

NOVO NORDISK A S
Form 6-K
February 02, 2011

**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 2, 2011

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 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

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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Company Announcement

Financial statement for 2010

2 February 2011

Novo Nordisk increased operating profit by 27% in 2010

Organic sales growth of 19% driven by Victoza[®], NovoRapid[®] and Levemir[®]

Sales increased by 19% in Danish kroner and by 13% in local currencies.

- Sales of modern insulins increased by 24% (18% in local currencies).
- Sales of NovoSeven[®] increased by 14% (8% in local currencies).
- Sales of Victoza[®] reached DKK 2,317 million in 2010.
- Sales in North America increased by 29% (22% in local currencies).
- Sales in International Operations increased by 24% (15% in local currencies).

Gross margin improved by 1.2 percentage points in Danish kroner to 80.8% in 2010, reflecting a favourable product mix development and a positive currency impact.

Reported operating profit increased by 27% to DKK 18,891 million. Measured in local currencies, operating profit increased by approximately 16%.

Net profit increased by 34% to DKK 14,403 million. Earnings per share (diluted) increased by 38% to DKK 24.60.

The phase 3a programme for Degludec and DegludecPlus has now been completed. In the largest trial, the one-year trial comparing Degludec and insulin glargine when added to oral anti-diabetic therapy in type 2 diabetes, Degludec met the primary endpoint of non-inferior glucose control while reducing nocturnal hypoglycaemia by more than 35% compared to insulin glargine.

For 2011, sales growth measured in local currencies is expected to be 8-10%, and operating profit growth measured in local currencies is expected to be around 15%.

In 2010, Novo Nordisk reached the four long-term financial targets announced in the annual report for 2008. Consequently, three of the four targets have been increased while the core target of 15% annual operating profit growth has been maintained.

At the Annual General Meeting on 23 March 2011, the Board of Directors will propose a 33% increase in dividend to DKK 10 per share. The Board of Directors has furthermore decided to initiate a new share repurchase programme of DKK 10 billion in 2011.

Lars Rebien Sørensen, president and CEO: 2010 was a very good year for Novo Nordisk with strong organic sales growth driven by the modern insulins and Victoza[®]. We expect continued sales growth from these products and are encouraged by the results from the phase 3 programme with our new generation insulins.

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Consolidated financial statement 2010

The Board of Directors and Executive Management have approved the audited *Annual Report 2010* of Novo Nordisk A/S. The Board of Directors and Executive Management also approved this financial statement containing condensed financial information for 2010. This financial statement is prepared in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) as issued by IASB, IFRS as endorsed by the EU and the additional Danish disclosure requirements for listed companies. The accounting policies used in this financial statement are consistent with those used in the audited *Annual Report 2010* as well as those applied in the audited *Annual Report 2009*.

	2010	2009	2008	2007	2006	% change 2010 vs. 2009
Profit and loss						
(Amounts below in DKK million)						
Sales	60,776	51,078	45,553	41,831	38,743	19%
Gross profit	49,096	40,640	35,444	32,038	29,158	21%
<i>Gross margin</i>	<i>80.8%</i>	<i>79.6%</i>	<i>77.8%</i>	<i>76.6%</i>	<i>75.3%</i>	
Sales and distribution costs	18,195	15,420	12,866	12,371	11,608	18%
<i>Percent of sales</i>	<i>29.9%</i>	<i>30.2%</i>	<i>28.2%</i>	<i>29.6%</i>	<i>30.0%</i>	
Research and development costs	9,602	7,864	7,856	8,538	6,316	22%
<i>Percent of sales</i>	<i>15.8%</i>	<i>15.4%</i>	<i>17.2%</i>	<i>20.4%</i>	<i>16.3%</i>	
Administrative expenses	3,065	2,764	2,635	2,508	2,387	11%
<i>Percent of sales</i>	<i>5.0%</i>	<i>5.4%</i>	<i>5.8%</i>	<i>6.0%</i>	<i>6.2%</i>	
Licence fees and other operating income	657	341	286	321	272	93%
Operating profit	18,891	14,933	12,373	8,942	9,119	27%
<i>Operating margin</i>	<i>31.1%</i>	<i>29.2%</i>	<i>27.2%</i>	<i>21.4%</i>	<i>23.5%</i>	
Net financials	(605)	(945)	322	2,029	45	(36%)
Profit before income taxes	18,286	13,988	12,695	10,971	9,164	31%
Income taxes	3,883	3,220	3,050	2,449	2,712	21%
<i>Effective tax rate</i>	<i>21.2%</i>	<i>23.0%</i>	<i>24.0%</i>	<i>22.3%</i>	<i>29.6%</i>	
Net profit	14,403	10,768	9,645	8,522	6,452	34%
<i>Net profit margin</i>	<i>23.7%</i>	<i>21.1%</i>	<i>21.2%</i>	<i>20.4%</i>	<i>16.7%</i>	

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Consolidated financial statement 2010 continued

Other key numbers						% change 2010 vs. 2009
(Amounts below in DKK million except earnings per share, dividend per share and number of employees)	2010	2009	2008	2007	2006	2009
Depreciation, amortisation, etc	2,467	2,551	2,442	3,007	2,142	(3%)
Capital expenditure	3,308	2,631	1,754	2,268	2,787	26%
Free cash flow	17,013	12,332	11,015	9,012	4,707	38%
Total assets	61,402	54,742	50,603	47,731	44,692	12%
Equity	36,965	35,734	32,979	32,182	30,122	3%
Equity ratio	60.2%	65.3%	65.2%	67.4%	67.4%	
Diluted earnings per share (in DKK)	24.60	17.82	15.54	13.39	10.00	38%
Dividend per share (in DKK) ¹⁾	10.00	7.50	6.00	4.50	3.50	33%
Payout ratio ²⁾	39.6%	40.9%	37.8%	32.8%	34.4%	
Payout ratio (adjusted) ^{3), 4), 5)}	42.8%	-	36.6%	34.9%	-	
Average number of full-time employees	29,423	27,985	26,069	24,344	22,590	5%

1) Proposed dividend for the financial year 2010.

2) Dividend for the year as a percentage of net profit.

3) 2010: Adjusted for divestment of shares in ZymoGenetics.

4) 2008: Adjusted for pulmonary diabetes projects discontinuation.

5) 2007: Adjusted for divestment of shares in Dako and AERx[®] discontinuation.

Performance versus long-term financial targets

Performance against long-term financial targets	2010	2009	2008	2007	2006	Target
Operating profit growth	26.5%	20.7%	38.4%	(1.9%)	12.7%	15%
Operating profit growth (excl AERx [®]) ¹⁾	-	-	23.7%	12.6%	-	
Operating margin	31.1%	29.2%	27.2%	21.4%	23.5%	30%
Operating margin (excl AERx [®]) ¹⁾	-	-	27.9%	24.5%	-	
Return on invested capital	63.6%	47.3%	37.4%	27.2%	25.8%	50%
Return on invested capital (adjusted) ^{2), 3), 4)}	62.4%		38.4%	29.9%		
Cash to earnings	118.1%	114.5%	114.2%	105.7%	73.0%	
Cash to earnings (three years average)	115.6%	111.5%	97.6%	87.0%	80.2%	80%

1) Excluding costs related to the discontinuation of all pulmonary diabetes projects.

2) 2010: Adjusted for tax impact from divestment of shares in ZymoGenetics.

3) 2008: Adjusted for costs related to the discontinuation of pulmonary diabetes projects

4) 2007: Adjusted for tax impact from divestment of shares in Dako and costs related to the discontinuation of AERx[®]

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Sales development

Sales increased by 19% in Danish kroner and by 13% measured in local currencies, which is slightly higher than the latest guidance of 11-12% growth in local currencies. All regions contributed to growth measured in local currencies; North America was the main contributor with 62% share of growth measured in local currencies, followed by International Operations and Europe, contributing 24% and 12%, respectively. Sales growth was realised within both diabetes care and biopharmaceuticals, with the majority of growth originating from the modern insulins and Victoza®.

	Sales 2010 DKK million	Growth as reported	Growth in local currencies	Share of growth in local currencies
The diabetes care segment				
Modern insulins	26,601	24%	18%	57%
<i>NovoRapid</i> ®	11,900	22%	16%	23%
<i>NovoMix</i> ®	7,821	20%	14%	14%
<i>Levemir</i> ®	6,880	32%	26%	20%
Human insulins	11,827	5%	(1%)	(2%)
Protein-related products	2,214	12%	5%	2%
Victoza®	2,317	-	-	32%
Oral antidiabetic products	2,751	4%	(1%)	0%
Diabetes care total	45,710	22%	16%	89%
The biopharmaceuticals segment				
NovoSeven®	8,030	14%	8%	9%
Norditropin®	4,803	9%	4%	2%
Other products	2,233	6%	(1%)	0%
Biopharmaceuticals total	15,066	11%	5%	11%
Total sales	60,776	19%	13%	100%

Diabetes care sales development

Sales of diabetes care products increased by 22% measured in Danish kroner to DKK 45,710 million and by 16% in local currencies compared to 2009. In the following sections, market shares are based on moving annual total volume data from November 2010 provided by the independent third-party IMS Health.

Modern insulins, human insulins and protein-related products

In 2010, sales of modern insulins, human insulins and protein-related products increased by 17% in Danish kroner to DKK 40,642 million and by 11% measured in local currencies compared to 2009, with North America and International Operations having the highest growth rates. Novo Nordisk is the global leader with 51% of the total insulin market and 46% of the modern insulin market.

Sales of modern insulins increased by 24% in Danish kroner to DKK 26,601 million and by 18% in local currencies compared to 2009, reflecting steady organic sales growth globally. All regions realised solid growth rates, with North America accounting for more than half of the growth, followed by International Operations and Europe. Sales of modern insulins now constitute close to 70% of Novo Nordisk's sales of insulin.

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North America

Sales in North America increased by 26% in Danish kroner and by 19% in local currencies in 2010, reflecting a continued solid market penetration of the modern insulins, Levemir[®], NovoLog[®] and NovoLog[®] Mix 70/30. Novo Nordisk maintains its leadership position in the US insulin market with 42% of the total insulin market and 37% of the modern insulin market. Currently, around 43% of Novo Nordisk's modern insulin volume in the US is being sold in the prefilled device FlexPen[®].

Europe

Sales in Europe increased by 4% measured in Danish kroner and by 2% in local currencies in 2010, reflecting continued progress for the portfolio of modern insulins and declining human insulin sales. Novo Nordisk holds 53% of the total insulin market and 51% of the modern insulin market. The device penetration in Europe remains high with more than 95% of Novo Nordisk's insulin volume being used in devices, primarily NovoPen[®] and FlexPen[®].

International Operations

Sales in International Operations increased by 26% in Danish kroner and by 17% in local currencies in 2010. The main contributor to growth was sales of modern insulins, primarily in China. Sales of human insulins continue to add to overall growth in the region, also driven by China.

As of 1 January 2011 a fifth Novo Nordisk sales region, Region China, has been established comprised of China, Taiwan and Hong Kong; therefore going forward, they will no longer constitute a part of International Operations. In China, Novo Nordisk currently holds 63% of the total insulin market and 70% of the modern insulin market.

Japan & Korea

Sales in Japan & Korea increased by 10% measured in Danish kroner and decreased by 2% in local currencies in 2010. The sales development reflects sales growth for all three modern insulins, Levemir[®], NovoRapid[®] and NovoRapid Mix[®] 30, being offset by a decline in human insulin sales. In a continuously challenging competitive environment, Novo Nordisk now holds 63% of the total insulin market in Japan and 56% of the modern insulin market. The device penetration in Japan remains high with more than 98% of Novo Nordisk's insulin volume being used in devices, primarily NovoPen[®] and FlexPen[®].

Victoza[®] (GLP-1 therapy for type 2 diabetes)

Victoza[®] sales reached DKK 2,317 million during 2010 reflecting solid market performance in both Europe and the US. The global launch has continued throughout 2010, most recently Russia, Argentina, Mexico and four countries in the Middle East have launched Victoza[®]. The global market performance has been encouraging with Victoza[®] reaching solid market shares in the GLP-1 segment as well as significantly increasing the GLP-1 class share of the total diabetes care market in 2010.

NovoNorm[®]/Prandin[®]/PrandiMet[®] (oral antidiabetic products)

In 2010, sales of oral antidiabetic products increased by 4% in Danish kroner to DKK 2,751 million and decreased by 1% measured in local currencies compared to 2009. The sales development primarily reflects sales growth in China being offset by lower sales in Europe due to generic competition in several European markets with the main impact in Germany.

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Biopharmaceuticals sales development

In 2010, sales of biopharmaceutical products increased by 11% measured in Danish kroner to DKK 15,066 million and by 5% measured in local currencies compared to 2009.

NovoSeven® (bleeding disorders therapy)

Sales of NovoSeven® increased by 14% in Danish kroner to DKK 8,030 million and by 8% in local currencies compared to 2009. Sales growth for NovoSeven® was primarily realised in North America, but also Japan & Korea and International Operations contributed to the growth.

Norditropin® (growth hormone therapy)

Sales of Norditropin® increased by 9% measured in Danish kroner to DKK 4,803 million and by 4% measured in local currencies compared to 2009. Novo Nordisk is the second-largest company in the global growth hormone market with a 24% market share measured in volume.

Other products

Sales of other products within biopharmaceuticals, which predominantly consist of hormone replacement therapy (HRT)-related products, increased by 6% in Danish kroner to DKK 2,233 million and decreased by 1% measured in local currencies. This development primarily reflects continued sales progress for Vagifem® being offset by the impact from generic competition to Activella® in the US.

Development in costs and operating profit

The cost of goods sold grew 12% to DKK 11,680 million in 2010, and thereby providing a gross margin of 80.8% compared to 79.6% in 2009. This improvement primarily reflects a favourable product mix impact due to increased sales of modern insulins and Victoza®, and a positive currency impact of 0.4 percentage point.

In 2010, total non-production-related costs increased by 18% to DKK 30,862 million and by 14% in local currencies compared to 2009.

Sales and distribution costs increased by 18% to DKK 18,195 million, primarily reflecting the launch costs of Victoza® in Europe and the US, as well as a continued expansion of the field sales forces in Europe, Japan, China and the US, and an increase in the provisions for legal cases.

Research and development costs increased by 22% to DKK 9,602 million, primarily reflecting the ongoing phase 3 programme for the new generation o