Limited, Switzerland, from 1998 to 2001. From 1996 to 1998, Dr Kirby was commercial director at British Biotech plc, UK, and from 1979 to 1996 Dr Kirby was employed by Astra (now AstraZeneca) in various international positions, most recently as regional director/vice president Corporate Strategy, Marketing and Business Development.

Dr Kirby has a BSc in Pharmacology (1975) and a PhD in Clinical Pharmacology (1978), both from the University of London, UK.

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The special competences possessed by Dr Kirby that are important for the performance of her duties are her scientific qualifications and extensive executive background within the international pharmaceutical and biotech industries, particularly as relates to marketing, strategic planning, clinical trials and lifecycle management in relation to pharmaceutical products.

Anne Marie Kverneland

Anne Marie Kverneland joined Novo Nordisk in July 1981 as a laboratory technician and is currently working as a full-time union steward.

Ms Kverneland has a degree in medical laboratory technology from the Copenhagen University Hospital, Denmark (1980).

Kurt Anker Nielsen

Kurt Anker Nielsen was initially employed in Novo Industri A/S in 1974 as an economist. He served as CFO and deputy CEO of Novo Nordisk A/S until 2000 and from 2000 to 2003, he was CEO of Novo A/S. He serves as vice chairman of the Board of Novozymes A/S and as a member of the boards of the Novo Nordisk Foundation, LifeCycle Pharma A/S, Denmark, and ZymoGenetics, Inc, US. He is chairman of the Board of Reliance A/S, Denmark, and a member of the boards of StatoilHydro ASA, Norway, and Vestas

Mr Nielsen serves as chairman of the Board of Directors of Collstrups Mindelegat, Denmark. Mr Nielsen has an MSc in Commerce and Business Administration from the Copenhagen Business School, Denmark (1972).

The special competences possessed by Mr Nielsen that are important for the performance of his duties are his knowledge of Novo Nordisk A/S and its businesses, his working knowledge of the global pharmaceutical industry and his experience with accounting, financial and capital markets issues.

Mr Nielsen has been chairman of the Audit Committee at Novo Nordisk A/S since 2004 and is also designated as financial expert (as defined by the SEC) [4].

Søren Thuesen Pedersen

Søren Thuesen Pedersen joined Novo Nordisk in January 1994 and is currently working as a specialist in Global Quality Development.

Søren Thuesen Pedersen has been an employee-elected member of the Board of Directors of the Novo Nordisk Foundation since 2002. Mr Pedersen has a BSc in Chemical Engineering from the Danish Academy of Engineers (1988).

Stig Strøbæk

union steward. Stig Strøbæk has been an employee-elected member of the Board of Directors of the Novo Nordisk Foundation since 1998. Mr Strøbæk has a diploma in electrical engineering and a diploma in further training for board members from the Danish Employees' Capital Pension Fund.

Jørgen Wedel

Jørgen Wedel was executive vice president of the Gillette Company, US, until 2001. He was responsible for Commercial Operations, International, and was a member of Gillette's Corporate Management Group. From 2004 to 2008, he was a board member of ELOPAK AS, Norway.

Mr Wedel has an MSc in Commerce and Business Administration from the Copenhagen Business School, Denmark, (1972), majoring in accounting and financing, and an MBA from the University of Wisconsin, US, (1974).

The relevant special competences possessed by Mr Wedel that are important for the performance of his duties are his background as a senior sales and marketing executive in a global company within the consumer goods industry, as well as particular insight into the US market. In addition, he possesses competences in relation to auditing and accounting.

Mr Wedel has been a member of the Audit Committee at Novo Nordisk A/S since 2005 and in January 2009 he was designated as financial expert (as defined by the SEC)[4].

Wind Systems A/S, Denmark. In Novozymes A/S, LifeCycle Pharma A/S, ZymoGenetics, Inc, StatoilHydro ASA and Vestas Wind Systems A/S he is also elected Audit Committee chairman.

Stig Strøbæk joined Novo Nordisk in 1992 as an electrician, and is currently working as a full-time

Name (male/female)	First elected	Term	Nationality	Date of birth	Independence[3]
Sten Scheibye (m)	2003	2009	Danish	03 Oct 1951	Independent
Göran A Ando (m)	2005	2009	Swedish	06 Mar 1949	Not independent[1]
Kurt Briner (m)	2000	2009	Swiss	18 Jul 1944	Independent
Henrik Gürtler (m)	2005	2009	Danish	11 Aug 1953	Not independent[1]
Johnny Henriksen[2] (m)	2002	2010	Danish	19 Apr 1950	Not independent
Pamela J Kirby (f)	2008	2009	British	23 Sep 1953	Independent
Anne Marie Kverneland[2] (f)	2000	2010	Danish	24 Jul 1956	Not independent
Kurt Anker Nielsen (m)	2000	2009	Danish	08 Aug 1945	Not independent[1, 4]
Søren Thuesen Pedersen[2] (m)	2006	2010	Danish	18 Dec 1964	Not independent
Stig Strøbæk[2] (m)	1998	2010	Danish	24 Jan 1964	Not independent
Jørgen Wedel (m)	2000	2009	Danish	10 Aug 1948	Independent[4]

1 Member of management or the Board of Novo A/S or the Novo Nordisk Foundation.
2 Elected by employees of Novo Nordisk.
3 As defined in Section V.4 of *Recommendations for corporate governance* designated by the NASDAQ OMX Copenhagen.
4 Mr Nielsen and Mr Wedel qualify as independent Audit Committee members as defined by the US Securities and Exchange Commission (SEC).

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Executive Management

Lars Rebien Sørensen
President and chief executive officer (CEO)

Lars Rebien Sørensen joined Novo Nordisk's Enzymes Marketing in 1982. Over the years, he has been stationed in several countries, including the Middle East and the US. Mr Sørensen was appointed a member of Corporate Management in May 1994 and given special responsibility within Corporate Management for Health Care in December 1994. He was appointed president and CEO in November 2000.

Mr Sørensen is a member of the boards of ZymoGenetics, Inc, US, and DONG Energy A/S, Denmark, as well as a member of the Bertelsmann AG Supervisory Board, Germany. Mr Sørensen received the French award Chevalier de l'Ordre National de la Légion d'Honneur in 2005. Mr Sørensen has an MSc in Forestry from the Royal Veterinary and Agricultural University (now University of Copenhagen), Denmark, from 1981, and a BSc in International Economics from the Copenhagen Business School, Denmark, from 1983. Since October 2007, Mr Sørensen has been adjunct professor at the Life Sciences Faculty of the University of Copenhagen. Mr Sørensen is a Danish national, born on 10 October 1954.

Jesper Brandgaard
Executive vice president and chief financial officer (CFO)

Jesper Brandgaard joined Novo Nordisk in 1999 as corporate vice president of Corporate Finance and was appointed CFO in November 2000. He serves as chairman of the boards of Simcorp A/S, NNE Pharmaplan A/S and NNIT A/S, all in Denmark. Mr Brandgaard has an MSc in Economics and Auditing from 1990 as well as an MBA from 1995, both from the Copenhagen Business School, Denmark. Mr Brandgaard is a Danish national, born on 12 October 1963.

Lise Kingo
Executive vice president and chief of staffs (COS)

Lise Kingo joined Novo Nordisk's Enzyme Promotion in 1988 and over the years worked to build up the company's Triple Bottom Line approach. In 1999, Ms Kingo was appointed vice president, Stakeholder Relations. She was appointed executive vice president, Corporate Relations, in March 2002. Ms Kingo serves as chair of the board of Steno Diabetes Center A/S, Denmark. She is also associate professor at the Medical Faculty, Vrije Universiteit, Amsterdam, the Netherlands. Ms Kingo has a BA in Religions and a BA in Ancient Greek Art from the University of Aarhus, Denmark, from 1986, a BComm in Marketing Economics from the Copenhagen Business School, Denmark, from 1991, and an MSc in Responsibility and Business Practice from the University of Bath, UK, from 2000. Ms Kingo is a Danish national, born on 3 August 1961.

Kåre Schultz
Executive vice president and chief operating officer (COO)

Kåre Schultz joined Novo Nordisk in 1989 as an economist in Health Care, Economy & Planning. In November 2000, he was appointed chief of staffs. In March 2002, he took over the position of COO. Mr Schultz is a member of the Board of LEGO A/S, Denmark. Mr Schultz has an MSc in Economics from the University of Copenhagen, Denmark, from 1987. Mr Schultz is a Danish national, born on 21 May 1961.

Mads Krogsgaard Thomsen
Executive vice president and chief science officer (CSO)

Mads Krogsgaard Thomsen joined Novo Nordisk in 1991. He was appointed CSO in November 2000. He sits on the editorial boards of international journals and is a member of the Board of Cellartis AB, Sweden.

Dr Thomsen has a DVM from the Royal Veterinary and Agricultural University (now the University of Copenhagen), Denmark, from 1986, where he also obtained a PhD degree in 1989 and a DSc in 1991, and became adjunct professor of pharmacology in 2000. He is a former president of the National Academy of Technical Sciences (ATV), Denmark. Dr Thomsen is a Danish national, born on 27 December 1960.

Other members of the Senior Management

Lars Guldbæk Karlsen – Global Quality

Board

Jesper Bøving – DAPI & CMC Supply
Kim Bundegaard – Facilitation & Group Internal Audit
Flemming Dahl – Biopharmaceuticals
Claus Eilersen – Japan & Oceania
Peter Bonne Eriksen – Regulatory Affairs
Lars Green – Corporate Finance
Jerzy Gruhn – North America
Susanne Hundsbæk-Pedersen – Devices & Sourcing
Jesper Høiland – International Operations
Lars Fruergaard Jørgensen – IT & Corporate Development
Terje Kalland – Biopharmaceuticals Research Unit
Jesper Kløve – Device Research & Development
Per Kogut – NNIT
Peter Kristensen – Global Development
Peter Kurtzhals – Diabetes Research Unit
Lars Christian Lassen – Corporate People & Organisation
Patrick Loustau – Global Marketing
Ole Ramsby – Legal Affairs
Jakob Riis – Liraglutide
Martins Soeters – Europe
Kim Tosti – Diabetes Finished Products
Per Valstorp – Product Supply
Hans Ole Voigt – NNE Pharmaplan

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Shares and capital structure

Novo Nordisk aims to communicate openly with stakeholders about the company's financial and business development as well as strategies and targets. Through active dialogue, the company seeks to obtain fair and efficient pricing of its shares.

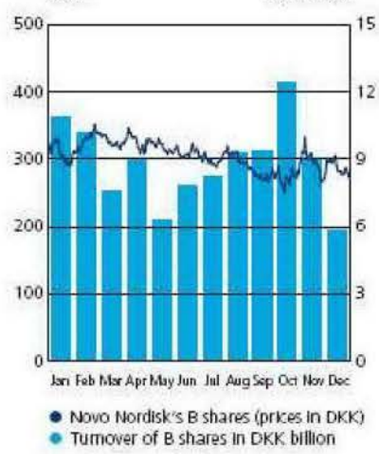
To keep investors updated on financial and operating performance as well as the progress of clinical programmes, Executive Management and Investor Relations travel extensively to meet institutional investors and attend investor conferences.

This ensures that all investors with a major holding of Novo Nordisk shares can attend meetings on a regular basis and that a high number of smaller investors or potential investors also have access. Roadshows are primarily, but not exclusively, held in major European and North American financial centres.

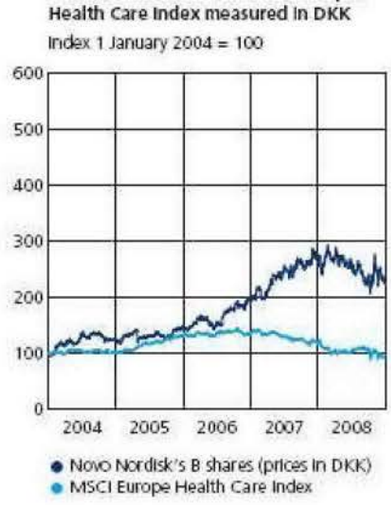
A wide range of other investor activities are held during the year. Investors and financial analysts are welcome to visit Novo Nordisk at the headquarters in Bagsværd, Denmark, as well as at regional headquarters. In 2008, meetings with investor groups were held at regional headquarters in Princeton, US, Beijing, China, Moscow, Russia, and Tokyo, Japan.

Investors and analysts are also invited every year to presentations of the most recent scientific results in connection with the two major medical diabetes conferences, American Diabetes

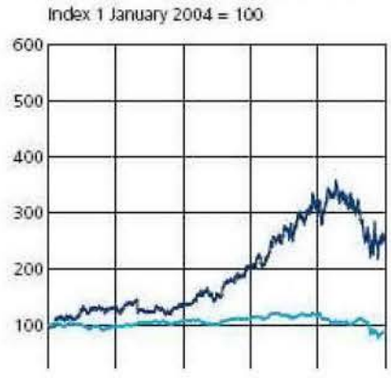
Price development and monthly turnover of Novo Nordisk's B shares on the NASDAQ OMX Copenhagen 2008



Price development of Novo Nordisk's B shares relative to the MSCI Europe Health Care Index measured in DKK



Price development of Novo Nordisk's B shares relative to the MSCI US Health Care Index measured in USD



Share price performance

Novo Nordisk's share price decreased by 19% from its 2007 close of DKK 335 to its 31 December 2008 close of DKK 271.

This was significantly better than the 2008 performance of the NASDAQ OMX Copenhagen 20 Index, down 47%, and in line with the MSCI Europe Health Care Index, down 19%, both measured in Danish kroner. Measured in US dollars, the price of the Novo Nordisk B share decreased by 23%, in line with a US dollar loss of 24% for the MSCI US Health Care Index.

Novo Nordisk's stable share price development is perceived as a reflection of the company's relatively solid position in a growing market with strong operating performance and ongoing progress in research and development.

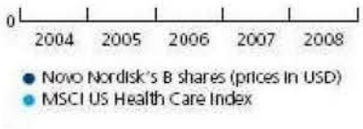
In 2008, factors believed to have impacted the share price positively include a solid operating performance bolstered by solid sales growth, driven by the strategically significant modern insulin products. Substantial productivity increases, achieved through the production efficiency improvement programme cLEAN®, also contributed to a solid improvement in the gross margin of around 1.7 percentage points in 2008.

Within research and development one key event during 2008 believed to strengthen the share price was the simultaneous filing for regulatory approval of liraglutide in Europe and the US followed by filings in Japan and other key markets. Another positive development was the completion of phase 2 clinical development of the new generation of insulins NN1250 and NN5401, which are expected to enter pivotal phase 3 studies in the second half of 2009.

The most significant factors believed to have impacted the share price adversely include the discontinuation of certain research and development projects. Another factor was unfavourable

Association and European Association for the Study of Diabetes.

In September 2008, Novo Nordisk hosted its biennial Capital Markets Day at the company's production site in Hillerød, Denmark. At the Capital Markets Day, Executive Management and senior management provided 120 investors and analysts with updates on the progress in both the diabetes care and biopharmaceuticals pipelines, on productivity improvements in manufacturing and on Novo Nordisk's strategic position in key markets and therapy areas. Presentations and webcasts from key investor events are available on Novo Nordisk's website novonordisk.com/investors.



currency developments, despite the substantial appreciation of some of Novo Nordisk's key invoicing currencies, including the US dollar, in the second half of 2008. Finally, 2008 was also a year with increased regulatory uncertainty for new diabetes compounds.

Capital structure
The Board of Directors believes that the current capital and share structure of Novo Nordisk serves the interests of the shareholders and the company. In the event of excess capital after the funding of organic

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growth opportunities and potential acquisitions, Novo Nordisk's guiding policy is to return capital to investors through dividend payments and share repurchase programmes.

As decided at the Annual General Meeting 2008, a reduction of the company's B share capital, corresponding to approximately 2% of the total share capital, was effected in June 2008 by cancellation of treasury shares. This enables Novo Nordisk to continue to buy back shares without exceeding the limit for a total holding of treasury shares of 10% of the total capital.

In 2008, Novo Nordisk repurchased shares worth 4.7 billion Danish kroner, compared with 4.8 billion kroner in 2007. This is part of the ongoing share repurchase programme for the period 2006–2009. In connection with the release of results for both the first six months and the full year for 2008, the share capital, Novo A/S controls 71.7% of the total number of votes, excluding treasury shares. The total market value of Novo Nordisk's B shares excluding treasury shares was 135 billion kroner at the end of 2008.

Novo Nordisk's B shares are quoted on the NASDAQ OMX Copenhagen and the London Stock Exchange, and on the New York Stock Exchange in the form of ADRs. The B shares are traded in units of 1 Danish krone. The ratio of Novo Nordisk's B shares to ADRs is 1:1. The B shares are issued to the bearer but may, on request, be registered in the holder's name in Novo Nordisk's register of shareholders. As Novo Nordisk B shares are in bearer form, no official record of all shareholders exists. Based on the available sources of information on the company's shareholders, it is estimated that Novo Nordisk's shares at the end of 2008 were distributed as shown in the charts on this page. At the end of 2008, the free float was 70%.

Form 20-F
The Form 20-F Report for 2008 is expected to be filed with the United States Securities and Exchange Commission in February 2009. The report can be downloaded from novonordisk.com/investors.

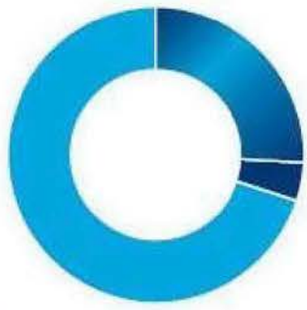
Payment of dividends
Shareholders' enquiries concerning dividend payments, transfer of share certificates, consolidation of shareholder accounts and tracking of lost shares should be addressed to Novo Nordisk's transfer agents (see inside back cover). For 2008, the proposed dividend payments for Novo Nordisk shares are illustrated in the table below. Novo Nordisk does not pay a dividend on its holding of treasury shares. The dividend for 2007 paid in March 2008 was 4.50 Danish kroner per share of 1 krone.

Board of Directors approved an increase of 1.0 billion kroner in the ongoing share repurchase programme, bringing the total share repurchase programme to 18.5 billion kroner. From 2008, the share repurchase programme is primarily conducted in accordance with the provisions of the European Commission's Regulation no 2273/2003 of 22 December 2003, also known as the 'Safe Harbour Regulation'. This programme gives the lead manager, J.P. Morgan Securities Ltd., mandate to purchase shares independently of Novo Nordisk A/S.

As part of the agenda for the Annual General Meeting 2009, the Board of Directors will propose a reduction of the company's B share capital, corresponding to approximately 2% of the total share capital, by cancellation of treasury shares.

Share capital and ownership
Novo Nordisk's total share capital of 634,000,000 Danish kroner is divided into A share capital of nominally 107,487,200 kroner, and B share capital of nominally 526,512,800 kroner, of which 25,721,095 kroner is held as treasury shares (figures as of 31 December 2008). Novo Nordisk's A shares (each 1 krone) are non-listed shares and held by Novo A/S, a Danish public limited liability company which is 100% owned by the Novo Nordisk Foundation. According to the Articles of Association of the Foundation, the A shares cannot be divested by Novo A/S or the Foundation. In addition, as of 31 December 2008 Novo A/S held 54,182,800 kroner of B share capital. Each holding of 1 krone of the A share capital carries 1,000 votes. Each holding of 1 krone of the B share capital carries 100 votes. With 25.5% of the total

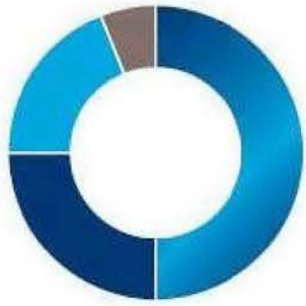
Breakdown of shareholders
% of capital



- Novo A/S, Bagsværd, Denmark 26% (72% *)
- Novo Nordisk A/S 4% (0% *)
- Other 70% (28% *)

* % of votes, excl treasury shares

Geographical distribution of share capital
% of capital



- Denmark 50%
- UK 25%
- North America 19%
- Other 6%

Proposed dividend payment for 2008

A shares of DKK 1	B shares of DKK 1	ADRs
DKK 6.00	DKK 6.00	DKK 6.00

Analyst coverage
Novo Nordisk is currently covered by about 30 analysts, including the top global investment banks that regularly produce research reports about Novo Nordisk. A list of analysts covering Novo Nordisk can be found in the investor section of Novo Nordisk's homepage.

Internet
Novo Nordisk's homepage for investors is novonordisk.com/investors. It includes historical and updated information about Novo Nordisk's activities: press releases from 1995 onwards, financial and non-financial results, a calendar of investor-relevant events, investor presentations, background information and recent annual reports.

Financial calendar 2009

Annual General Meeting 18 March 2009

Dividend	B shares	ADRs
Ex-dividend	19 March	19 March
Record date	23 March	23 March
Payment	24 March	31 March

Announcement of financial results	
First three months	30 April
Half year	6 August
Nine months	29 October
Full year	2 February 2010

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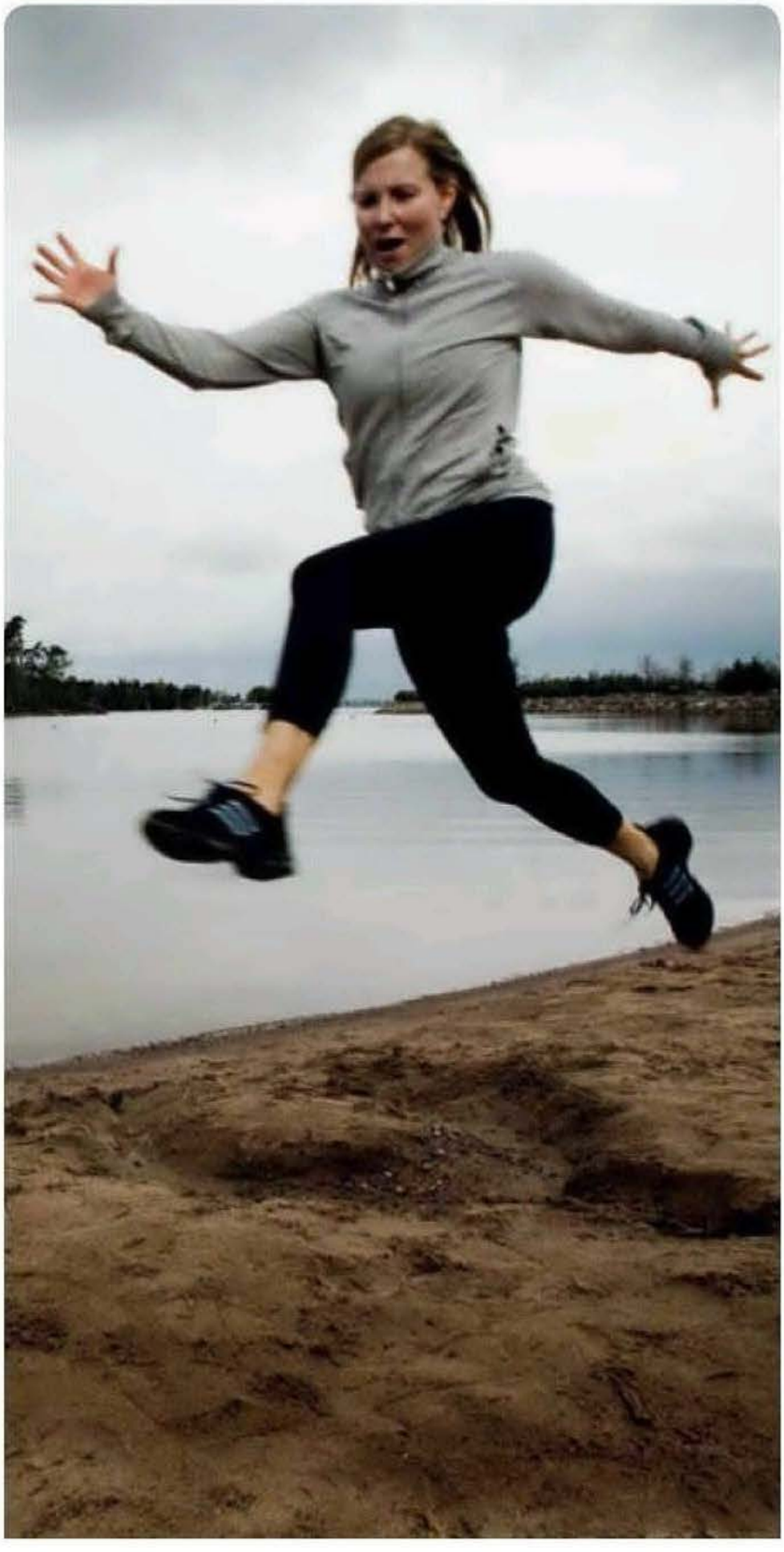

Consolidated financial and non-financial statements 2008

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DKK million	Note	**2008**	2007	2006
Sales	4, 5, 25	**45,553**	41,831	38,743
Cost of goods sold	6, 7	**10,109**	9,793	9,585
Gross profit		**35,444**	32,038	29,158
Sales and distribution costs	6, 7	**12,866**	12,371	11,608
Research and development costs	6, 7	**7,856**	8,538	6,316
– hereof costs related to discontinuation of all pulmonary diabetes projects	*3*	***(325)***	*(1,325)*	–
Administrative expenses	6, 7, 8	**2,635**	2,508	2,387
Licence fees and other operating income (net)	9	**286**	321	272
Operating profit		**12,373**	8,942	9,119
Share of profit/(loss) in associated companies	16	**(124)**	1,233	(260)
Financial income	10	**1,127**	1,303	931
Financial expenses	11	**681**	507	626
Profit before income taxes		**12,695**	10,971	9,164
Income taxes	12	**3,050**	2,449	2,712
Net profit		**9,645**	8,522	6,452
Basic earnings per share (DKK)	13	**15.66**	13.49	10.05
Diluted earnings per share (DKK)	13	**15.54**	13.39	10.00

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DKK million	Note	**31 Dec 2008**	31 Dec 2007
Assets			
Intangible assets	14	**788**	671
Property, plant and equipment	15	**18,639**	19,605
Investments in associated companies	16	**222**	500
Deferred income tax assets	23	**1,696**	2,522
Other financial assets	17	**194**	131
Total long-term assets		**21,539**	23,429
Inventories	18	**9,611**	9,020
Trade receivables	19	**6,581**	6,092
Tax receivables		**1,010**	319
Other receivables	20	**1,704**	1,493
Marketable securities and financial derivatives	17	**1,377**	2,555
Cash at bank and in hand	30	**8,781**	4,823
Total current assets		**29,064**	24,302
Total assets		**50,603**	47,731
Equity and liabilities			
Share capital	21	**634**	647
Treasury shares		**(26)**	(26)
Retained earnings		**33,433**	30,661
Other reserves		**(1,062)**	900
Total equity		**32,979**	32,182
Long-term debt	22	**980**	961
Deferred income tax liabilities	23	**2,404**	2,346
Retirement benefit obligations	24	**419**	362
Other provisions	25	**863**	1,239
Total long-term liabilities		**4,666**	4,908
Short-term debt and financial derivatives	26	**1,334**	405
Trade payables		**2,281**	1,947
Tax payables		**567**	929
Other liabilities	27	**5,853**	4,959
Other provisions	25	**2,923**	2,401
Total current liabilities		**12,958**	10,641
Total liabilities		**17,624**	15,549

Total equity and liabilities	**50,603**	47,731

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DKK million	Note	**2008**	2007	2006
Net profit		**9,645**	8,522	6,452
Adjustment for non-cash items:				
Income taxes		**3,050**	2,449	2,712
Depreciation, amortisation and impairment losses	7	**2,442**	3,007	2,142
Interest income and interest expenses	10, 11	**(385)**	(16)	(73)
Other adjustments for non-cash items	28	**1,436**	(309)	959
Income taxes paid		**(3,172)**	(2,607)	(3,514)
Interest received		**656**	295	391
Interest paid		**(247)**	(324)	(296)
Cash flow before change in working capital		**13,425**	11,017	8,773
Change in working capital:				
(Increase)/decrease in trade receivables and other receivables		**(1,110)**	(702)	(804)
(Increase)/decrease in inventories		**(651)**	(617)	(686)
Increase/(decrease) in trade payables and other liabilities		**1,199**	289	455
Cash flow from operating activities		**12,863**	9,987	7,738
Investments:				
Acquisition of subsidiaries and business units	29	**–**	(59)	–
Sale of intangible assets and long-term financial assets		**–**	–	175
Purchase of intangible assets and long-term financial assets		**(264)**	(118)	(419)
Sale of property, plant and equipment		**18**	40	111
Purchase of property, plant and equipment	15	**(1,772)**	(2,308)	(2,898)
Net change in marketable securities (maturity exceeding three months)		**466**	(541)	514
Dividend received	16	**170**	1,470	–
Net cash used in investing activities		**(1,382)**	(1,516)	(2,517)
Financing:				
Repayment of long-term debt		**(153)**	(18)	(23)
Purchase of treasury shares		**(4,717)**	(4,835)	(3,000)
Sale of treasury shares		**295**	241	210
Dividends paid		**(2,795)**	(2,221)	(1,945)
Cash flow from financing activities		**(7,370)**	(6,833)	(4,758)
Net cash flow		**4,111**	1,638	463
Unrealised gain/(loss) on exchange rates and marketable securities included in cash and cash equivalents		**(2)**	(6)	39

Net change in cash and cash equivalents		**4,109**	1,632	502
Cash and cash equivalents at the beginning of the year		**4,617**	2,985	2,483
Cash and cash equivalents at the end of the year	30	**8,726**	4,617	2,985
Supplemental information:				
Cash and cash equivalents at the end of the year	30	**8,726**	4,617	2,985
Bonds with original term to maturity exceeding three months	17	**997**	1,486	1,001
Undrawn committed credit facilities	26	**7,451**	7,457	7,456
Financial resources at the end of the year		**17,174**	13,560	11,442
Cash flow from operating activities		**12,863**	9,987	7,738
+ Net cash used in investing activities		**(1,382)**	(1,516)	(2,517)
– Net change in marketable securities (maturity exceeding three months)		**466**	(541)	514
Free cash flow		**11,015**	9,012	4,707

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DKK million	Share capital	Treasury shares	Retained earnings	Other reserves: Exchange rate adjustments	Other reserves: Deferred gain/(loss) on cash flow hedges	Other reserves: Other adjustments	Total
2008							
Balance at the beginning of the year	647	(26)	30,661	209	678	13	**32,182**
Net profit for the year			9,645				**9,645**
Deferred (gain)/loss on cash flow hedges at the beginning of the year recognised as financial income/expenses for the year					(615)		**(615)**
Fair value adjustment on financial instruments					(940)		**(940)**
Exchange rate adjustment of investments in subsidiaries				(473)			**(473)**
Fair value adjustments on financial assets available for sale						(9)	**(9)**
Novo Nordisk share of equity recognised by associated companies						39	**39**
Other adjustments						(45)	**(45)**
Tax adjustments				8	18	55	**81**
Net income recognised directly in equity for the year	–	–	–	(465)	(1,537)	40	**(1,962)**
Total recognised income and expense for the year	–	–	9,645	(465)	(1,537)	40	**7,683**
Share-based payment			331				**331**
Purchase of treasury shares		(16)	(4,701)				**(4,717)**
Sale of treasury shares		3	292				**295**
Reduction of the B share capital	(13)	13					**–**
Dividends			(2,795)				**(2,795)**
Balance at the end of the year	634	(26)	33,433	(256)	(859)	53	**32,979**

At the end of the year proposed dividends (not yet declared) of DKK 3,650 million (DKK 6.00 per share) are included in Retained earnings. No dividend is declared on treasury shares.

DKK million	Share capital	Treasury shares	Retained earnings	Other reserves *): Exchange rate adjustments	Other reserves *): Deferred gain/(loss) on cash flow hedges	Other reserves *): Other adjustments	Total
2007							
Balance at the beginning of the year	674	(39)	28,810	156	419	102	30,122
Net profit for the year			8,522				8,522
Deferred (gain)/loss on cash flow hedges at the							

beginning of the year recognised as financial income/expenses for the year					(363)		(363)
Fair value adjustment on financial instruments					634		634
Exchange rate adjustment of investments in subsidiaries				53			53
Fair value adjustments on financial assets available for sale						12	12
Novo Nordisk share of equity recognised by associated companies						(41)	(41)
Other adjustments						21	21
Tax adjustments				0	(12)	(81)	(93)
Net income recognised directly in equity for the year	–	–	–	53	259	(89)	223
Total recognised income and expense for the year	–	–	8,522	53	259	(89)	8,745
Share-based payment			130				130
Purchase of treasury shares		(16)	(4,819)				(4,835)
Sale of treasury shares		2	239				241
Reduction of the B share capital	(27)	27					–
Dividends			(2,221)				(2,221)
Balance at the end of the year	647	(26)	30,661	209	678	13	32,182

*) In 2007 adjustments have been made on other reserves regarding the split of tax adjustments.

At the end of the year proposed dividends (declared) of DKK 2,795 million (DKK 4.50 per share) are included in Retained earnings. No dividend is declared on treasury shares.

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Consolidated financial statements Notes - Consolidated financial statements

1 Summary of significant accounting policies

The Consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and with the International Financial Reporting Standards as adopted by the EU. The Consolidated financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (derivative financial instruments) at fair value through profit or loss.

The Financial statements of the Parent company, Novo Nordisk A/S, are prepared in accordance with The Danish Financial Statements Act. These are presented on pages 105 to 112 and the accounting policies are set out on page 108.

Further, the Annual Report is prepared in accordance with additional Danish disclosure requirements for annual reports for listed companies.

Effects of new accounting pronouncements
In 2008, Novo Nordisk has adopted the following new or revised standards and interpretations endorsed by EU effective for the accounting period beginning on 1 January 2008.

- Interpretation guideline to IAS 19, IFRIC 14 – 'The limit on a defined benefit asset, minimum funding requirement and their interaction'. IFRIC 14 provides guidance on assessing the limit in IAS 19 'Employee benefits' on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The guideline has no impact on the Group's Financial Statements.

The following interpretation of published standards is mandatory for accounting periods beginning on 1 January 2008 but is not relevant to the Group's operations:

- IFRIC 12, 'Service concession arrangements'

Standards early adopted by the Group
The following standard with effective date of 1 January 2009 has been adopted by the group.

- IFRS 8 'Operating segments' was early adopted in 2008. The impact is limited as the reportable segments – diabetes care and biopharmaceuticals
  – are unchanged as they are consistent with the internal reporting provided to management.

- IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the Income statement. All acquisition-related costs should be expensed.

- IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption') (effective from 1 July 2009). The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control.

- IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Disclosure and Presentation', and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009). An investment in associate is treated as a single asset for the purposes of impairment testing. It is not expected to have material impact on the Group's financial statements.

- IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009). Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made.

- IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009). A prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. It is not expected to have a material impact on the Group's financial statements.

- IAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009). The amendment clarifies the handling of plan amendment. The distinction between short-term and long-term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered. It is not expected to have a material impact on the Group's financial statements.

- There are a number of minor amendments to IFRS 7, 'Financial instruments: Disclosures', IAS 1 (Amendment), 'Presentation of financial statements', IAS 8, 'Accounting policies, changes in accounting estimates and errors', IAS 10, 'Events after the reporting period', IAS 18, 'Revenue', IAS 34, 'Interim financial reporting' and IAS 39 (Amendment), 'Financial instruments: Recognition and measurement'. These amendments are not

Standards not adopted by the Group
The following standards and interpretations relevant to Novo Nordisk have been issued and endorsed by EU as per 31 December 2008 and are mandatory for the Group's accounting periods beginning on or after 1 January 2009. These have not yet been adopted by Novo Nordisk:

- IAS 1 (Revised), 'Presentation of financial statements' (effective from1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity (comprehensive income statement).

- IAS 23 (Amendment) 'Borrowing costs' (effective from 1 January 2009). The option of immediately expensing borrowing costs of a qualifying asset will be removed. Given the present capital structure of the Group the impact is expected to be limited.

- IFRS 2 (Amendment), 'Share-based payment' (effective from 1 January 2009). The amended standard deals with vesting conditions and cancellations. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. It is not expected to have a material impact on the Group's financial statements.

Standards not endorsed by EU
- IAS 27 (Revised), 'Consolidated and separate financial statements',(effective from 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. It is not expected to have a material impact on the Group's financial statements.

expected to have an impact on the Group's financial statements.

- IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective from1 January 2009). IFRIC 16 clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the Group. The requirements of IAS 21, 'The effects of changes in foreign exchange rates', do apply to the hedged item. It is not expected to have a material impact on the Group's financial statements.

The following interpretations and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods but are not relevant for the Group's operations:

- IFRS 1 (Amendment) 'First time adoption of IFRS', IAS 27 'Consolidated and separate financial statements', IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows'), IAS 27 (Amendment), 'Consolidated and separate financial statements', IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Disclosure and Presentation' and IFRS 7, 'Financial instruments: Disclosures'), IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies', IAS 31 (Amendment), 'Interests in joint ventures' (and consequential amendments to IAS 32 and IFRS 7), IAS 32 (Amendment), 'Financial instruments: Disclosure and Presentation', IAS 1 (Amendment), 'Presentation of financial statements' –'Puttable financial instruments and obligations arising on liquidation', IAS 37, 'Provisions, contingent liabilities and contingent asset', IAS 38 (Amendment), 'Intangible assets', IAS 40 (Amendment), 'Investment property' (and consequential amendments to IAS 16), IAS 41 (Amendment),

1 Summary of significant accounting policies (continued)

'Agriculture', IAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance', IFRIC 13, 'Customer loyalty programmes' and IFRIC 15, 'Agreements for construction of real estates'.

Principles of consolidation
The Consolidated Financial Statements include the financial statements of Novo Nordisk A/S (the Parent company) and all the companies in which Novo Nordisk A/S directly or indirectly owns more than 50% of the voting rights or in some other way has a controlling influence (subsidiaries). Novo Nordisk A/S and these companies are referred to as the Group.

Companies that are not subsidiaries, but in which the Group holds 20% to 50% of the voting rights or in some other way has a significant influence on the operational and financial management, are treated as associated companies.

The Consolidated financial statements are based on the Financial statements of the Parent company and of the subsidiaries and are prepared by combining items of a uniform nature and eliminating intercompany transactions, shareholdings, balances and unrealised intercompany profits and losses. The Consolidated financial statements are based on financial statements prepared by applying the Group's accounting policies.

The purchase method of accounting is used to account for the acquisition of businesses by the Group. The cost of an acquisition is measured as the fair value of the assets given and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Acquired and divested companies are included in the Income statement during the period of Novo Nordisk's ownership. Comparative figures are not adjusted for disposed or acquired companies.

CRITICAL ACCOUNTING POLICIES

Novo Nordisk's management considers the following to be the most critical accounting policies for the Group.

Sales and revenue recognition
Sales represent the fair value of the sale of goods excluding value added tax and after deduction of provisions for returned products, rebates, trade discounts and allowances.

sale is conditional on future events, the amount is recorded as income at the occurrence of such future events.

Revenue is measured at the fair value of the consideration received or receivable.

Research and development
Due to the long development period and significant uncertainties relating to the development of new products, including risks regarding clinical trials and regulatory approval, it is concluded that the Group's internal development costs in general do not meet the capitalisation criteria in IAS 38 'Intangible Assets'. Consequently, the technical feasibility criteria of IAS 38 are not considered fulfilled before regulatory approval is obtained. Therefore, all internal research and development costs are expensed in the Income statement as incurred.

For acquired in-process research and development projects the effect of probability is reflected in the cost of the asset and the probability recognition criteria are therefore always considered satisfied. As the cost of acquired in-process research and development projects can often be measured reliably, these projects fulfil the criteria for capitalisation. Please refer to the section 'Intangible assets' regarding the accounting treatment of intangible assets.

Property, plant and equipment used for research and development purposes are capitalised and depreciated over their estimated useful lives.

Derivative financial instruments
The Group uses forward exchange contracts, currency options, interest rate swaps and currency swaps to hedge forecasted transactions, assets and liabilities, and net investments in foreign subsidiaries in foreign currencies.

Novo Nordisk applies hedge accounting under the specific rules of IAS 39 'Financial instruments' to forward exchange contracts and currency swaps. Upon initiation of the contract, the Group designates each derivative financial contract that qualifies for hedge accounting as a hedge of a specific hedged transaction: either i) a recognised asset or liability (fair value hedge), ii) a forecasted financial transaction or firm commitment (cash flow hedge), or iii) a hedge of a net investment in a foreign entity.

All contracts are initially recognised at fair value and subsequently re-measured at their fair values at the balance sheet date. The value adjustments on forward exchange contracts designated as hedges of forecasted transactions are recognised directly in equity, given hedge effectiveness. The cumulative value adjustment of these contracts is removed from equity and in cluded in the Income statement under Financial income or Financial expenses when the hedged transaction is

Provisions and accruals for rebates to customers are provided for in the period the related sales are recorded. Historical data are readily available and reliable and are used for estimating the amount of the reduction in sales.

Revenue is recognised when it is realised or realisable and earned. Revenues are considered to have been earned when Novo Nordisk has substantially accomplished what it must do to be entitled to the revenues.

Revenue from the sale of goods is recognised when all the following specific conditions have been satisfied:

- Novo Nordisk has transferred to the buyer the significant risk and rewards of ownership of the goods
- Novo Nordisk retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to Novo Nordisk; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

These conditions are usually met by the time the products are delivered to the customers. Licence fees are recognised on an accrual basis in accordance with the terms and substance of the relevant agreement.

As a principal rule, sale of intellectual property is recorded as income at the time of the sale. Where the Group assumes an obligation in connection with a sale of intellectual property, the income is recognised in accordance with the term of the obligation. On the sale of intellectual property where the final recognised in the Income statement.

Novo Nordisk applies the hedge accounting requirements to interest rate swaps hedging forecasted transactions. Consequently, the fair value effect of interest rate adjustments on these contracts is recognised in equity.

Currency swaps used to hedge net investments in subsidiaries are measured at fair value based on the difference between the swap exchange rate and the exchange rate at the balance sheet date. The value adjustment is recognised in equity.

Currency options are initially recognised at cost and subsequently remeasured at their fair values at the balance sheet date. While providing effective economic hedges under the Group's risk management policy, the current use of currency options does not meet the detailed requirements of IAS 39 for allowing hedge accounting. Currency options are therefore recognised directly in the Income statement under Financial income or Financial expenses.

Forward exchange contracts and currency swaps hedging recognised assets or liabilities in foreign currencies are measured at fair value at the balance sheet date. Value adjustments are recognised in the Income statement under Financial income or Financial expenses, along with any value adjustments of the hedged asset or liability that is attributable to the hedged risk.

All fair values are based on marked-to-market prices or standard pricing models.

The accumulated net fair value of derivative financial instruments is presented as 'Marketable securities and financial derivatives', if positive, or 'Short-term debt and financial derivatives', if negative.

1 Summary of significant accounting policies (continued)

Provisions
Provisions, including tax and legal cases, are recognised where a legal or constructive obligation has been incurred as a result of past events and it is probable that it will lead to an outflow of resources that can be reliably estimated. In this connection Novo Nordisk makes the estimate based upon an evaluation of the individual most likely outcome of the cases. In the case where a reliable estimate cannot be made, these are disclosed as contingent liabilities.

OTHER ACCOUNTING POLICIES

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to executive management, who is responsible for business strategies, allocating resources and addressing performance of the operating segments.

Translation of foreign currencies
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The Consolidated financial statements are presented in Danish kroner (DKK), which is the functional and presentation currency of the Parent company.

Translation of transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as financial assets classified as available-for-sale, are included in the fair value reserve in equity.

Translation of Group companies
Financial statements of foreign subsidiaries are translated into Danish kroner at exchange rates ruling at the balance sheet date for assets and liabilities and at average exchange rates for Income statement items.

All exchange rate adjustments are recognised in the Income statement with the exception of exchange gains and losses arising from:

Other intangible assets
Patents and licences, that include acquired patents and licences to in-process research and development projects, are carried at historical cost less accumulated amortisation and any impairment loss.

Internal development of software and the costs related in connection with major IT projects for internal use are capitalised under Other intangible assets.

Amortisation is provided under the straight-line method over the estimated useful life of the asset as follows:

- IT projects: 3–10 years

For the patents and in-process research and development projects the amortisation commence in the year in which the rights first generate sales.

Property, plant and equipment
Property, plant and equipment are measured at historical cost less accumulated depreciation and any impairment loss. The cost of self-constructed assets includes costs directly attributable to the construction of the assets. Interest on loans financing construction of major investments is recognised as an expense in the period in which it is incurred. Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Land is not depreciated. Depreciation is provided under the straight-line method over the estimated useful lives of the assets as follows:

- Buildings: 12– 50 years
- Plant and machinery: 5 –16 years
- Other equipment: 3 –16 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Leases
Leases of assets whereby the Group assumes substantially all the risks and rewards of ownership are capitalised as finance leases under Property, plant and equipment and depreciated

- The translation of foreign subsidiaries' net assets at the beginning of the year translated at the exchange rates at the balance sheet date
- The translation of foreign subsidiaries' income statements using average exchange rates, whereas balance sheets are translated using the exchange rates ruling at the balance sheet date
- The translation of long-term intercompany receivables that are considered to be an addition to net investments in subsidiaries
- The translation of investments in associated companies

The above exchange gains and losses are recognised in Other reserves under equity.

Licence fees and other operating income (net)
Licence fees and other operating income (net) comprise licence fees and income (net) of a secondary nature in relation to the main activities of the Group. The item also includes non-recurring income items (net) in respect of sale of intellectual property.

Intangible assets
Goodwill
Goodwill represents any cost in excess of identifiable net assets, measured at fair value, in the acquired company. Goodwill recorded under Intangible assets is related to subsidiaries.

Goodwill is measured at historical cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

over the estimated useful lives of the assets, according to the periods listed above. The corresponding finance lease liabilities are included in liabilities.

Operating lease costs are charged to the Income statement on a straight-line basis over the period of the lease.

Investments in associated companies
Investments in associated companies are accounted for under the equity method of accounting (ie at the respective share of the associated companies' net asset value applying Group accounting policies).

Goodwill relating to associated companies is recorded under Investments in associated companies.

Impairment of assets
Assets that have an indefinite useful life, for example brands or goodwill, are tested annually for impairment. The Group assesses the carrying amount of intangible assets and long-lived assets annually, or more frequently if events or changes in circumstances indicate that such carrying amounts may not be recoverable. Factors con sidered material by the Group and that could trigger an impairment test include the following:

- Significant underperformance relative to historical or projected future results
- Significant changes in the manner of the Group's use of the acquired assets or the strategy for its overall business
- Significant negative industry or economic trends

When it is determined that the carrying amount of intangible assets, long-lived assets or goodwill may not be recoverable based upon the existence of one or more of the above indicators of impairment, any impairment is measured based on discounted projected cash flows.