

# CHR. HANSEN HOLDING A/S

## STATEMENT OF RESULTS 2014/15

“The progress in 2014/15 was very satisfactory and with organic growth of 10%, we delivered at the upper end of our Nature’s No. 1 growth ambition. The Cultures & Enzymes Division and the Health & Nutrition Division delivered solid organic growth of 9% and 13% respectively. The performance of the Natural Colors Division improved during the year, and with organic growth of 9% for the full year, the division delivered in line with our long-term ambition. The EBIT margin before special items ended at 27.1%, unchanged from 2013/14, as a positive impact from higher sales volume and the stronger USD was offset by increased research & development expenditures related to biological plant protection and the human microbiome initiative,” says CEO Cees de Jong.

“For 2015/16, we expect organic revenue growth of 8-10% and an EBIT margin before special items above the 27.1% in 2014/15.”

### 2014/15 IN BRIEF

#### 2014/15 results

- Revenue of EUR 859 million, compared to EUR 756 million in 2013/14, corresponding to organic growth of 10%. Revenue was positively impacted by changes in exchange rates, primarily by the appreciation of USD
- EBIT before special items of EUR 233 million, compared to EUR 205 million in 2013/14. The EBIT margin before special items was 27.1%, unchanged from 2013/14
- Income taxes of EUR 57 million, equivalent to an effective tax rate of 26%, compared to 27% in 2013/14
- Profit for the year of EUR 163 million, compared to EUR 132 million in 2013/14
- Free cash flow of EUR 151 million, compared to EUR 115 million in 2013/14
- Net interest-bearing debt of EUR 488 million, or 1.7x EBITDA, compared to EUR 404 million, or 1.6x EBITDA, at 31 August 2014.

#### Q4 2014/15 results

- Revenue of EUR 234 million, up 14% on Q4 2013/14, corresponding to organic growth of 11%
- EBIT margin before special items of 31.1%, compared to 30.0% in Q4 2013/14
- Free cash flow of EUR 86 million, compared to EUR 73 million in Q4 2013/14.

#### Dividend

- Interim dividend of EUR 115 million declared in July 2015
- An ordinary dividend for 2014/15 of EUR 0.63 (DKK 4.70) per share, or a total of EUR 82 million is proposed. The ordinary dividend is equivalent to 50% of the profit for the year.

### OUTLOOK FOR 2015/16

Organic revenue growth	8-10%
Research & development expenditures incurred (% of revenue)	6.5-7.0%
EBIT margin before special items	above 2014/15
Free cash flow before acquisitions and divestments	above 2014/15

The Annual Report for 2014/15 was released today, 21 October 2015, and is available from [www.chr-hansen.com](http://www.chr-hansen.com).

## FINANCIAL HIGHLIGHTS AND KEY FIGURES

This Statement of Results has been prepared in accordance with the recognition and measurement requirements of IFRS as adopted by the EU as well as in accordance with additional Danish regulations. Furthermore, the statement has been prepared in accordance with the accounting policies set out in the Annual Report for 2014/15 for Chr. Hansen Holding A/S.

EUR million	Q4 2014/15	Q4 2013/14	Growth	YTD 2014/15	YTD 2013/14	Growth
<b>Income statement</b>						
Revenue	233.6	205.2	14%	858.6	756.2	14%
Gross profit	125.2	106.5	18%	446.4	391.3	14%
EBITDA before special items	86.0	75.2	14%	286.4	256.6	12%
EBIT before special items	72.7	61.7	18%	232.5	204.8	14%
EBIT	72.7	56.7	28%	232.5	195.1	19%
Profit for the period	51.5	38.3	34%	162.5	132.2	23%
<b>Financial position</b>						
Total assets				1,444.6	1,374.9	5%
Equity				600.8	656.8	-9%
Net working capital				138.1	129.8	6%
Net interest-bearing debt				487.6	403.5	21%
<b>Cash flow</b>						
Cash flow from operating activities	111.0	94.1	18%	221.5	176.4	26%
Cash flow used for investing activities	(24.9)	(21.3)	17%	(70.4)	(61.8)	14%
Free cash flow	86.1	72.8	18%	151.1	114.6	32%
<b>Earnings per share</b>						
EPS, diluted	0.39	0.30	30%	1.23	1.00	23%
<b>Key figures</b>						
Organic growth, %	11	8		10	8	
Gross margin, %	53.6	51.7		52.0	51.7	
Operating expenses, %	22.5	21.9		24.9	24.7	
EBITDA margin before special items, %	36.8	36.6		33.4	33.9	
EBIT margin before special items, %	31.1	30.0		27.1	27.1	
EBIT margin, %	31.1	27.6		27.1	25.8	
ROIC excl. goodwill, %	45.1	40.4		37.6	34.9	
R&D, %	5.6	4.9		6.4	6.1	
Capital expenditure, %	10.6	10.9		8.2	8.3	
NWC, %				16.1	17.2	
Net debt to EBITDA				1.7x	1.6x	

## STRATEGIC AND OPERATIONAL HIGHLIGHTS 2014/15

### NATURE'S NO. 1

The Nature's No. 1 strategy was launched in September 2013 with the ambition to pursue growth opportunities in the current core businesses and within new microbial solutions.

#### 1. Fully leveraging the potential of the Cultures & Enzymes Division

Successful start-up and scale-up of new fermentation capacity both in Denmark and Germany with positive impact on profitability.

New go-to-market model in China with direct access to key customers, especially for dairy products, providing a stronger platform to capture attractive growth opportunities in a key market.

Second season of revenue from biological plant protection. In addition, a significant number of field trials conducted to develop new biological plant protection solutions.

Consortium established with leading universities within anaerobic bacteria, and construction of pilot-scale pharma-grade facility initiated.

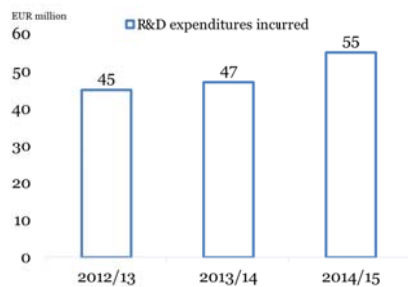
#### 2. Developing the microbial solutions platform in the Health & Nutrition Division

Ongoing efforts to further strengthen market leadership position in human and animal health by strengthening the product portfolio and collaborating with key customers.

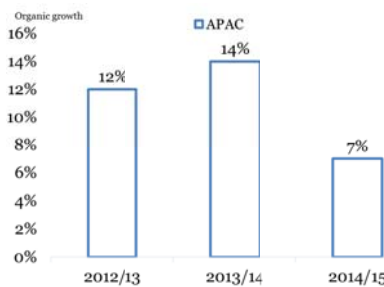
#### 3. Creating further value in the Natural Colors Division

Major reorganization in the Natural Colors Division, including management change and integration of sales and application functions.

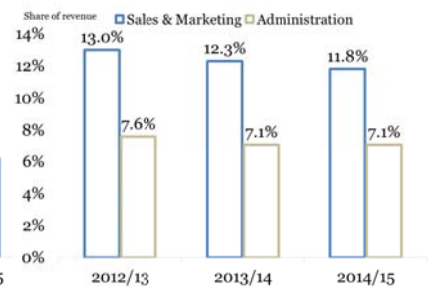
#### 4. DRIVING A STEP CHANGE IN INNOVATION



#### 5. REINFORCING CHR. HANSEN'S POSITION IN EMERGING MARKETS

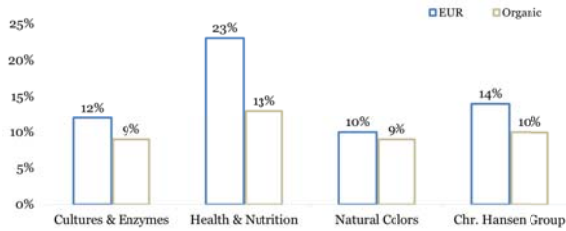


#### 6. GENERATING FUEL FOR GROWTH



## 2014/15 RESULTS

### REVENUE GROWTH BY DIVISION



### REVENUE

Revenue increased by 14% to EUR 859 million, corresponding to organic growth of 10%. Revenue was impacted positively by approximately 5% by changes in exchange rates, primarily by the appreciation of USD. The use of EUR-based pricing in certain countries led to price increases in local currencies, impacting organic growth positively by around 1 percentage point.

### REVENUE BY DIVISION

#### Cultures & Enzymes Division

Revenue increased by 12% to EUR 519 million, corresponding to organic growth of 9%. Organic growth was positively impacted by strong growth in cheese and enzymes. Fermented milk and meat showed solid growth, while organic revenue growth from probiotics was negative.

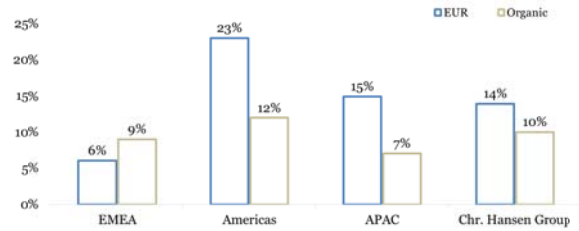
#### Health & Nutrition Division

Revenue increased by 23% to EUR 165 million, corresponding to organic growth of 13%. Human health and plant protection realized strong growth, while animal health delivered modest growth due to a major customer's decision to insource the production of silage inoculants. Revenue was positively impacted by the stronger USD.

#### Natural Colors Division

Revenue increased by 10% to EUR 175 million, corresponding to organic growth of 9%, primarily due to strong growth in the prepared food, confectionery, dairy and meat categories, while revenue from the beverage category was at the same level as in 2013/14.

### REVENUE GROWTH BY REGION



### REVENUE BY REGION

#### EMEA (Europe, Middle East and Africa)

Revenue increased by 6%, with organic growth of 9%. The organic growth was driven by strong growth in cheese, enzymes, meat, human health and natural colors. Fermented milk delivered solid growth, while revenue from probiotics for fermented milk was lower than in 2013/14. Animal health delivered modest growth.

#### Americas (North and South America)

Revenue increased by 23%, with organic growth of 12%. The organic growth was driven by strong growth in cheese, enzymes, human health and natural colors. Fermented milk delivered solid growth, while revenue from probiotics for fermented milk was lower than in 2013/14. Animal health was negatively impacted by a major customer's decision to insource the production of silage inoculants and delivered only modest growth.

#### APAC (Asia-Pacific)

Revenue increased by 15%, with organic growth of 7%. The organic growth was driven primarily by strong growth in cheese, fermented milk and human health. Probiotics for fermented milk showed good growth, while revenue from natural colors was lower than in 2013/14. Growth in fermented milk including probiotics and human health was mainly driven by strong growth in China. Natural colors experienced declining revenue across the region, except for Australia and New Zealand, which experienced good growth from conversion.

**GROSS PROFIT**

Gross profit was EUR 446 million, up 14% on 2013/14. The gross margin increased by 0.3 percentage point to 52.0%. Improved operating efficiency and a positive impact from a stronger USD were partly offset by an unfavorable product mix, startup costs related to new fermentation capacity in the Cultures & Enzymes Division during the first half of 2014/15, and higher raw material prices in the Natural Colors Division.

**OPERATING EXPENSES (% of revenue)**

Operating expenses totaled EUR 214 million (24.9%), compared to EUR 187 million (24.7%) in 2013/14.

Research & development (R&D) expenses including amortization and depreciation amounted to EUR 51 million (5.9%), compared to EUR 43 million (5.7%) in 2013/14.

The net impact from capitalization less amortization of development costs was EUR 4 million (0.5%) in 2014/15, compared to EUR 3 million (0.4%) in 2013/14.

Total R&D expenditures incurred increased by 19% to EUR 55 million (6.4%), compared to EUR 47 million (6.1%) in 2013/14. The increase was mainly due to increased activity within biological plant protection and the human microbiome initiative. The increase relative to revenue was held back by an increase in revenue due to the appreciation of USD, whereas most research & development costs are in EUR.

Sales & marketing expenses amounted to EUR 102 million (11.8%), compared to EUR 93 million (12.3%) in 2013/14. Expenses relative to revenue were reduced, mainly through scale efficiencies.

Administrative expenses amounted to EUR 61 million (7.1%), compared to EUR 54 million (7.1%) in 2013/14. The increase was partly due to costs related to the reorganization of natural colors activities.

Net other operating income/expenses was nil, compared to income of EUR 3 million in 2013/14. The change was primarily due to the reorganization of natural colors activities and a gain from divestment of property in 2013/14.

**SPECIAL ITEMS**

There were no special items in 2014/15, compared to a negative EUR 10 million in 2013/14.

**OPERATING PROFIT (EBIT)**

EBIT amounted to EUR 233 million, compared to EUR 195 million in 2013/14. The EBIT margin was 27.1%, compared to 27.1% before special items (25.8% after special items) in 2013/14.

A positive impact from higher sales volume, a stronger USD and improved operating efficiency in the Cultures & Enzymes Division was offset by increased research & development expenses, an unfavorable product mix, higher raw material costs for natural colors, and costs related to the reorganization of natural colors activities.

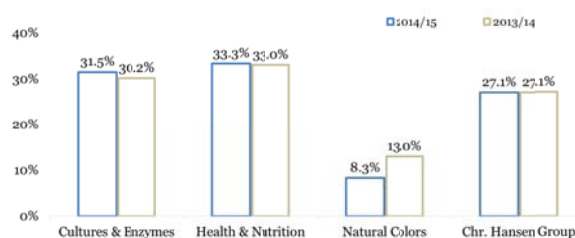
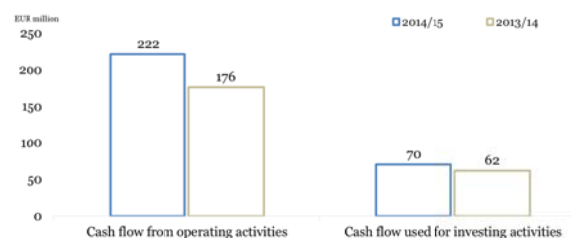
In the Cultures & Enzymes Division, EBIT amounted to EUR 163 million, compared to EUR 140 million in 2013/14. The EBIT margin was 31.5%, up 1.3 percentage points on 2013/14.

Improved operating efficiency from the new fermentation capacity and optimization of the enzyme production footprint, as well as favorable exchange rates, more than offset the startup costs related to the new capacity and an unfavorable product mix.

In the Health & Nutrition Division, EBIT amounted to EUR 55 million, compared to EUR 44 million in 2013/14. The EBIT margin was 33.3%, up 0.3 percentage point on 2013/14.

The positive impacts from higher sales volume and the stronger USD were partly offset by increased research & development expenses related to biological plant protection and the human microbiome initiative, and by an unfavorable product mix within human health products.

In the Natural Colors Division, EBIT amounted to EUR 14 million, compared to EUR 21 million in 2013/14. The EBIT margin was 8.3%, down 4.7 percentage points on 2013/14. The decrease was primarily due to increased raw material costs as a result of the stronger USD, a negative effect from the reorganization, including one-off costs related to the management change, and increased freight costs.

**EBIT MARGIN BEFORE SPECIAL ITEMS****CASH FLOW****NET FINANCIALS AND TAX**

Net financial expenses amounted to EUR 13 million, compared to EUR 14 million in 2013/14. The decrease was primarily due to lower interest rates.

Income taxes were EUR 57 million, equivalent to an effective tax rate of 26%, compared to 27% in 2013/14, mainly due to a reduction in the corporate tax rate in Denmark.

**PROFIT FOR THE YEAR**

Profit for the year increased by 23% to EUR 163 million from EUR 132 million in 2013/14.

**CASH FLOW**

Cash flow from operating activities was EUR 222 million, compared to EUR 176 million in 2013/14. The increase was mainly due to the improved operating profit.

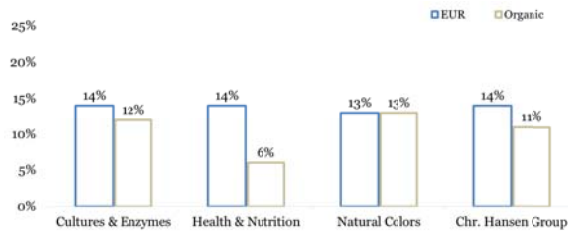
Cash flow used for investing activities was EUR 70 million, or 8.2% of revenue, compared to EUR 62 million, or 8.2% of revenue, in 2013/14. Major investments in 2014/15 included freeze-drying, warehousing, packaging and fermentation capacity for cultures as well as laboratory facilities for plant protection and the human microbiome initiative.

Development expenditures of EUR 10 million, or 1.2% of revenue, were capitalized during 2014/15, compared to EUR 9 million, or 1.2%, in 2013/14.

Free cash flow was EUR 151 million, up from EUR 115 million in 2013/14, primarily due to an improved cash flow from operating activities.

## Q4 RESULTS

### REVENUE GROWTH BY DIVISION



### REVENUE

Revenue increased by 14% to EUR 234 million, corresponding to organic growth of 11%. Revenue was impacted positively by approximately 4% by changes in exchange rates, primarily by the appreciation of USD. The use of EUR-based pricing in certain countries led to price increases in local currencies, impacting organic growth positively by around 1 percentage point.

### REVENUE BY DIVISION

#### Cultures & Enzymes Division

Revenue increased by 14% to EUR 142 million, corresponding to organic growth of 12%. Organic growth was positively impacted by strong growth in cheese, fermented milk, meat and enzymes, while revenue from probiotics was around the same level as in Q4 2013/14.

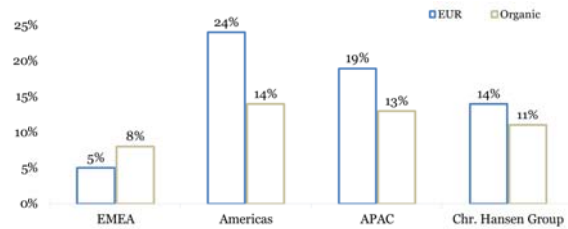
#### Health & Nutrition Division

Revenue increased by 14% to EUR 45 million, corresponding to organic growth of 6%. Human health realized solid growth. Organic growth in animal health products was negatively impacted by a major customer's decision to insource the production of silage inoculants. Revenue was positively impacted by the stronger USD and timing of orders in human health.

#### Natural Colors Division

Revenue increased by 13% to EUR 46 million, corresponding to organic growth of 13%, primarily due to strong growth in the confectionery & ice cream, prepared food, dairy, dietary supplement and meat categories. Revenue from the beverage category was at the same level as in Q4 2013/14.

### REVENUE GROWTH BY REGION



### REVENUE BY REGION

#### EMEA (Europe, Middle East and Africa)

Revenue increased by 5%, with organic growth of 8%. The organic growth was driven by strong growth in cheese, enzymes, meat and natural colors. Fermented milk and human health delivered modest growth, while revenue from probiotics for fermented milk and animal health was lower than in Q4 2013/14. Animal health was negatively impacted by low milk prices, which affected many dairy farmers' financial position.

#### Americas (North and South America)

Revenue increased by 24%, with organic growth of 14%. The organic growth was driven by strong growth in cheese, fermented milk, enzymes, human health and natural colors. Revenue from probiotics for fermented milk and animal health was lower than in Q4 2013/14. Animal health was negatively impacted by a major customer's decision to insource the production of silage inoculants and delivered only modest growth. Revenue was positively impacted by the stronger USD.

#### APAC (Asia-Pacific)

Revenue increased by 19%, with organic growth of 13%. The organic growth was driven primarily by strong growth in cheese, fermented milk including probiotics, enzymes and human health. Revenue from natural colors was lower than in Q4 2013/14. Growth in fermented milk including probiotics was mainly driven by strong growth in China. Natural colors experienced declining revenue across the region, except for Australia and New Zealand, which experienced good growth from further conversion.

**GROSS PROFIT**

Gross profit was EUR 125 million, up 18% on Q4 2013/14. The gross margin increased by 1.9 percentage points to 53.6%. Improved operating efficiency and a positive impact from a stronger USD were partly offset by higher raw material prices and freight costs in the Natural Colors Division.

**OPERATING EXPENSES (% of revenue)**

Operating expenses totaled EUR 53 million (22.5%), compared to EUR 45 million (21.9%) in Q4 2013/14.

Research & development (R&D) expenses including amortization and depreciation amounted to EUR 12 million (5.2%), compared to EUR 10 million (5.0%) in Q4 2013/14.

Total R&D expenditures incurred increased by 29% to EUR 13 million (5.6%), compared to EUR 10 million (4.9%) in Q4 2013/14. The increase was mainly due to increased activity within biological plant protection and the human microbiome initiative. The increase relative to revenue was held back by an increase in revenue due to the appreciation of USD, whereas most research & development costs are in EUR.

Sales & marketing expenses amounted to EUR 25 million (10.8%), compared to EUR 22 million (10.9%) in Q4 2013/14.

Administrative expenses amounted to EUR 16 million (6.8%), compared to EUR 14 million (6.8%) in Q4 2013/14.

Net other operating income/expenses amounted to income of EUR 1 million, compared to income of EUR 2 million in Q4 2013/14.

**SPECIAL ITEMS**

There were no special items in Q4 2014/15, compared to a negative EUR 5 million in Q4 2013/14.

**OPERATING PROFIT (EBIT)**

EBIT amounted to EUR 73 million, compared to EUR 57 million in Q4 2013/14. The EBIT margin was 31.1%, compared to 30.0% before special items (27.6% after special items) in Q4 2013/14.

A positive impact from higher sales volume, a stronger USD and improved operating efficiency in the Cultures & Enzymes Division was partly offset by higher raw material prices and freight costs in the Natural Colors Division.

In the Cultures & Enzymes Division, EBIT amounted to EUR 53 million, compared to EUR 42 million in Q4 2013/14. The EBIT margin was 37.0%, up 3.1 percentage points on Q4 2013/14. The increase was primarily due to improved operating efficiency, favorable exchange rates and higher capitalized development costs.

In the Health & Nutrition Division, EBIT amounted to EUR 17 million, compared to EUR 15 million in Q4 2013/14. The EBIT margin was 36.3%, down 1.1 percentage points on Q4 2013/14. The positive impact from higher sales volume and the stronger USD was more than offset by increased research & development expenses, primarily related to biological plant protection and the human microbiome initiative.

In the Natural Colors Division, EBIT amounted to EUR 4 million, compared to EUR 5 million in Q4 2013/14. The EBIT margin was 8.0%, down 3.2 percentage points on Q4 2013/14. The decrease was primarily due to increased raw material costs, partly as a result of the stronger USD, increased costs following the reorganization, and increased freight costs.

**NET FINANCIALS AND TAX**

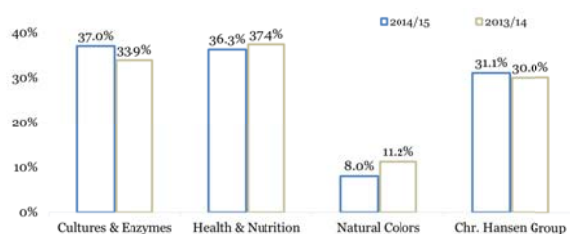
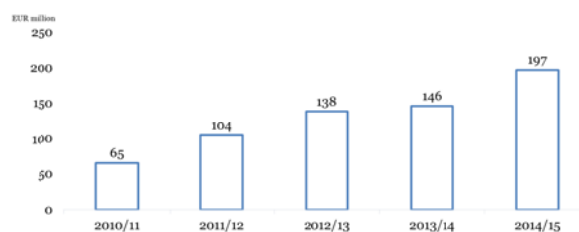
Net financial expenses amounted to EUR 3 million, compared to EUR 4 million in Q4 2013/14. The decrease was primarily due to lower interest rates.

Income taxes were EUR 18 million, equivalent to an effective tax rate of 26%, compared to 28% in Q4 2013/14, mainly due to a reduction in the corporate tax rate in Denmark.

**PROFIT FOR THE PERIOD**

Profit for the period increased by 34% to EUR 52 million from EUR 39 million in Q4 2013/14.



**EBIT MARGIN BEFORE SPECIAL ITEMS (Q4)****TOTAL CASH RETURN****CASH FLOW**

Cash flow from operating activities was EUR 111 million, compared to EUR 94 million in Q4 2013/14. The increase was mainly due to the improved operating profit.

Cash flow used for investing activities was EUR 25 million, or 10.6% of revenue, compared to EUR 21 million, or 10.9% of revenue, in Q4 2013/14.

Development expenditures of EUR 2 million, or 1.0% of revenue, were capitalized in Q4 2014/15, compared to EUR 1 million, or 0.6%, in Q4 2013/14.

Free cash flow was EUR 86 million, up from EUR 73 million in Q4 2013/14, due to the improved cash flow from operating activities.

**SHAREHOLDER RETURN****SHARE PRICE DEVELOPMENT**

The share price developed positively in 2014/15. At the end of August 2015, the share traded at DKK 335, while the share price at 1 September 2014 was DKK 231, corresponding to an increase of DKK 104 per share.

**ORDINARY DIVIDEND 2013/14**

An ordinary dividend for the 2013/14 financial year of DKK 3.77 per share, or a total of EUR 66 million, was paid in December 2014.

**INTERIM DIVIDEND 2014/15**

An interim dividend related to the 2014/15 financial year of DKK 6.57 per share, or a total of EUR 115 million, was paid in July 2015.

**ORDINARY DIVIDEND 2014/15**

An ordinary dividend for 2014/15 of EUR 0.63 (DKK 4.70) per share, or a total of EUR 82 million, is proposed.

The proposed ordinary dividend is equivalent to 50% of the profit for the year.

## QUARTERLY KEY FIGURES

EUR million								
Group	2014/15				2013/14			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Income statement</b>								
Revenue	234	228	209	188	205	198	182	171
Gross profit	125	120	105	96	107	100	95	90
EBITDA before special items	86	77	66	57	75	68	58	56
Depreciation, amortization and impairment losses	(13)	(14)	(14)	(14)	(14)	(13)	(13)	(13)
EBIT before special items	73	64	53	44	62	55	45	43
EBIT	73	64	53	44	57	54	42	43
Net financial expenses	(3)	(2)	(5)	(3)	(4)	(3)	(5)	(3)
Profit before tax	70	62	48	40	53	51	37	40
Income taxes	(18)	(16)	(12)	(11)	(15)	(14)	(10)	(11)
Profit for the period	52	46	36	30	38	37	27	29
<b>Cash flow</b>								
Cash flow from operating activities	111	72	55	(16)	94	55	45	(18)
Cash flow used for investing activities	(25)	(18)	(14)	(14)	(21)	(14)	(13)	(14)
Free cash flow	86	54	42	(30)	73	41	32	(31)
<b>Key figures</b>								
EPS, diluted	0.39	0.35	0.27	0.23	0.30	0.28	0.20	0.22
Organic growth, %	11	7	12	9	8	10	10	1
Gross margin, %	53.6	52.4	50.4	51.2	51.7	50.5	52.4	52.4
EBITDA margin before special items, %	36.8	33.9	31.7	30.3	36.6	34.2	31.9	32.5
EBIT margin before special items, %	31.1	28.0	25.2	23.1	30.0	27.8	24.8	25.2
EBIT margin, %	31.1	28.0	25.2	23.1	27.6	27.4	22.9	24.9
ROIC excl. goodwill, %	45.1	39.0	32.6	28.0	40.4	35.8	30.4	29.5
R&D, %	5.6	6.5	6.9	6.8	4.9	5.9	7.2	6.7
Capital expenditure, %	10.6	7.8	6.5	7.6	10.9	7.2	7.1	7.9
NWC, %	16.1	20.8	21.4	20.7	17.2	20.7	20.3	18.8
Net debt to EBITDA	1.7x	1.6x	1.8x	1.7x	1.6x	1.7x	1.8x	1.4x

## QUARTERLY KEY FIGURES PER DIVISION

EUR million								
Cultures & Enzymes Division	2014/15				2013/14			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Income statement</b>								
Revenue	142	136	123	118	125	118	111	111
EBITDA	62	55	44	42	52	44	40	43
Depreciation, amortization and impairment losses	(10)	(10)	(10)	(10)	(10)	(9)	(10)	(9)
EBIT	53	45	34	32	42	35	30	34
<b>Key figures</b>								
EUR growth, %	14	15	11	7	5	3	5	-2
Organic growth, %	12	8	9	7	8	10	12	4
EBITDA margin, %	43.6	40.1	35.5	35.5	41.7	37.0	35.7	38.7
EBIT margin, %	37.0	32.9	27.4	27.3	33.9	29.1	27.0	30.4
Invested capital excluding goodwill	408	426	419	413	419	425	410	408
ROIC excl. goodwill, %	50.4	42.4	32.4	31.6	40.0	32.9	29.8	33.6

EUR million								
Health & Nutrition Division	2014/15				2013/14			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Income statement</b>								
Revenue	45	43	44	32	40	36	36	24
EBITDA	19	16	18	11	17	16	13	6
Depreciation, amortization and impairment losses	(2)	(2)	(2)	(3)	(2)	(2)	(2)	(2)
EBIT	17	14	16	9	15	14	11	4
<b>Key figures</b>								
EUR growth, %	14	19	31	35	17	13	16	(6)
Organic growth, %	6	6	20	29	18	19	20	(1)
EBITDA margin, %	41.6	37.9	41.0	34.0	43.1	44.4	39.1	26.0
EBIT margin, %	36.3	32.8	35.9	26.3	37.4	38.6	33.0	17.5
Invested capital excluding goodwill	138	139	136	131	101	102	110	105
ROIC excl. goodwill, %	47.5	41.1	47.2	27.0	58.5	53.0	41.3	16.0

EUR million								
Natural Colors Division	2014/15				2013/14			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Income statement</b>								
Revenue	46	49	42	38	41	44	37	37
EBITDA	5	6	5	4	6	8	5	7
Depreciation, amortization and impairment losses	(1)	(2)	(2)	(2)	(2)	(1)	(1)	(1)
EBIT	4	5	3	3	5	7	4	5
<b>Key figures</b>								
EUR growth, %	13	12	13	3	(2)	(2)	(8)	(10)
Organic growth, %	13	6	11	4	1	6	(2)	(4)
EBITDA margin, %	11.1	13.0	10.7	11.1	14.9	18.4	14.2	18.2
EBIT margin, %	8.0	10.0	7.3	7.3	11.2	15.2	10.8	14.6
Invested capital excluding goodwill	86	92	96	94	84	90	91	87
ROIC excl. goodwill, %	16.7	21.0	12.9	12.8	21.1	26.1	22.8	26.7

## FINANCIAL AMBITIONS THROUGH 2017/18

### NATURE'S NO. 1

The Nature's No. 1 strategy was launched in September 2013, and the financial ambitions through 2017/18 were set with 2012/13 as the base year.

### ORGANIC REVENUE GROWTH

Revenue for the Chr. Hansen Group is expected to grow organically by 7-10% per annum.

The Cultures & Enzymes Division is expected to deliver average annual organic growth of 7-8%.

The Health & Nutrition Division is expected to deliver average annual organic growth above 10%.

The Natural Colors Division is expected to deliver average annual organic growth around 10%.

### RESEARCH & DEVELOPMENT

Research & development expenditures incurred as a percentage of revenue are expected to be around 7%.

### EBIT MARGIN BEFORE SPECIAL ITEMS

The EBIT margin before special items is expected to improve over the period compared to 2012/13 (27.2% before impairments). The improvement will be driven by continued focus on strong cost discipline as well as productivity and efficiency gains across the organization, while at the same time investing in innovation, emerging markets and exploration of new growth opportunities.

The EBIT margin in the Cultures & Enzymes Division and the Natural Colors Division is expected to increase over the period.

The EBIT margin in the Health & Nutrition Division is expected to be around 30% during the period as a consequence of increased investment in future growth opportunities.

### FREE CASH FLOW

Free cash flow is expected to increase over the period compared to 2012/13.

## RESPONSIBILITY AMBITIONS FOR 2019/20

Based on a threefold ambition to improve food and health, reduce environmental footprint, and develop and engage people and society, Chr. Hansen has introduced a number of operational targets to guide performance.

Recognizing that corporate social responsibility is a continuous improvement process rather than a static goal, Chr. Hansen assesses its ambition level and performance against targets on an ongoing basis to ensure alignment with the core business strategy and expectations of the Company's key stakeholders.

The targets are:

- FSSC certification of all production sites by 2015/16
- Increase in water, energy and CO<sub>2</sub> consumption must not exceed 50% of growth in production volume by 2019/20 (compared to 2012/13)
- Employee satisfaction and motivation above industry benchmark in every survey
- Lost-time incidents below 3 per million working hours by 2015/16
- 80% of corporate management teams meeting diversity criteria by 2019/20
- Full implementation of responsible sourcing methodology by 2019/20.

## OUTLOOK 2015/16

### ORGANIC GROWTH

Organic revenue growth for 2015/16 is expected to be 8-10%.

The Cultures & Enzymes Division is expected to deliver organic growth in line with the long-term ambitions for the division.

The Health & Nutrition Division is expected to deliver organic growth below last year (13% in 2014/15). The division will be negatively impacted, primarily in the first half of the year, by the decision of a major customer to insource silage inoculant production from Q3 2014/15.

The Natural Colors Division is expected to deliver organic growth above last year (9% in 2014/15). Organic growth is expected to be positively impacted by change in sales prices from increasing raw material prices.

### RESEARCH & DEVELOPMENT

Research & development expenditures incurred as a percentage of revenue are expected to be 6.5-7.0%.

### EBIT MARGIN BEFORE SPECIAL ITEMS

The EBIT margin before special items is expected to be above last year (27.1% in 2014/15).

The improvement is expected to be driven by scalability in the Cultures & Enzymes Division and a general improvement in the Natural Colors Division.

The EBIT margin in the Health & Nutrition Division is expected to be below 2014/15 (33.3%), primarily due to increased investments in long-term growth opportunities.

### FREE CASH FLOW

Free cash flow before acquisitions, divestments and special items is expected to be above last year (EUR 151 million in 2014/15), primarily due to an improvement in operating profit as a result of sales growth and a stronger EBIT margin.

### EXCHANGE RATE SENSITIVITY

Chr. Hansen is a global company serving more than 140 countries through subsidiaries in 30 countries. The greatest source of exchange rate exposure relates to USD, which accounts for around 25% of revenue. Other key currencies are RMB, BRL, RUB, AUD, PLN, MXN, ARS and GBP.

Due to a significant production setup in the US, the exchange rate impact on EBIT is significantly lower than that on revenue.

Based on exchange rate levels at the beginning of October 2015, revenue for 2015/16 will be impacted negatively by approximately 1% compared to 2014/15, while the impact on EBIT will be smaller.

The EBIT margin is sensitive to changes in exchange rates, and to the ability to increase sales prices to reflect changes in raw material prices for natural colors.

The use of currency hedging of balance sheet exposures and future cash flows is described in note 4.3. in the Annual Report for 2014/15 for Chr. Hansen Holding A/S.

# Statement of the Board of Directors and Executive Board

Today, the Board of Directors and Executive Board considered and approved the audited Consolidated Financial Statements in the Annual Report of Chr. Hansen Holding A/S for the financial year ended 31 August 2015.

The Board of Directors and Executive Board also approved this unaudited Statement of Results containing financial information for Q4 2014/15 and condensed financial information for the financial year ended 31 August 2015.

The Consolidated Financial Statements in the Annual Report have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. In addition, the Annual Report has been presented in accordance with additional Danish disclosure requirements for listed companies. We consider the accounting policies applied to be appropriate and the accounting estimates reasonable, and in our opinion the Consolidated Financial Statements in the Annual Report give a true and fair view of the Group's assets, liabilities and financial position at 31 August 2015 and of the results of the Group's operations and cash flows.

This Statement of Results has been prepared in accordance with the accounting policies applied in the Consolidated Financial Statements for the financial year ended 31 August 2015 and additional Danish disclosure requirements for listed companies, and in our opinion the overall presentation of this Statement of Results is adequate.

We further consider that Management's Review in the preceding pages includes a true and fair account of the development and performance of the Group, the results for the year and the financial position, together with a description of the principal risks and uncertainties that the Group faces in accordance with Danish disclosure requirements for listed companies.

Hørsholm, 21 October 2015

## EXECUTIVE BOARD:

**Cees de Jong**  
President and CEO

**Søren Westh Lonning**  
CFO

**Knud Vindfeldt**  
Executive Vice President

## BOARD OF DIRECTORS:

**Ole Andersen**  
Chairman

**Frédéric Stévenin**  
Vice Chairman

**Mark A. Wilson**

**Tiina Mattila-Sandholm**

**Søren Carlsen**

**Dominique Reiniche**

**Kristian Villumsen**

**Per Poulsen**

**Mads Bennedsen**

**Svend Laulund**

## ADDITIONAL INFORMATION

### Conference call

Chr. Hansen will host a conference call on 21 October 2015 at 10:00 am CET. The conference call can be accessed via the Company's website, [www.chr-hansen.com](http://www.chr-hansen.com).

For further information, please contact:

### Cees de Jong, CEO

+45 45 74 74 74

### Søren Westh Lonning, CFO

+45 45 74 74 74

### Anders Mohr Christensen, Senior Director IR

+45 45 74 76 18

### Financial calendar 2015/16

26 November 2015	Annual General Meeting
14 January 2016	Interim Report Q1
7 April 2016	Interim Report Q2
5 July 2016	Interim Report Q3
26 October 2016	Annual Report 2015/16
29 November 2016	Annual General Meeting

### Company information

#### Chr. Hansen Holding A/S

Bøge Allé 10-12  
2970 Hørsholm  
Denmark

Tel. +45 45 74 74 74

[www.chr-hansen.com](http://www.chr-hansen.com)

Company reg. no.: 28318677

### Forward-looking statements

This report contains forward-looking statements. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of Chr. Hansen Holding A/S, may cause actual developments and results to differ materially from the expectations expressed in this report.

### About Chr. Hansen

Chr. Hansen is a global bioscience company that develops natural ingredient solutions for the food, nutritional, pharmaceutical and agricultural industries. Products include cultures, enzymes, probiotics and natural colors, and all solutions are based on strong research and development competencies coupled with significant technology investments. Revenue in the 2014/15 financial year was EUR 859 million. The Company holds a leading market position in all its divisions: Cultures & Enzymes, Health & Nutrition and Natural Colors. It has more than 2,500 dedicated employees in 30 countries and main production facilities in Denmark, France, the US and Germany. Chr. Hansen was founded in 1874 and is listed on Nasdaq Copenhagen. For further information, please visit [www.chr-hansen.com](http://www.chr-hansen.com).