



November 27 2006 / Investor

## Novozymes acquires GroPep Ltd.

**Novozymes announces that all conditions for the completion of the acquisition of GroPep Ltd. have now been fulfilled. The transaction is expected to close on December 12, 2006.**

Further to Stock exchange announcement no. 17 of August 14, 2006, Novozymes A/S ("Novozymes") today announces the successful conclusion of the proposal to acquire 100% of the issued shares of GroPep Limited ("GroPep") at AUD 2.05 per share. The acquisition, which will be effected by way of a Scheme of Arrangement<sup>1</sup>, was subject to certain limited conditions which have now all been fulfilled satisfactorily.

The total aggregate consideration to holders of GroPep shares and options is approximately AUD 100 million (DKK 446 million)<sup>2</sup>. The transaction value corresponds to approximately DKK 394 million on a cash and interest-bearing debt-free basis<sup>3</sup>. Payment is expected to be made on December 12, 2006, which will be the official implementation date.

Novozymes expects GroPep to be de-listed from the Australian Stock Exchange (ASX) November 28, 2006. The new name of the company will be Novozymes GroPep Ltd. The company will become a wholly owned indirect subsidiary of Novozymes and will be included in Novozymes' consolidated accounts as of the closing date.

### Comments from management

"We are looking forward to starting the integration process, and to working with GroPep's talented and knowledgeable employees," says Steen Riisgaard, President and CEO of Novozymes. "The acquisition of GroPep will strengthen Novozymes' position in recombinant ingredients for the biopharmaceutical industry, eventually enabling us to provide a broad platform of non-animal derived ingredients for cell cultures."

"Novozymes is a strong partner which is pursuing a long-term strategy with this acquisition. The GroPep team looks forward to the transition as Novozymes brings resources that will enable the business to grow in a manner that GroPep could not have accomplished alone. We will be able to provide even more support and bring new solutions to our customers," says Bob Finder, Managing Director and CEO of GroPep.

**Strategic fit and synergies**

GroPep's strong position in insulin-like growth factors will fill Novozymes' gap in the cell culture ingredient chain. Combined with Novozymes' other activities within this field, recombinant Human Serum Albumin (rHSA) and recombinant transferrin, this will provide Novozymes with a competitive edge in the area of ingredients of non-animal origin for cell cultures.

The acquisition will position Novozymes as a leading supplier in a new business area with an attractive growth perspective: recombinant ingredients for the biopharmaceutical industry. Looking ahead, the acquisition will enable Novozymes to provide a platform of cell culture media ingredients, allowing substitution of animal-derived ingredients.

The acquisition of GroPep and the combination of the activities within recombinant ingredients to the biopharmaceutical industry are expected to provide the following synergies:

- commercial synergies from eventually being able to provide an animal-free alternative to animal-derived ingredients for cell cultures
- technological synergies from combining the know-how and expertise of GroPep, Novozymes Delta Ltd., Novozymes Biopharma AB and Novozymes

The sound knowledge of fermentation underlying GroPep's technology is also a good strategic match to Novozymes.

**"Biopharmaceutical Ingredients" new business area in 2007**

The acquisition of GroPep supports Novozymes in building a new business area within recombinant ingredients for the biopharmaceutical industry. As of 2007, Novozymes will report sales of the current commercial ingredients for the biopharmaceutical industry as a separate business area, including sales of biopharmaceutical proteins (Novozymes Biopharma AS), recombinant Human Serum Albumin (Novozymes Delta Ltd.) and recombinant insulin-like growth factors (Novozymes GroPep Ltd.). The new business area will be named "Biopharmaceutical Ingredients".

**Outlook**

The acquisition of GroPep is expected to have a slightly negative impact on Novozymes' financial results for 2006. GroPep will be included in the outlook for 2007 as part of Biopharmaceutical Ingredients, which will be announced when Novozymes releases its full-year financial statement for 2006 on January 25, 2007.

---

<sup>1</sup> Details of the Scheme of Arrangement are explained in Stock exchange announcement no. 17 of August 14, 2006 which can be retrieved at [www.novozymes.com](http://www.novozymes.com)

<sup>2</sup> AUD/DKK 4.4572

<sup>3</sup> Based on net interest-bearing assets in GroPep as of October 31, 2006 of AUD 11.2 million.