

# CHR. HANSEN HOLDING A/S

## INTERIM REPORT FOR 1 SEPTEMBER 2014 – 28 FEBRUARY 2015

### 2014/15 1H IN BRIEF

Strong organic revenue growth of 11% in the first half of 2014/15: Cultures & Enzymes Division (8% organic growth), Health & Nutrition Division (24%) and Natural Colors Division (8%). EBIT before special items increased by 9% to EUR 96 million.

During the first half of 2014/15, Chr. Hansen was positively impacted by the strengthening USD, while the negative impact from inflation, especially in Russia and Ukraine, was offset by using EUR-based pricing.

EUR million	Q2 2014/15	Q2 2013/14	Growth	1H 2014/15	1H 2013/14	Growth
Revenue	208.8	181.5	15%	396.9	352.8	13%
EBIT b.s.i.	52.5	45.0	17%	96.0	88.1	9%
Profit for the period	35.5	27.1	31%	65.3	56.2	16%
Free cash flow*	41.6	35.7	17%	11.2	5.2	115%
Organic growth	12%	10%		11%	6%	
Gross margin	50.4%	52.4%		50.8%	52.4%	
EBIT margin b.s.i.	25.2%	24.8%		24.2%	25.0%	
ROIC excl. goodwill	32.6%	30.4%		30.6%	29.8%	

\* Before acquisitions, divestments and special items.

*"I'm pleased with our performance in the first half of 2014/15 with strong growth in both microbial-based divisions. It's also promising to see the higher growth in the Natural Colors Division during Q2. The Nature's No. 1 strategy continues to guide the direction for the company, and we've seen good progress within our strategic initiatives," says CEO Cees de Jong.*

*"We continue to invest in innovation and capacity to drive the future growth of the company. Our free cash flow generation remains strong and, consequently, it is our intention to pay out an interim dividend totaling EUR 115 million in connection with the release of our interim report for Q3 2014/15.*

*"We reiterate our expectations for 2014/15 of organic revenue growth of 7-9% and an EBIT margin before special items above 26.5%."*

### OUTLOOK FOR 2014/15

The outlook for the Chr. Hansen Group for 2014/15 is unchanged compared to the announcements of 22 October 2014 and 21 January 2015, whereas the outlook for the divisions has been further specified.

Organic revenue growth	7-9%
Research & development expenditures incurred (% of revenue)	7-8%
EBIT margin before special items	above 26.5%
Free cash flow before acquisitions, divestments and special items	above EUR 130 million

## FINANCIAL HIGHLIGHTS AND KEY FIGURES

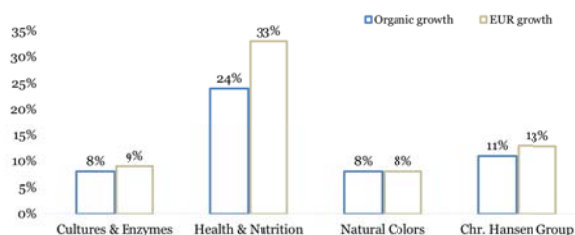
This unaudited interim report has been prepared in accordance with IAS 34 and additional Danish regulations. The interim report has been prepared in accordance with the accounting policies set out in the Annual Report for 2013/14.

EUR million	Q2 2014/15	Q2 2013/14	Growth	YTD 2014/15	YTD 2013/14	Growth
<b>Income statement</b>						
Revenue	208.8	181.5	15%	396.9	352.8	13%
Gross profit	105.3	95.1	11%	201.6	184.8	9%
EBITDA before special items	66.1	57.9	14%	123.2	113.7	8%
EBIT before special items	52.5	45.0	17%	96.0	88.1	9%
EBIT	52.5	41.6	26%	96.0	84.1	14%
Profit for the period	35.5	27.1	31%	65.3	56.2	16%
<b>Financial position</b>						
Total assets				1,407.6	1,358.4	4%
Equity				655.7	629.6	4%
Net working capital				171.6	149.7	15%
Net interest-bearing debt				477.4	445.6	7%
<b>Cash flow</b>						
Cash flow from operating activities	55.1	45.1	22%	39.0	27.5	42%
Cash flow used for investing activities	(13.5)	(12.8)	5%	(27.8)	(26.3)	6%
Free cash flow	41.6	32.3	29%	11.2	1.2	876%
<b>Earnings per share</b>						
EPS, diluted	0.27	0.20	34%	0.50	0.42	18%
<b>Key figures</b>						
Organic growth, %	12	10		11	6	
Gross margin, %	50.4	52.4		50.8	52.4	
Operating expenses, %	25.3	27.6		26.6	27.4	
EBITDA margin before special items, %	31.7	31.9		31.0	32.2	
EBIT margin before special items, %	25.2	24.8		24.2	25.0	
EBIT margin, %	25.2	22.9		24.2	23.9	
ROIC excl. goodwill, %	32.6	30.4		30.6	29.8	
R&D, %	6.9	7.2		6.8	6.9	
Capital expenditure, %	6.5	7.1		7.0	7.5	
NWC, %				21.4	20.3	
Net debt to EBITDA				1.8	1.8	

Organic growth: Increase in revenue adjusted for sales reductions, acquisitions and divestments, and measured in local currency.

## 1H 2014/15

### REVENUE GROWTH BY DIVISION 1H



### MARKET DEVELOPMENT

During the first half of 2014/15 the end markets for fermented milk and cheese continued to grow, albeit at the low end of the historic range of 4-5% for fermented milk, and the market for probiotic yogurts remained under pressure in the EU and Americas.

The markets for probiotic dietary supplements and microbial-based solutions for animal health, continued to grow during the first half of 2014/15, primarily driven by higher penetration levels, especially in the US.

Conversion to natural colors continued in the already highly penetrated European market as well as in Latin America and APAC. Conversion in the US remained slow in the first half of 2014/15, but more recently several food and beverage manufacturers have announced their ambition to convert to natural ingredients including natural colors over the coming years.

### REVENUE

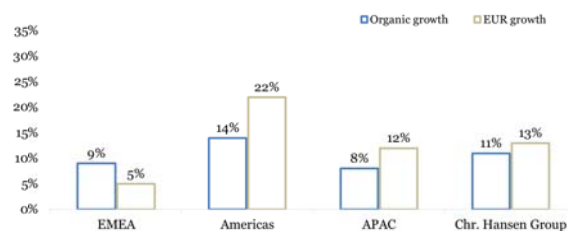
Revenue increased by 13% to EUR 397 million, corresponding to organic growth of 11%. Revenue was impacted positively by 3% by the strengthened USD. The use of EUR-based pricing, especially in Russia and Ukraine, led to price increase in local currencies impacting organic growth positively by 1 percentage point.

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

*47% of revenue*

Revenue increased by 5%, with organic growth of 9%. Organic growth was driven by strong growth in fermented milk, cheese, meat, enzymes and human health products. Natural colors delivered solid growth while revenue from probiotics for fermented milk was lower than in the first half of 2013/14.

### REVENUE GROWTH BY REGION 1H



In Q2, revenue increased by 3%, with organic growth of 8%. Organic growth was driven by strong growth in cheese, fermented milk, meat and natural colors while revenue from probiotics for fermented milk was lower than last year.

#### Americas (North and South America)

*40% of revenue*

Revenue increased by 22%, with organic growth of 14%. Organic growth was driven by strong growth in human and animal health, plant protection, cheese and enzymes. Natural colors delivered solid growth. Fermented milk delivered good growth, while revenue from probiotics for fermented milk was lower than in the first half of 2013/14.

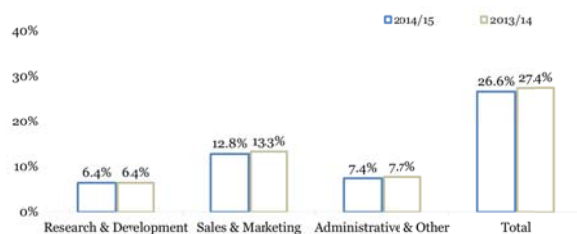
In Q2, revenue increased by 31%, with organic growth of 18%. Organic growth was driven by strong growth in human health, cheese, fermented milk, enzymes and plant protection. Revenue from probiotic cultures for fermented milk was lower than in Q2 2013/14.

#### APAC (Asia-Pacific)

*13% of revenue*

Revenue increased by 12%, with organic growth of 8%. Organic growth was driven by strong growth in fermented milk, cheese, enzymes, human health, and animal health. Probiotics for fermented milk showed a modest decline.

In Q2, revenue increased by 16%, with organic growth of 9%. Organic growth was driven by strong growth in fermented milk, cheese, enzymes, and animal health products. Probiotics for fermented milk showed modest growth.

**OPERATING EXPENSES 1H (% OF REVENUE)****GROSS PROFIT**

Gross profit was EUR 202 million, up 9% on the first half of 2013/14. The gross margin decreased by 1.6 percentage points to 50.8%, primarily due to unfavorable product mix, startup costs related to new fermentation capacity in the Cultures & Enzymes Division and higher raw material prices in the Natural Colors Division.

In Q2, gross profit was EUR 105 million (50.4%), compared to EUR 95 million (52.4%) in Q2 2013/14. The decrease was related to unfavorable product mix, startup cost and a changed go-to-market strategy in China.

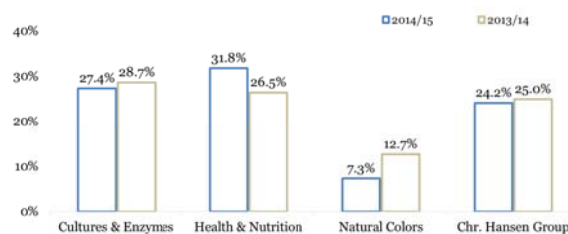
**OPERATING EXPENSES** (% of revenue)

Operating expenses were EUR 106 million (26.6%), compared to EUR 97 million (27.4%) in the first half of 2013/14.

Research & development expenses including amortization amounted to EUR 25 million (6.4%), compared to EUR 23 million (6.4%) in the first half of 2013/14.

EUR million	1H 2014/15	1H 2013/14
R&D expenses (P&L)	25.4	22.5
- Amortization	2.9	2.7
- Impairment	0.0	0.2
+ Capitalization	4.6	5.0
R&D expenditures incurred	27.1	24.5

Capitalized development expenditures were EUR 4.6 million (1.2%), down from EUR 5.0 million (1.4%) in the first half of 2013/14. Total research & development expenditures incurred amounted to EUR 27 million (6.8%), compared to EUR 25 million (6.9%) in the first

**EBIT MARGIN BY DIVISION 1H**

half of 2013/14. The increase in expenditures incurred was mainly due to increased activity within biological plant protection.

Sales & marketing expenses amounted to EUR 51 million (12.8%), compared to EUR 47 million (13.3%) in the first half of 2013/14.

Administrative expenses and net other operating income/expenses amounted to EUR 29 million (7.4%), compared to EUR 27 million (7.7%) in the first half of 2013/14. The increase in expenses was partly due to costs related to segregation of the sales and application organization for natural colors, which was previously part of the global sales organization.

In Q2, operating expenses were EUR 53 million (25.3%), compared to EUR 50 million (27.6%) in Q2 2013/14.

**SPECIAL ITEMS**

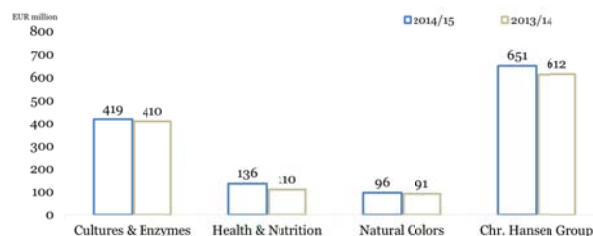
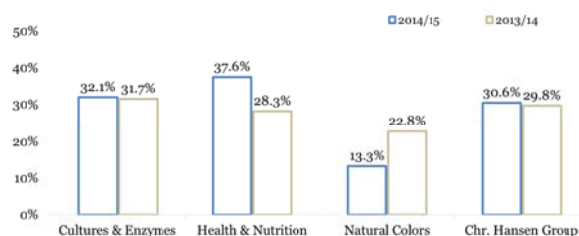
There were no special items in the first half of 2014/15, compared to a negative EUR 4 million in the first half of 2013/14.

**OPERATING PROFIT (EBIT)**

Operating profit (EBIT) amounted to EUR 96 million, compared to EUR 84 million in the first half of 2013/14.

The EBIT margin was 24.2%, compared to 23.9% (or 25.0% before special items) in the first half of 2013/14, as the negative development in gross margin was partly offset by strong cost focus on operating expenses.

In Q2, operating profit (EBIT) amounted to EUR 53 million, compared to EUR 42 million in Q2 2013/14. The EBIT margin was 25.2%, compared to 22.9% (or 24.8% before special items) in Q2 2013/14.

**INVESTED CAPITAL EXCL. GOODWILL 1H****RETURN ON INVESTED CAPITAL EXCL. GOODWILL 1H****NET FINANCIALS AND TAX**

Net financial expenses amounted to EUR 8 million, compared to EUR 7 million in the first half of 2013/14.

Net interest expenses amounted to EUR 6 million, compared to EUR 7 million in the first half of 2013/14. The net impact from exchange rate adjustments and other financial items was a negative EUR 2 million, compared to no impact in the first half of 2013/14.

Income taxes were EUR 23 million, equivalent to an effective tax rate of 26.0%, compared to 27.1% in the first half of 2013/14.

**PROFIT FOR THE PERIOD**

Profit for the period increased by 16% to EUR 65 million from EUR 56 million in the first half of 2013/14.

Earnings per share from continuing operations increased by 19% to EUR 0.50, from EUR 0.42 in the first half of 2013/14.

**ASSETS**

At 28 February 2015, total assets amounted to EUR 1,408 million, compared to EUR 1,358 million a year earlier.

Total non-current assets amounted to EUR 1,107 million, compared to EUR 1,074 million at 28 February 2014. Intangible assets increased by EUR 9 million, due to exchange rate adjustments on goodwill.

Property, plant and equipment increased by EUR 26 million, driven by investments in freeze-drying, warehousing, packaging and fermentation capacity for cultures as well as laboratory facilities for plant protection.

Total current assets amounted to EUR 301 million, compared to EUR 284 million in the first half of 2013/14. Inventories increased by EUR 8 million, or 8%, while receivables increased by EUR 10 million, or 8%. Cash and cash equivalents decreased by EUR 2 million to EUR 53 million.

**NET WORKING CAPITAL**

Net working capital was EUR 172 million, or 21.4% of revenue, compared to EUR 150 million, or 20.3%, in the first half of 2013/14, partly driven by the changed go-to-market strategy in China.

**EQUITY**

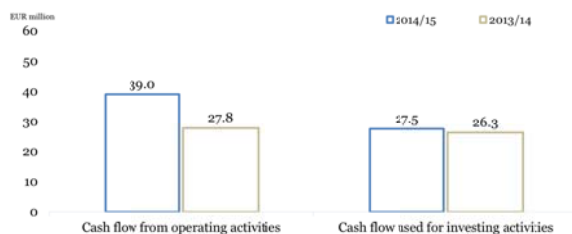
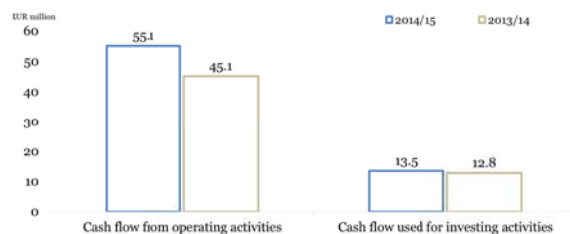
Total equity amounted to EUR 656 million at 28 February 2015, compared to EUR 630 million a year earlier. Dividends for the financial year 2013/14 totaling EUR 66 million were paid out at the start of Q2 2014/15.

**NET DEBT**

Net interest-bearing debt amounted to EUR 477 million, or 1.8x EBITDA, compared to EUR 446 million, or 1.8x EBITDA, at 28 February 2014.

**RETURN ON INVESTED CAPITAL (ROIC) EXCLUDING GOODWILL**

The return on invested capital excluding goodwill was 30.6%, compared to 29.8% in the first half of 2013/14. Invested capital excluding goodwill increased to EUR 651 million, compared to EUR 612 million at 28 February 2014, due to capacity expansions and higher net working capital.

**CASH FLOW 1H****CASH FLOW Q2****CASH FLOW**

Cash flow from operating activities was EUR 39 million, compared to EUR 28 million in the first half of 2013/14. The increase was mainly due to the improved operating profit.

Cash flow used for investing activities was EUR 28 million, compared to EUR 26 million in the first half of 2013/14. Major investments in the first half of 2014/15 included freeze-drying, warehousing, packaging and fermentation capacity for cultures as well as laboratory facilities for plant protection.

Development expenditures of EUR 5 million, or 1.2% of revenue, were capitalized during the first half of 2014/15, compared to EUR 5 million, or 1.4%, in the first half of 2013/14.

Free cash flow was EUR 11 million, up from EUR 1 million in the first half of 2013/14, due to the improved cash flow from operating activities.

In Q2, cash flow from operating activities was EUR 55 million, up from EUR 45 million in Q2 2013/14.

In Q2, cash flow used for investing activities was EUR 14 million, compared to EUR 13 million in 2013/14.

In Q2, free cash flow was EUR 42 million, up from EUR 32 million in Q2 2013/14.

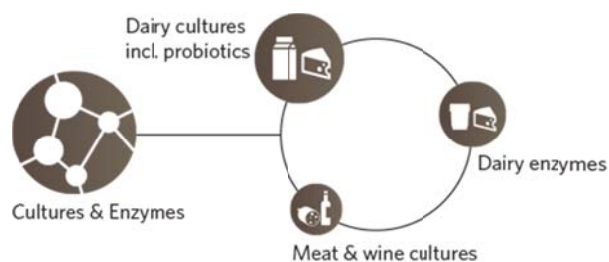
## Segment information

61% of revenue

### CULTURES & ENZYMES DIVISION

EUR million	Q2 2014/15	Q2 2013/14	1H 2014/15	1H 2013/14
Revenue	122.9	110.9	240.7	221.4
Organic growth	9%	12%	8%	7%
EBITDA	43.6	39.6	85.5	82.4
EBITDA margin	35.5%	35.7%	35.5%	37.2%
EBIT	33.7	29.9	65.9	63.5
EBIT margin	27.4%	27.0%	27.4%	28.7%
ROIC excluding goodwill			32.1%	31.7%

#### REVENUE



Revenue increased by 9% to EUR 241 million, corresponding to organic growth of 8%.

Organic growth was mainly driven by strong growth in cheese and enzymes across all regions. Fermented milk and meat also showed strong growth, driven by EMEA and APAC, while organic revenue growth from probiotics was negative in all regions.

In Q2, organic growth was 9%, driven by strong growth across all categories except wine and probiotics, which experienced negative organic growth.

#### EBIT

EBIT amounted to EUR 66 million, compared to EUR 64 million in the first half of 2013/14. The EBIT margin was 27.4%, down 1.3 percentage points on the first half of 2013/14.

Unfavorable product mix, startup costs related to the new fermentation capacity in Copenhagen and negative impact from non-recurring costs related to the changed go-to-market strategy in China were partly offset by improved operating efficiency.

In Q2, the EBIT margin was 27.4%, up 0.4 percentage point from Q2 2013/14. The increase was due to improved operating efficiency.

#### ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 32.1%, compared to 31.7% in the first half of 2013/14. Invested capital increased by EUR 9 million, or 2%, to EUR 419 million. The increase from capacity expansions was partly offset by a reallocation of assets from the Cultures & Enzymes Division to the Health & Nutrition Division.

#### UPDATE ON NATURE'S NO. 1

Ramp-up of the new fermentation capacity in Copenhagen continued, with focus on upscaling the production of specific bacterial strains.

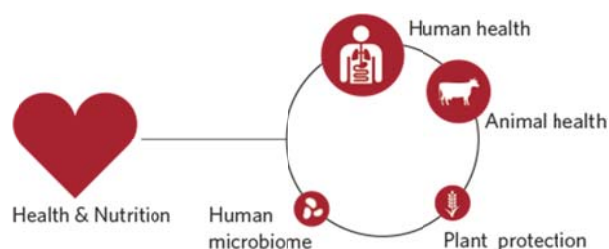
## Segment information

19% of revenue

### HEALTH & NUTRITION DIVISION

EUR million	Q2 2014/15	Q2 2013/14	1H 2014/15	1H 2013/14
Revenue	43.9	33.5	76.3	57.5
Organic growth	20%	20%	24%	10%
EBITDA	18.0	13.1	29.0	19.3
EBITDA margin	41.0%	39.1%	38.0%	33.6%
EBIT	15.8	11.1	24.3	15.3
EBIT margin	35.9%	33.0%	31.8%	26.5%
ROIC excluding goodwill			37.6%	28.3%

#### REVENUE



Revenue increased by 33% to EUR 76 million, corresponding to organic growth of 24%. Human health, animal health and plant protection products all realized strong growth. Revenue was positively impacted by the development in the USD exchange rate.

Organic growth in human health products was primarily driven by dietary supplements in the Americas and EMEA regions, and by cultures for infant formula in APAC.

Organic growth in animal health products was primarily driven by strong growth in the Americas, due to inventory buildup by a major customer ahead of their insourcing of production of silage inoculants effective from Q3 2014/15.

Plant protection delivered strong growth from the sale of biostimulants ahead of the coming sugarcane season in Brazil, though from a low base.

In Q2, organic growth was 20%, driven by strong growth across all three product categories.

#### EBIT

EBIT amounted to EUR 24 million, compared to EUR 15 million in the first half of 2013/14. The EBIT margin was 31.8%, up 5.3 percentage points on 2013/14.

The positive impact from higher sales volume and the development in the USD exchange rate were partly offset by a negative product mix in human health products.

In Q2, the EBIT margin was 35.9%, up 2.9 percentage points from Q2 2013/14, mainly due to the higher sales volume and the positive impact from the development in the USD exchange rate.

#### ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 37.6%, compared to 28.3% in the first half of 2013/14. Invested capital excluding goodwill increased by EUR 26 million, or 24%, to EUR 136 million. The increase was driven by a reallocation of assets from the Cultures & Enzymes Division to the Health & Nutrition Division.

#### UPDATE ON NATURE'S NO. 1

To pursue the opportunities within the human microbiome initiative, Chr Hansen has established a new research and development consortium, partnering with the University of Aberdeen (UK), the University of Groningen (NL) and Wageningen University (NL) to secure access to and commercialization of new anaerobic bacteria strains.



## Segment information

20% of revenue

### NATURAL COLORS DIVISION

EUR million	Q2 2014/15	Q2 2013/14	1H 2014/15	1H 2013/14
Revenue	42.0	37.1	79.9	73.9
Organic growth	11%	(2)%	8%	(3)%
EBITDA	4.5	5.3	8.7	12.0
EBITDA margin	10.7%	14.2%	10.9%	16.2%
EBIT	3.1	4.0	5.8	9.4
EBIT margin	7.3%	10.8%	7.3%	12.7%
ROIC excluding goodwill			13.3%	22.8%

#### REVENUE



Revenue increased by 8% to EUR 80 million, corresponding to organic growth of 8%, primarily due to strong growth in the prepared food, meat and confectionery categories, while revenue from the beverage category was lower than in the first half of 2013/14.

EMEA and Americas showed solid growth. In South America, the meat category delivered strong growth while the general conversion to natural colors in the US market remained slow during the first half of 2014/15.

Revenue in the APAC region was at the same level as last year, with solid growth in prepared food offset by lower activity in beverages.

In Q2, organic growth was 11%, driven by strong growth in the prepared food, meat and confectionery categories. EMEA delivered strong growth, while Americas and APAC showed good growth. In APAC, growth was primarily due to strong growth in China.

#### EBIT

EBIT amounted to EUR 6 million, compared to EUR 9 million in the first half of 2013/14. The EBIT margin was 7.3%, down 5.4 percentage points on the first half of 2013/14.

The decrease was due to increased raw material costs arising from the development in the USD exchange rate, negative impact from product mix and costs related to integration of the sales and application organization.

In Q2, the EBIT margin was 7.3%, down 3.5 percentage points from Q2 2013/14, mainly due to raw material costs, negative impact from product mix and the new go-to-market strategy in China.

#### ROIC

The return on invested capital was 13.3%, compared to 22.8% in the first half of 2013/14. Invested capital increased by EUR 4 million, or 5%, to EUR 96 million. The increase was mainly due to higher trade receivables.

#### UPDATE ON NATURE'S NO. 1

Sales and application activities, which had previously been part of the global sales organization, were fully integrated into the Natural Colors Division in Q2. Additionally, a separate legal entity has been established for the main activities within natural colors.

## OUTLOOK 2014/15

The outlook for the Chr. Hansen Group for 2014/15 is unchanged compared to the announcements of 22 October 2014 and 21 January 2015, whereas outlook for the divisions has been further specified with regard to second half growth in the Health & Nutrition Division and currency impact on EBIT margin in the Health & Nutrition and Natural Colors divisions.

### ORGANIC REVENUE GROWTH

Organic revenue growth for 2014/15 is expected to be 7-9%.

In the Cultures & Enzymes Division, organic growth is expected to be in line with the long-term ambitions for the division (7-8%).

The Health & Nutrition Division has delivered strong growth in the first half of 2014/15 and better than expected within both human and animal health. The performance is partly driven by timing of orders in animal health products, due to inventory build-up by a major customer, ahead of its insourcing of production of silage inoculants effective from Q3 2014/15. This will have a negative impact on the organic growth in the division which is expected to be very modest in the second half of 2014/15. The organic growth for 2014/15 is still expected to be in line with the long-term ambitions for the division (+10%).

In the Natural Colors Division, organic growth is expected to be 5-10%.

### RESEARCH & DEVELOPMENT

Research & development expenditures incurred are expected to be 7-8%.

### EBIT MARGIN BEFORE SPECIAL ITEMS

The EBIT margin before special items is expected to be above 26.5%.

In the Cultures & Enzymes Division, the EBIT margin is expected to be at the same level as in 2013/14.

In the Health & Nutrition Division, the EBIT margin is still expected to be below that of 2013/14. However, the negative impact from increased activity in strategic initiatives, primarily within biological plant protection, is now expected to be partly offset by a positive impact from the appreciated USD.

In the Natural Colors Division, the EBIT margin is now expected to be below that of 2013/14 (previously at or below) as the negative impact from the appreciated USD is estimated to be higher than initially expected.

### FREE CASH FLOW

Free cash flow before acquisitions, divestments and special items is expected to be above EUR 130 million.

---

## DIVIDEND

The Board of Directors regularly assesses whether the capital structure of Chr. Hansen is in the shareholders' best interests. The Board of Directors is committed to maintaining leverage consistent with a solid investment-grade credit profile, while returning excess cash to shareholders either through ordinary and extraordinary dividends or share buyback programs.

To ensure a capital structure in the shareholders best interests, the Board of Directors intends to pay out an interim dividend of a total of EUR 115 million in connection with the release of the interim report for Q3 2014/15.

## SHARE CAPITAL

At the Annual General Meeting of Chr. Hansen Holding A/S held on 27 November 2014, it was decided to reduce the Company's share capital by a nominal amount of DKK 26,474,800 - from DKK 1,344,999,760 to DKK 1,318,524,960 - by canceling 2,647,480 treasury shares of DKK 10 acquired under the Company's share buy-back program.

After the reduction of the share capital, the total number of shares is 131,852,496. At 28 February 2015, Chr. Hansen held 752,042 shares or 0.6% of the share capital in order to meet certain obligations to deliver shares under management incentive programs.

# Statement of the Board of Directors and Executive Board

Today, the Board of Directors and Executive Board have considered and approved the interim report for Chr. Hansen Holding A/S for the period 1 September 2014 to 28 February 2015. The interim report has not been audited or reviewed by the company's independent auditors.

The unaudited interim report has been prepared in accordance with IAS 34 and additional Danish regulations. Furthermore, the interim report has been prepared in accordance with the accounting policies set out in the Annual Report of Chr. Hansen Holding A/S for 2013/14.

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim report is adequate. Furthermore, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 28 February 2015, and of the results of the Group's operations and cash flow for the period 1 September 2014 to 28 February 2015.

We further consider that the 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 period 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, 9 April 2015

## EXECUTIVE BOARD:

**Cees de Jong**  
President and CEO

**Klaus Pedersen**  
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 9 April 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

### Klaus Pedersen, CFO

+45 45 74 76 21

### Anders Mohr Christensen, Senior Director IR

+45 45 74 76 18

### Financial calendar 2014/15

1 July 2015	Interim Report Q3
21 October 2015	Annual Report 2014/15
26 November 2015	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 2013/14 financial year was EUR 756 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 OMX Copenhagen. For further information, please visit [www.chr-hansen.com](http://www.chr-hansen.com).

## Income statement

EUR million	Q2 2014/15	Q2 2013/14	YTD 2014/15	YTD 2013/14
<b>Revenue</b>	208.8	181.5	396.9	352.8
Cost of sales	(103.5)	(86.4)	(195.3)	(168.0)
<b>Gross profit</b>	<b>105.3</b>	<b>95.1</b>	<b>201.6</b>	<b>184.8</b>
Research and development expenses	(13.2)	(12.1)	(25.4)	(22.5)
Sales and marketing expenses	(25.3)	(23.7)	(50.9)	(47.0)
Administrative expenses	(15.1)	(14.7)	(29.5)	(27.8)
Other operating income	0.4	0.4	0.9	0.7
Other operating expenses	0.5	-	(0.6)	(0.1)
<b>Operating profit before special items</b>	<b>52.5</b>	<b>45.0</b>	<b>96.0</b>	<b>88.1</b>
Special items	-	(3.4)	-	(4.0)
<b>Operating profit (EBIT)</b>	<b>52.5</b>	<b>41.6</b>	<b>96.0</b>	<b>84.1</b>
Net financial expenses	(4.6)	(4.5)	(7.8)	(7.1)
<b>Profit before tax</b>	<b>47.9</b>	<b>37.1</b>	<b>88.2</b>	<b>77.1</b>
Income taxes	(12.4)	(10.1)	(22.9)	(20.9)
<b>Profit for the period</b>	<b>35.5</b>	<b>27.1</b>	<b>65.3</b>	<b>56.2</b>
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	<b>35.5</b>	<b>27.1</b>	<b>65.3</b>	<b>56.2</b>
<b>Earnings per share, EUR:</b>				
Earnings per share, continuing operations	0.27	0.20	0.50	0.42
Earnings per share, continuing operations, diluted	0.27	0.20	0.50	0.42

## Statement of comprehensive income

EUR million	Q2 2014/15	Q2 2013/14	YTD 2014/15	YTD 2013/14
<b>Profit for the period</b>	<b>35.5</b>	<b>27.1</b>	<b>65.3</b>	<b>56.2</b>
Currency translation of foreign Group companies	1.9	(5.0)	(0.2)	(8.0)
Cash flow hedges	-	0.8	(1.1)	0.5
Tax related to cash flow hedges	-	(0.2)	-	(0.1)
Other comprehensive income for the period	1.9	(4.4)	(1.3)	(7.6)
<b>Total comprehensive income for the period</b>	<b>37.4</b>	<b>22.7</b>	<b>64.0</b>	<b>48.6</b>
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	<b>37.4</b>	<b>22.7</b>	<b>64.0</b>	<b>48.6</b>

## Balance sheet

EUR million	28 Feb 2015	28 Feb 2014	31 Aug 2014
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	620.5	602.6	609.8
Other intangible assets	152.8	142.7	137.1
Intangible assets in progress	17.5	36.2	37.2
	<b>790.8</b>	<b>781.5</b>	<b>784.1</b>
<b>Property, plant and equipment</b>			
Land and buildings	133.0	122.3	125.4
Plant and machinery	112.5	85.0	83.5
Other fixtures and equipment	13.3	10.7	14.0
Property, plant and equipment in progress	50.0	64.9	77.0
	<b>308.8</b>	<b>282.9</b>	<b>299.9</b>
<b>Other non-current assets</b>			
Deferred tax	7.2	9.7	6.3
	<b>7.2</b>	<b>9.7</b>	<b>6.3</b>
<b>Total non-current assets</b>	<b>1,106.8</b>	<b>1,074.1</b>	<b>1,090.3</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables	22.9	20.6	19.2
Work in progress	40.2	37.9	35.5
Finished goods and goods for resale	48.3	45.0	45.0
	<b>111.4</b>	<b>103.5</b>	<b>99.7</b>
<b>Receivables</b>			
Trade receivables	117.4	103.9	111.5
Tax receivables	1.9	4.7	1.9
Other receivables	9.4	10.4	8.2
Prepayments	7.7	7.3	5.7
	<b>136.4</b>	<b>126.3</b>	<b>127.3</b>
<b>Cash and cash equivalents</b>	<b>53.0</b>	<b>54.5</b>	<b>57.6</b>
<b>Total current assets</b>	<b>300.8</b>	<b>284.3</b>	<b>284.6</b>
<b>Total assets</b>	<b>1,407.6</b>	<b>1,358.4</b>	<b>1,374.9</b>

## Balance sheet

EUR million	28 Feb 2015	28 Feb 2014	31 Aug 2014
<b>Equity</b>			
Share capital	177.0	180.3	180.5
Reserves	478.7	449.3	476.3
<b>Total equity</b>	<b>655.7</b>	<b>629.6</b>	<b>656.8</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employee benefit obligations	6.1	5.6	6.0
Deferred tax	57.0	64.3	52.7
Provisions	2.4	1.8	2.5
Borrowings	495.7	487.7	449.2
Tax payables	19.5	16.5	19.5
Other non-current debt	0.6	1.0	1.4
	<b>581.3</b>	<b>576.9</b>	<b>531.3</b>
<b>Current liabilities</b>			
Provisions	-	0.3	-
Borrowings	34.7	12.4	11.9
Prepayments from customers	1.3	0.6	1.0
Trade payables	57.2	57.7	81.4
Tax payables	13.2	18.1	29.8
Other payables	64.2	62.8	62.7
	<b>170.6</b>	<b>151.9</b>	<b>186.8</b>
<b>Total liabilities</b>	<b>751.9</b>	<b>728.8</b>	<b>718.1</b>
<b>Total equity and liabilities</b>	<b>1,407.6</b>	<b>1,358.4</b>	<b>1,374.9</b>



## Statement of changes in equity

1 September 2014 - 28 February 2015

Shareholders of Chr. Hansen Holding A/S					
EUR million	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
<b>1 September 2014</b>	<b>180.5</b>	<b>(21.3)</b>	<b>(3.0)</b>	<b>500.6</b>	<b>656.8</b>
Total comprehensive income for the period, cf. statement of comprehensive income	-	(0.2)	(1.1)	65.3	<b>64.0</b>
<b>Transactions with owners:</b>					
Reduction of share capital	(3.5)	-	3.5	-	-
Purchase of treasury shares	-	-	-	(7.3)	<b>(7.3)</b>
Exercised share options	-	-	-	8.0	<b>8.0</b>
Share-based payment	-	-	-	0.6	<b>0.6</b>
Dividend	-	-	-	(66.4)	<b>(66.4)</b>
<b>28 February 2015</b>	<b>177.0</b>	<b>(21.5)</b>	<b>(0.6)</b>	<b>500.8</b>	<b>655.7</b>

1 September 2013 - 28 February 2014

Shareholders of Chr. Hansen Holding A/S					
EUR million	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
<b>1 September 2013</b>	<b>180.3</b>	<b>(19.7)</b>	<b>(3.0)</b>	<b>523.4</b>	<b>681.0</b>
Change in accounting principles	-	-	-	(0.4)	<b>(0.4)</b>
Total comprehensive income for the period, cf. statement of comprehensive income	-	(8.0)	0.4	56.2	<b>48.6</b>
<b>Transactions with owners:</b>					
Exercised share options	-	-	-	26.3	<b>26.3</b>
Purchase of treasury shares	-	-	-	(16.0)	<b>(16.0)</b>
Share-based payment	-	-	-	1.7	<b>1.7</b>
Dividend	-	-	-	(111.6)	<b>(111.6)</b>
<b>28 February 2014</b>	<b>180.3</b>	<b>(27.7)</b>	<b>(2.6)</b>	<b>479.6</b>	<b>629.6</b>

## Statement of cash flows

EUR million	Q2 2014/15	Q2 2013/14	YTD 2014/15	YTD 2013/14
<b>Operating profit</b>	<b>52.5</b>	<b>41.6</b>	<b>96.0</b>	<b>84.1</b>
Non-cash adjustments	13.9	13.8	26.4	27.2
Change in working capital	(5.0)	(1.1)	(42.4)	(41.5)
Interest payments made	(2.6)	(4.1)	(4.9)	(6.1)
Taxes paid	(3.7)	(5.1)	(36.1)	(36.2)
<b>Cash flow from operating activities</b>	<b>55.1</b>	<b>45.1</b>	<b>39.0</b>	<b>27.5</b>
Investments in intangible assets	(3.7)	(2.6)	(6.4)	(7.0)
Investments in property, plant and equipment	(9.8)	(10.2)	(21.4)	(19.3)
<b>Cash flow used for investing activities</b>	<b>(13.5)</b>	<b>(12.8)</b>	<b>(27.8)</b>	<b>(26.3)</b>
<b>Free cash flow</b>	<b>41.6</b>	<b>32.3</b>	<b>11.2</b>	<b>1.2</b>
Borrowings	34.5	93.7	52.5	380.2
Repayment of long-term loans	(1.0)	(15.2)	(4.7)	(302.2)
Purchase of treasury shares	(7.3)	(13.8)	(7.3)	(13.8)
Exercise of options	-	1.0	8.0	26.3
Dividend paid	(66.4)	(111.6)	(66.4)	(111.6)
Non-controlling interests, dividends, etc.	-	-	(0.1)	(0.3)
<b>Cash flow used for financing activities</b>	<b>(40.2)</b>	<b>(45.9)</b>	<b>(18.0)</b>	<b>(21.4)</b>
<b>Net cash flow for the period</b>	<b>1.4</b>	<b>(13.6)</b>	<b>(6.8)</b>	<b>(20.3)</b>
Cash and cash equivalents at beginning of period	49.8	69.9	57.6	77.5
Unrealized exchange gains/(losses) included in cash and cash equivalents	1.8	(1.8)	2.2	(2.8)
Net cash flow for the period	1.4	(13.6)	(6.8)	(20.3)
<b>Cash and cash equivalents at end of period</b>	<b>53.0</b>	<b>54.5</b>	<b>53.0</b>	<b>54.5</b>

## Segment information

EUR million	Q2 2014/15			
	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
<b>Income statement</b>				
External revenue	122.9	43.9	42.0	208.8
EUR growth	11%	31%	13%	15%
Organic growth	9%	20%	11%	12%
EBITDA	43.6	18.0	4.5	66.1
EBITDA margin	35.5%	41.0%	10.7%	31.7%
Depreciation, amortization and impairment losses	(9.9)	(2.2)	(1.5)	(13.6)
EBIT before special items	33.7	15.8	3.1	52.5
EBIT margin before special items	27.4%	35.9%	7.3%	25.2%

	YTD 2014/15			
	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
<b>Income statement</b>				
External revenue	240.7	76.3	79.9	396.9
EUR growth	9%	33%	8%	13%
Organic growth	8%	24%	8%	11%
EBITDA	85.5	29.0	8.7	123.2
EBITDA margin	35.5%	38.0%	10.9%	31.2%
Depreciation, amortization and impairment losses	(19.6)	(4.7)	(2.9)	(27.1)
EBIT before special items	65.9	24.3	5.8	96.0
EBIT margin before special items	27.4%	31.8%	7.3%	24.2%

## Segment information

	Q2 2013/14			
<b>Income statement</b>	<b>Cultures &amp; Enzymes</b>	<b>Health &amp; Nutrition</b>	<b>Natural Colors</b>	<b>Group</b>
External revenue	110.9	33.5	37.1	181.5
EUR growth	5%	16%	-8%	4%
Organic growth	12%	20%	-2%	10%
EBITDA	39.6	13.1	5.3	57.9
EBITDA margin	35.7%	39.1%	14.2%	31.9%
Depreciation, amortization and impairment losses	(9.6)	(2.0)	(1.3)	(12.9)
EBIT before special items	29.9	11.1	4.0	45.0
EBIT margin before special items	27.0%	33.0%	10.8%	24.8%

	YTD 2013/14			
<b>Income statement</b>	<b>Cultures &amp; Enzymes</b>	<b>Health &amp; Nutrition</b>	<b>Natural Colors</b>	<b>Group</b>
External revenue	221.4	57.5	73.9	352.8
EUR growth	2%	6%	-9%	0%
Organic growth	7%	10%	-3%	6%
EBITDA	82.4	19.3	12.0	113.7
EBITDA margin	37.2%	33.6%	16.2%	32.2%
Depreciation, amortization and impairment losses	(18.9)	(4.1)	(2.6)	(25.6)
EBIT before special items	63.5	15.3	9.4	88.1
EBIT margin before special items	28.7%	26.5%	12.7%	25.0%

## Segment information

EUR million	28 Feb 2015			
	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
<b>Assets</b>				
Goodwill	543.3	77.2	-	620.5
Other intangible assets	116.8	37.9	15.6	170.3
<b>Intangible assets</b>	<b>660.1</b>	<b>115.1</b>	<b>15.6</b>	<b>790.8</b>
Property, plant and equipment	207.0	64.1	37.7	308.8
<b>Total non-current assets excl. deferred tax</b>	<b>867.1</b>	<b>179.2</b>	<b>53.3</b>	<b>1,099.6</b>
Inventories	57.4	19.4	34.6	111.4
Trade receivables	66.0	25.1	26.3	117.4
Trade payables	(28.4)	(10.2)	(18.6)	(57.2)
<b>Net working capital</b>	<b>95.0</b>	<b>34.3</b>	<b>42.3</b>	<b>171.6</b>
Assets not allocated				79.2
<b>Group assets</b>				<b>1,407.6</b>
<b>Invested capital excluding goodwill</b>	<b>418.8</b>	<b>136.3</b>	<b>95.6</b>	<b>650.7</b>
<b>ROIC excl. goodwill</b>	<b>32.1%</b>	<b>37.6%</b>	<b>13.3%</b>	<b>30.6%</b>
<b>Investments in non-current assets excl. deferred tax</b>				
2014/15	15.5	9.7	2.6	27.8

	28 Feb 2014			
	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
<b>Assets</b>				
Goodwill	526.7	75.9	-	602.6
Other intangible assets	123.4	40.1	15.4	178.9
<b>Intangible assets</b>	<b>650.1</b>	<b>116.0</b>	<b>15.4</b>	<b>781.5</b>
Property, plant and equipment	205.6	40.9	36.4	282.9
<b>Total non-current assets excl. deferred tax</b>	<b>855.7</b>	<b>156.9</b>	<b>51.8</b>	<b>1,064.4</b>
Inventories	53.2	16.0	34.3	103.5
Trade receivables	58.4	22.5	23.0	103.9
Trade payables	(30.7)	(9.2)	(17.8)	(57.7)
<b>Net working capital</b>	<b>80.9</b>	<b>29.3</b>	<b>39.5</b>	<b>149.7</b>
Assets not allocated				86.6
<b>Group assets</b>				<b>1,358.4</b>
<b>Invested capital excluding goodwill</b>	<b>409.9</b>	<b>110.3</b>	<b>91.3</b>	<b>611.5</b>
<b>ROIC excl. goodwill</b>	<b>31.7%</b>	<b>28.3%</b>	<b>22.8%</b>	<b>29.8%</b>
<b>Investments in non-current assets excl. deferred tax</b>				
2013/14	20.1	4.0	2.2	26.3

## Segment information

Geographical allocation EUR million	Q2 2014/15	Q2 2013/14	YTD 2014/15	YTD 2013/14
<b>Revenue</b>				
Europe, Middle East and Africa	93.6	90.6	186.3	176.7
Americas	86.5	66.1	156.8	128.1
Asia-Pacific	28.7	24.8	53.8	48.0
<b>Revenue, total</b>	<b>208.8</b>	<b>181.5</b>	<b>396.9</b>	<b>352.8</b>
<b>Non-current assets excl. deferred tax</b>				
Europe, Middle East and Africa			904.4	896.2
Americas			181.0	155.3
Asia-Pacific			14.2	12.9
<b>Non-current assets, total</b>			<b>1,099.6</b>	<b>1,064.4</b>