



Chr. Hansen Holding A/S

Annual General Meeting 2016

29 November 2016

AGENDA

1. Report on the Company's activities
2. Approval of the 2015/16 Annual Report
3. Resolution on the appropriation of profit or covering of loss
4. Decision on remuneration of members of the Board of Directors
5. Proposals from the Board of Directors
6. Election of members of the Board of Directors
7. Election of Company auditor
8. Authorization of the Chairman of the Annual General Meeting



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SOLID AND SATISFYING RESULT IN 2015/16

Organic growth

12%

(10% in 2014/15)

EBIT margin

Before special items

28.2%

(27.1% in 2014/15)

EBIT

Before special items

EUR **268** million

(EUR 233 million in 2014/15)

Free cash flow

Before acquisitions and special items

EUR **175** million

(EUR 151 million in 2014/15)



STRATEGIC REVIEW



	1 Fully leveraging the potential of Food Cultures & Enzymes	2 Developing the microbial solutions platform in Health & Nutrition	3 Creating further value in Natural Colors
4 Driving a step change in innovation	<ul style="list-style-type: none"> ➤ Bioprotection as a new lighthouse ➤ New platforms for dairy 	<ul style="list-style-type: none"> ➤ Expand existing business ➤ Develop plant protection ➤ Explore & develop human microbiome 	<ul style="list-style-type: none"> ➤ Expand FruitMax® range within coloring foodstuff
5 Reinforcing position in emerging markets	<ul style="list-style-type: none"> ➤ Establish direct market presence in key emerging markets 	<ul style="list-style-type: none"> ➤ Increase penetration of human and animal health products 	<ul style="list-style-type: none"> ➤ Drive US conversion and secure APAC growth
6 Generating fuel for growth	<ul style="list-style-type: none"> ➤ Drive scalability through new capacity in Copenhagen 	<ul style="list-style-type: none"> ➤ Reinvest in future growth 	<ul style="list-style-type: none"> ➤ Restore profitability

FULLY LEVERAGING THE POTENTIAL OF FOOD CULTURES & ENZYMES

Customer intimacy through local sales organizations
with highly qualified employees

Continued improvement of existing solutions

Development of new product platforms such as
bioprotective cultures

Expansion of production capacity in Copenhagen for
more than EUR 40 millions



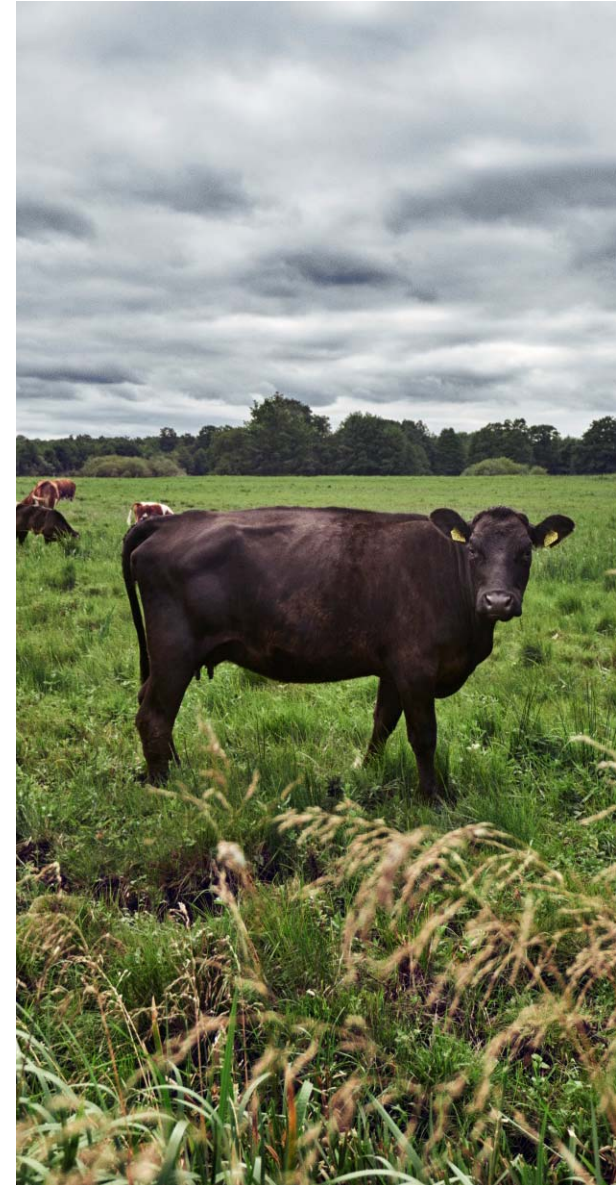
PROGRESS DESPITE A DIFFICULT YEAR FOR THE AGRICULTURAL SECTOR

Declining sales of probiotic solutions to animal and milk producers

Progress within bacterial solutions for crop producers in Brazil but slower than initially expected

Continued attractive growth opportunities driven by among others increased focus on the high consumption of antibiotics and pesticides combined with new product launches.

Completed acquisition of NPC which strengthens our position in the US market for probiotic solutions for beef cattle



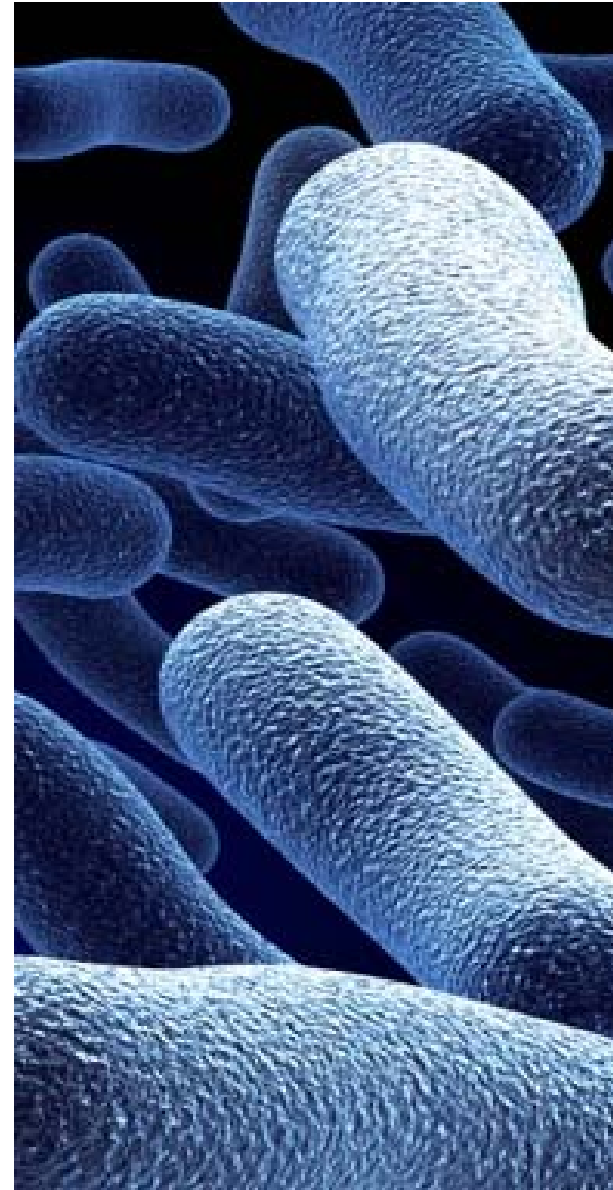
CONTINUED DEVELOPMENT OF THE MICROBIAL SOLUTIONS PLATFORM FOR HUMANS

Strong growth in the market for probiotic supplements

Acquisition of world's most documented probiotic strain LGG[®] and related activities strengthens our product portfolio

Development in the area of the human microbiome continues:

- Cooperation's with different partners and completed own study with positive results
- Strategic review and results achieved so far have confirmed the relevance of our technology platform - but long time horizon



CREATING FURTHER VALUE IN NATURAL COLORS

Reorganization of Natural Colors created a focused and more transparent business

Progress in both growth and profitability

Strengthened our position in "Coloring Foodstuffs"

Close cooperation with US customers in the process of converting to natural colors



WELL ESTABLISHED AND SYSTEMATIC RISK MANAGEMENT PROCESS

Key risks areas are:

Production, product safety, documentation of quality and intangible rights

Business environment in important markets including tax procedures

Various financial, legal and IT-related risks



FOCUS ON HIGHLY QUALIFIED AND ENGAGED EMPLOYEES

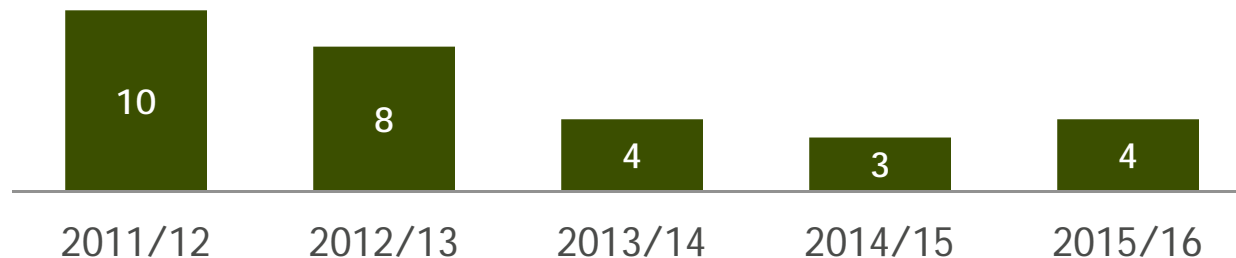
ENGAGEMENT

Introduction of new annual employee survey with more focus on engagement than satisfaction

- In general a high level of engagement but with room for improvements

SAFETY

Incidents per 1 million working hours



BOARD EVALUATION

Annual review of Board performance conducted by external consultant

Result for 2016 shows an effective and well-functioning Board

A few areas with room for small improvements

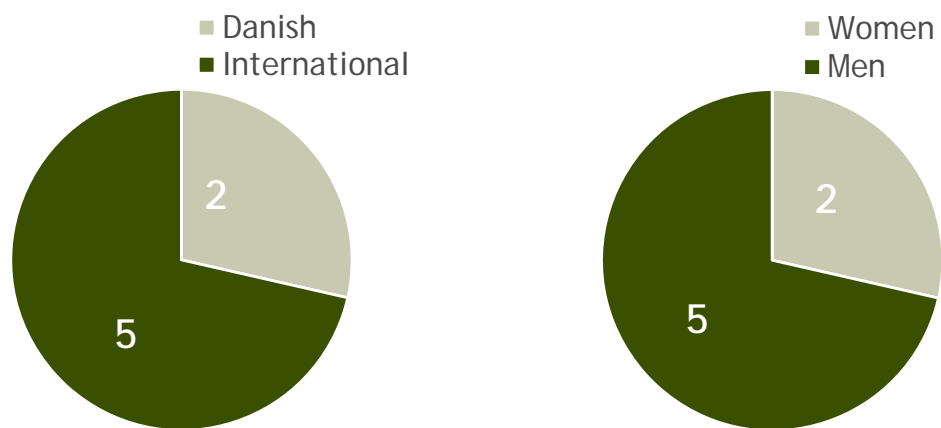
Read more on the Board evaluation and the complying of the Danish recommendations on Corporate Governance in the separate statement for 2015/16



DIVERSITY TARGETS

Target of at least 3 women in the Board by 2019/20

Nationality and Gender in the Board*



**Measured in relation to number of board members elected by the Annual General Meeting and based on the Board proposals for re-elections*



MANAGEMENT REMUNERATION

Management remuneration is approved by the Board and is in line with the remuneration policy and the overall guidelines for incentive-based remuneration approved by the Annual General Meeting

Remuneration in 2015/16

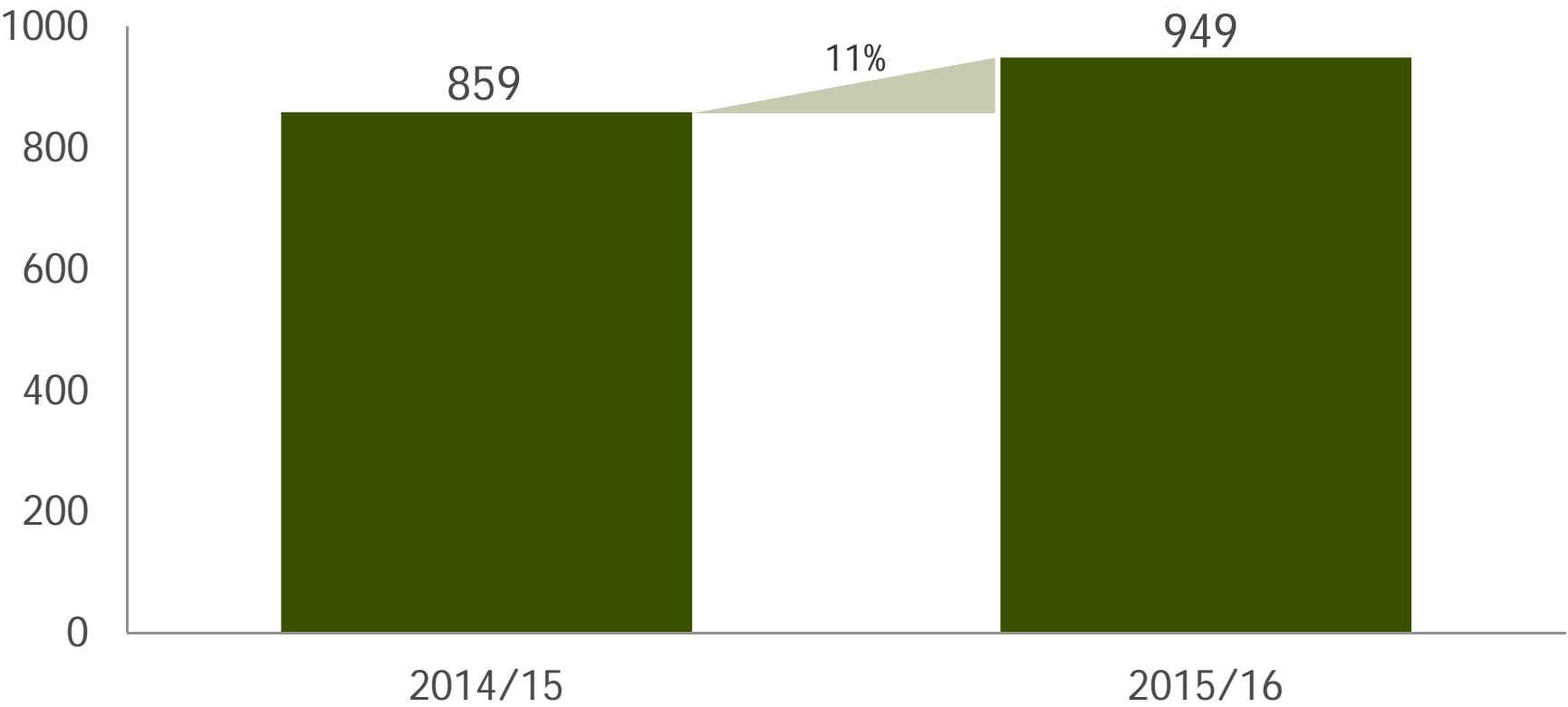
Base salary & Pension	EUR 1.8 million
Bonus	EUR 0.6 million
Value of options and "matching shares" programs	EUR 1.3 million
Extraordinary incentive-based remuneration	No pay-out in 2015/16

Maximum number of "matching shares" which can be granted have increased from 4 to 5.5 but only in the case of over performance versus targets

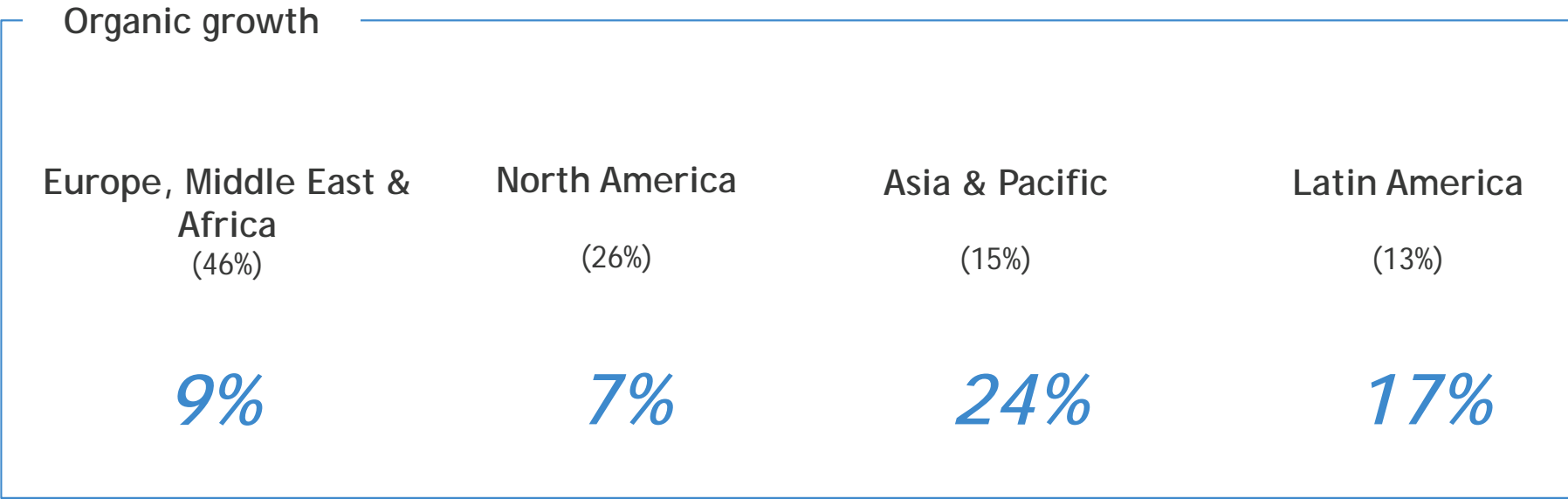


REVENUE

EUR million



ORGANIC GROWTH IN ALL REGIONS



FOOD CULTURES & ENZYMES

Revenue

EUR **565** million
(EUR 519 million in 2014/15)

Organic growth

12%
(9% in 2014/15)

EBIT

EUR **194** million
(EUR 163 million in 2014/15)

EBIT margin

34.3%
(31.5% in 2014/15)



HEALTH & NUTRITION

Revenue

EUR **184** million
(EUR 165 million in 2014/15)

Organic growth

2%
(13% in 2014/15)

EBIT

EUR **52** million
(EUR 55 million in 2014/15)

EBIT margin

28.3%
(33.3% in 2014/15)



NATURAL COLORS

Revenue

EUR **200** million
(EUR 175 million in 2014/15)

Organic growth

19%
(9% in 2014/15)

EBIT

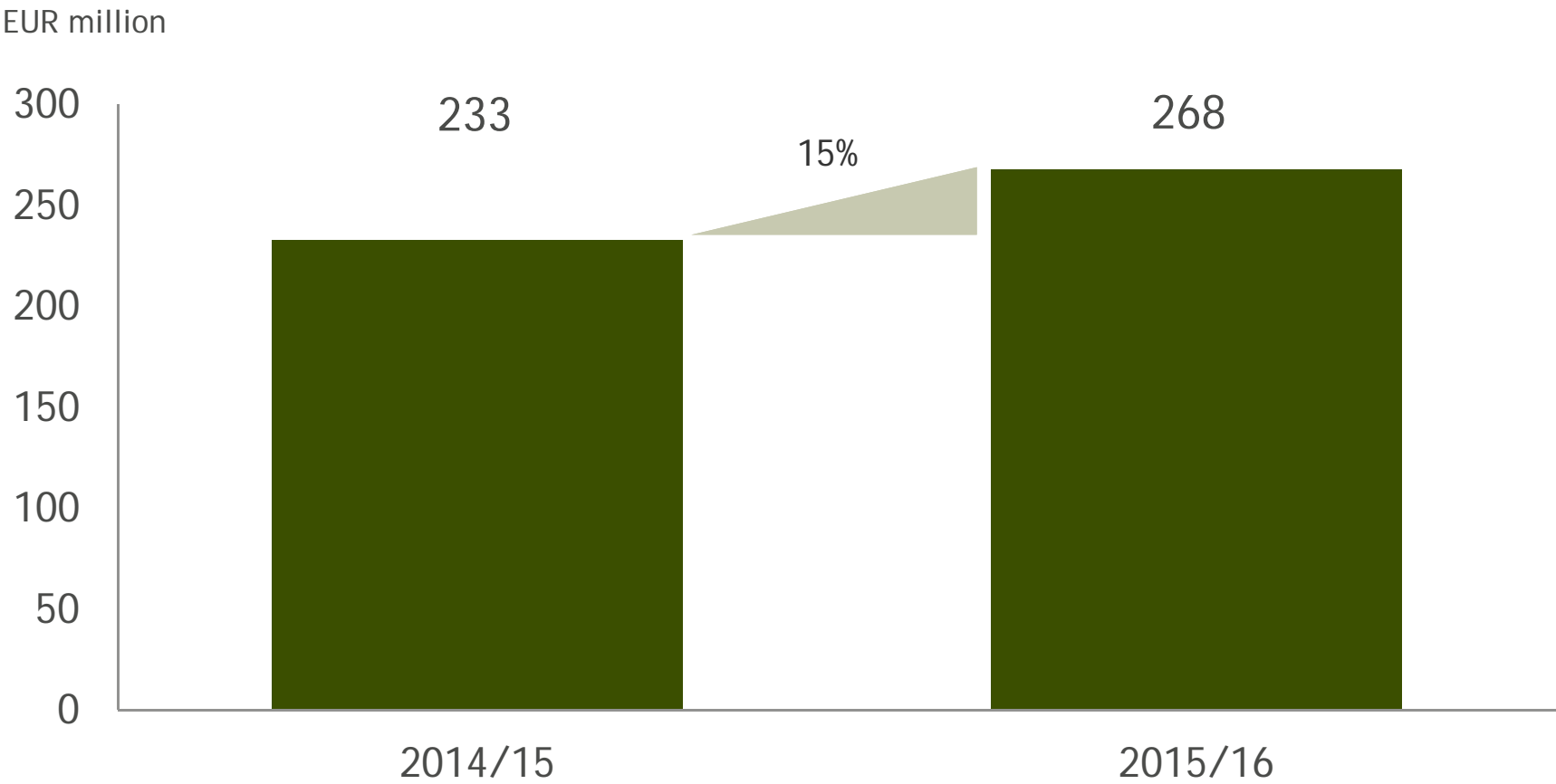
EUR **22** million
(EUR 14 million in 2014/15)

EBIT margin

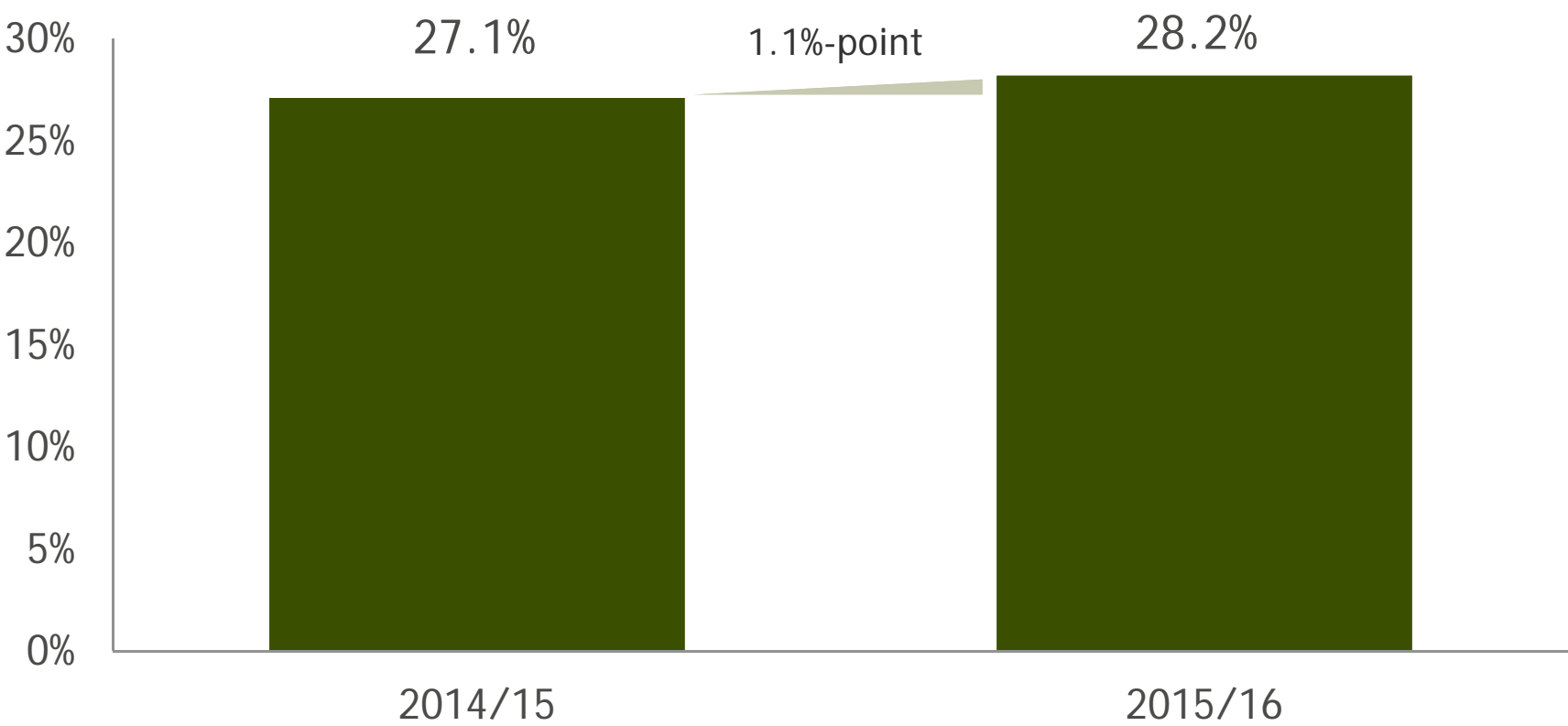
10.9%
(8.3% in 2014/15)



EBIT BEFORE SPECIAL ITEMS

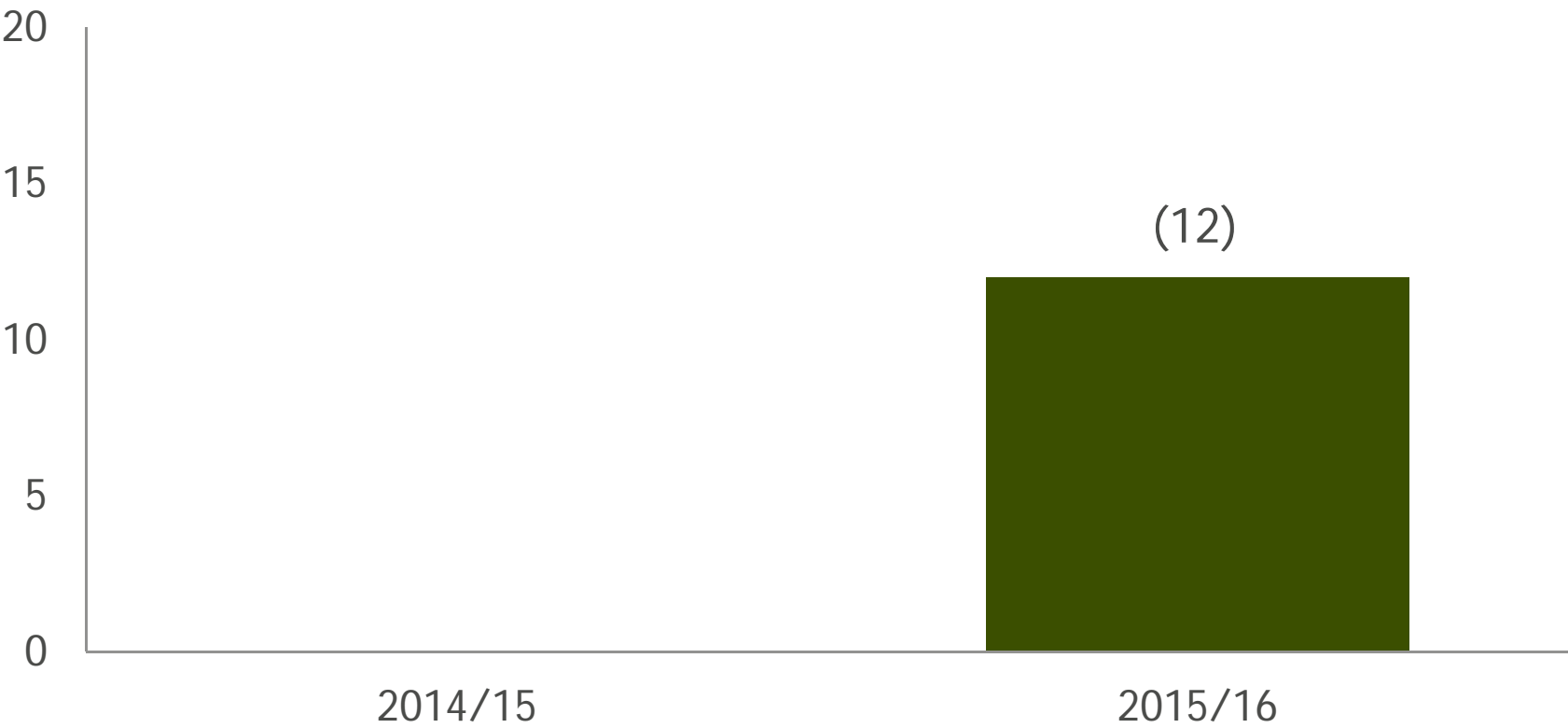


EBIT MARGIN BEFORE SPECIAL ITEMS



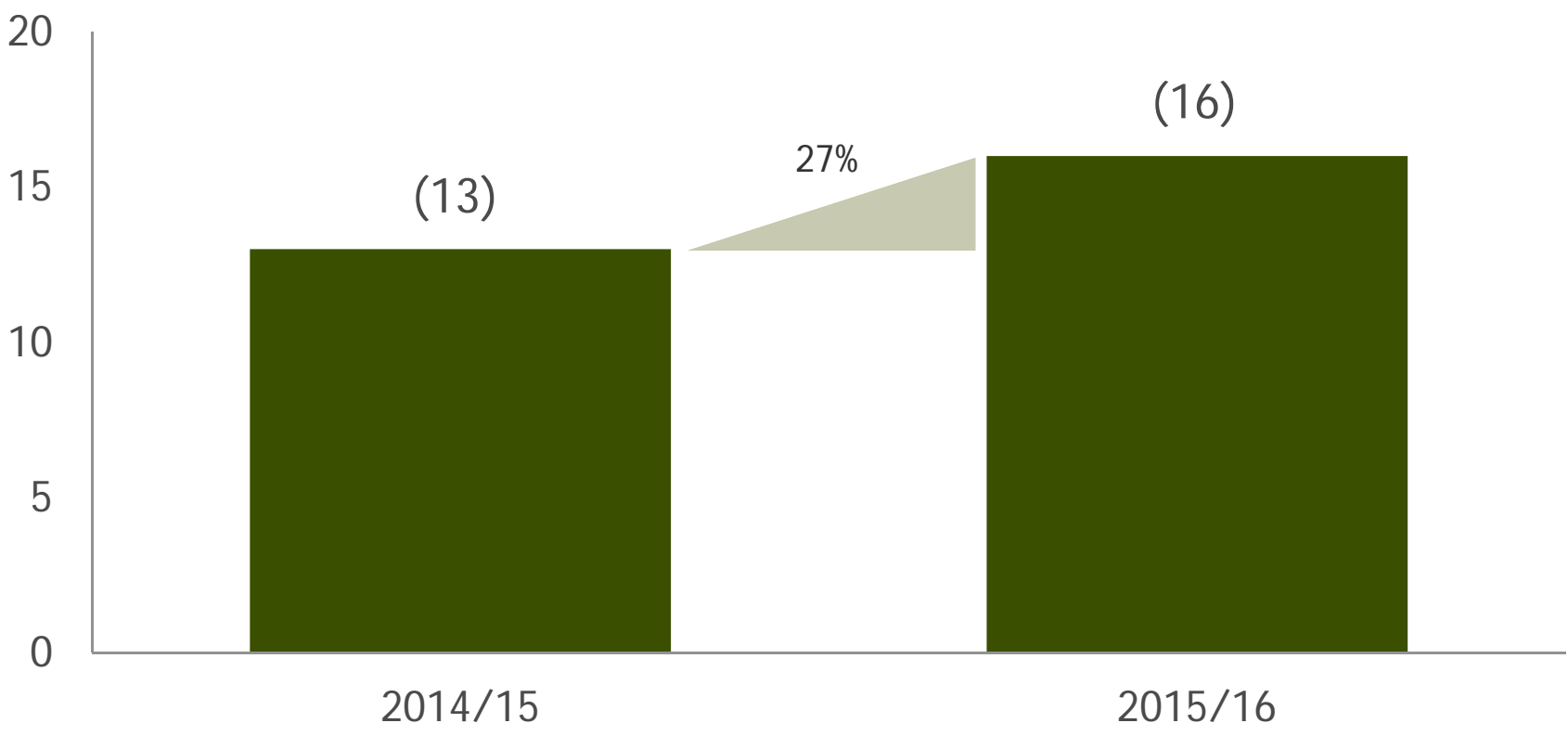
SPECIAL ITEMS

EUR million



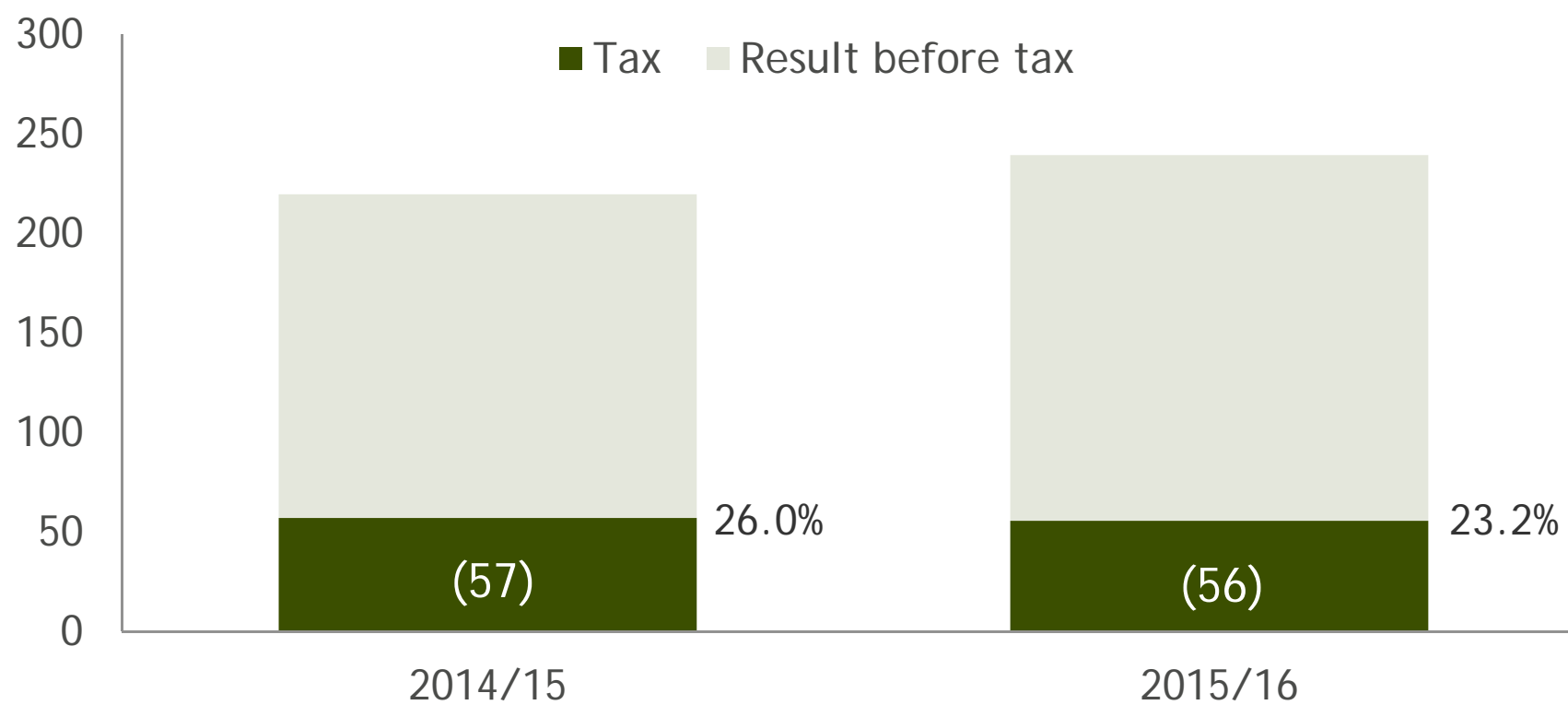
FINANCIAL ITEMS

EUR million

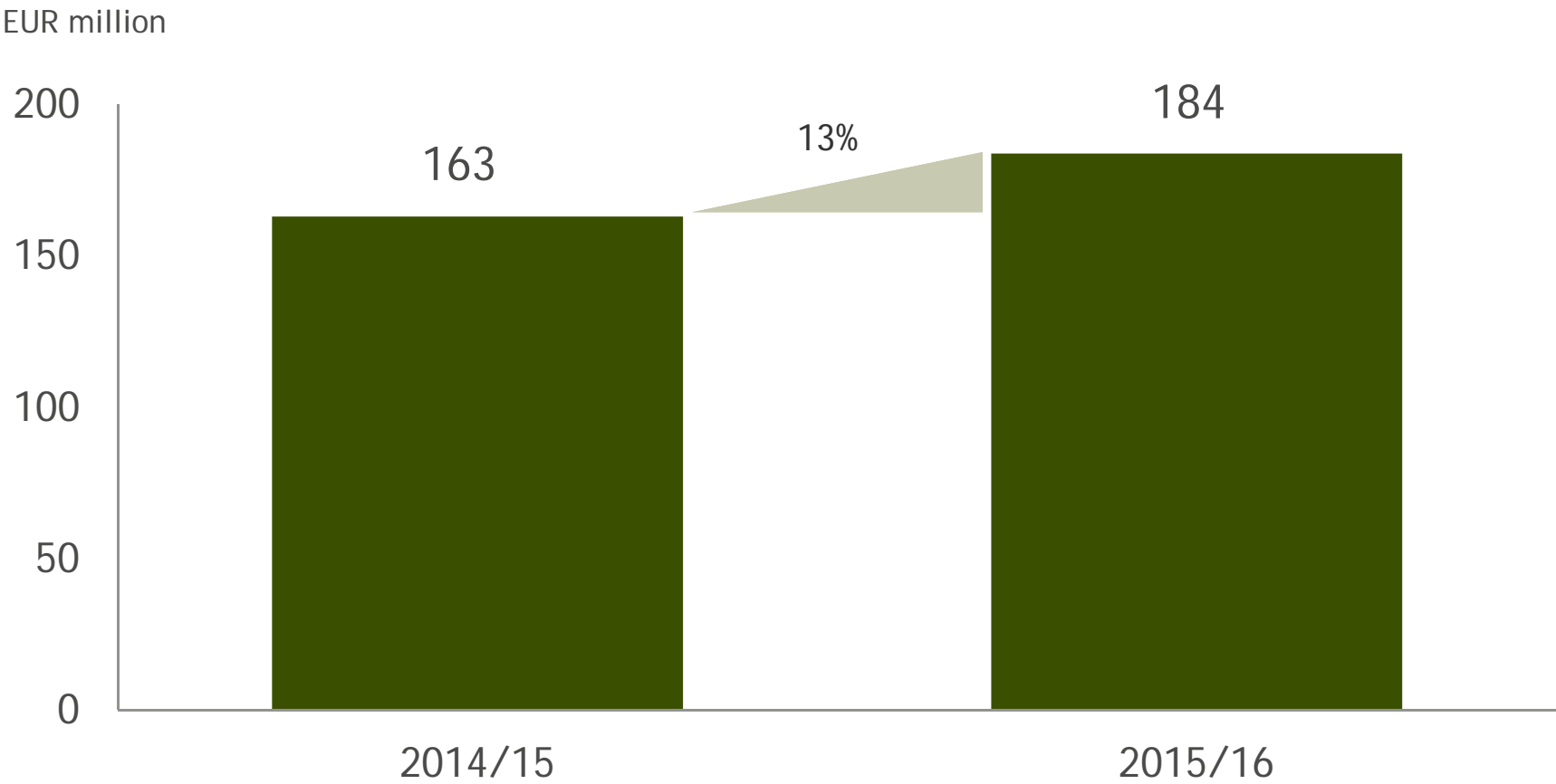


TAX

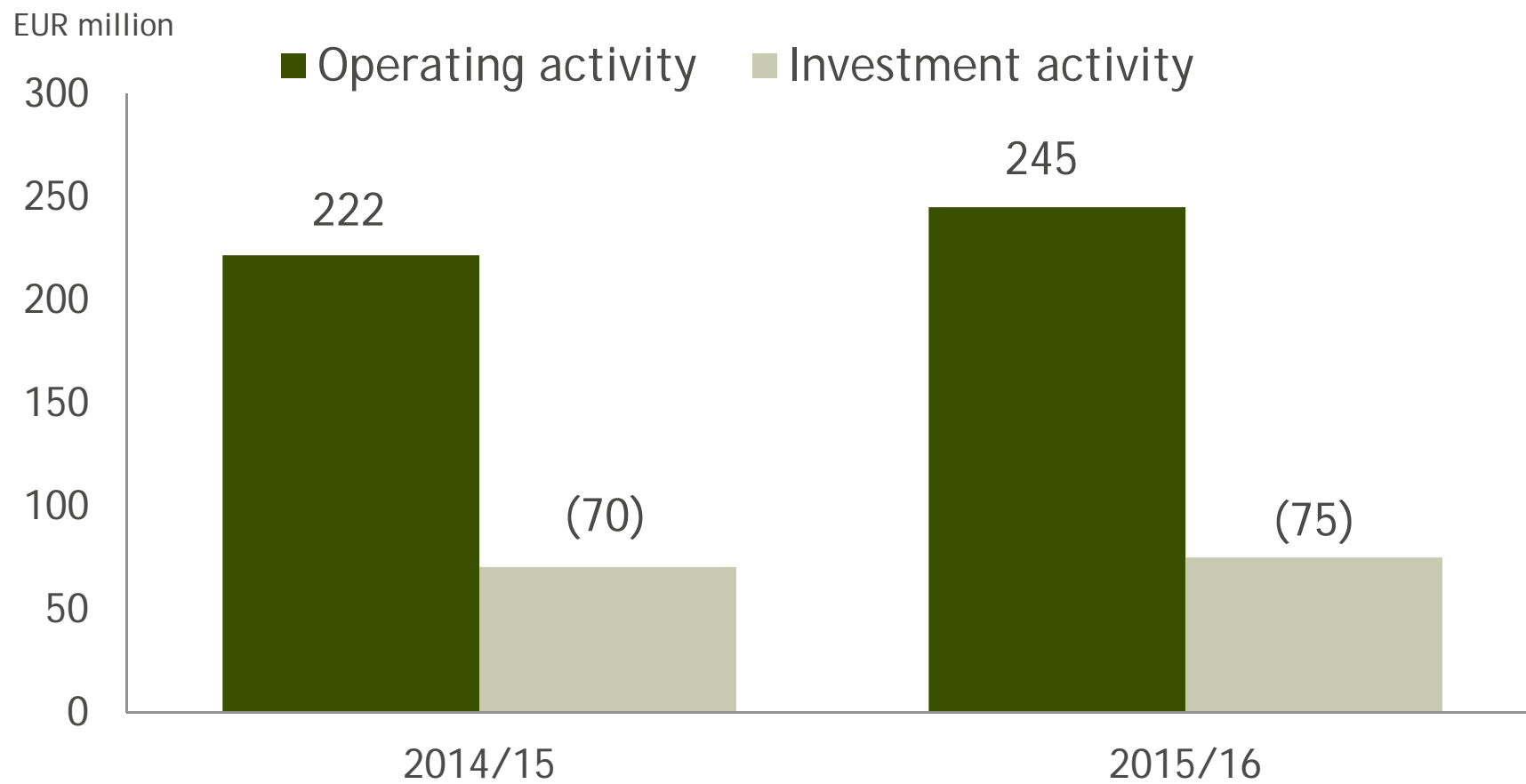
EUR million



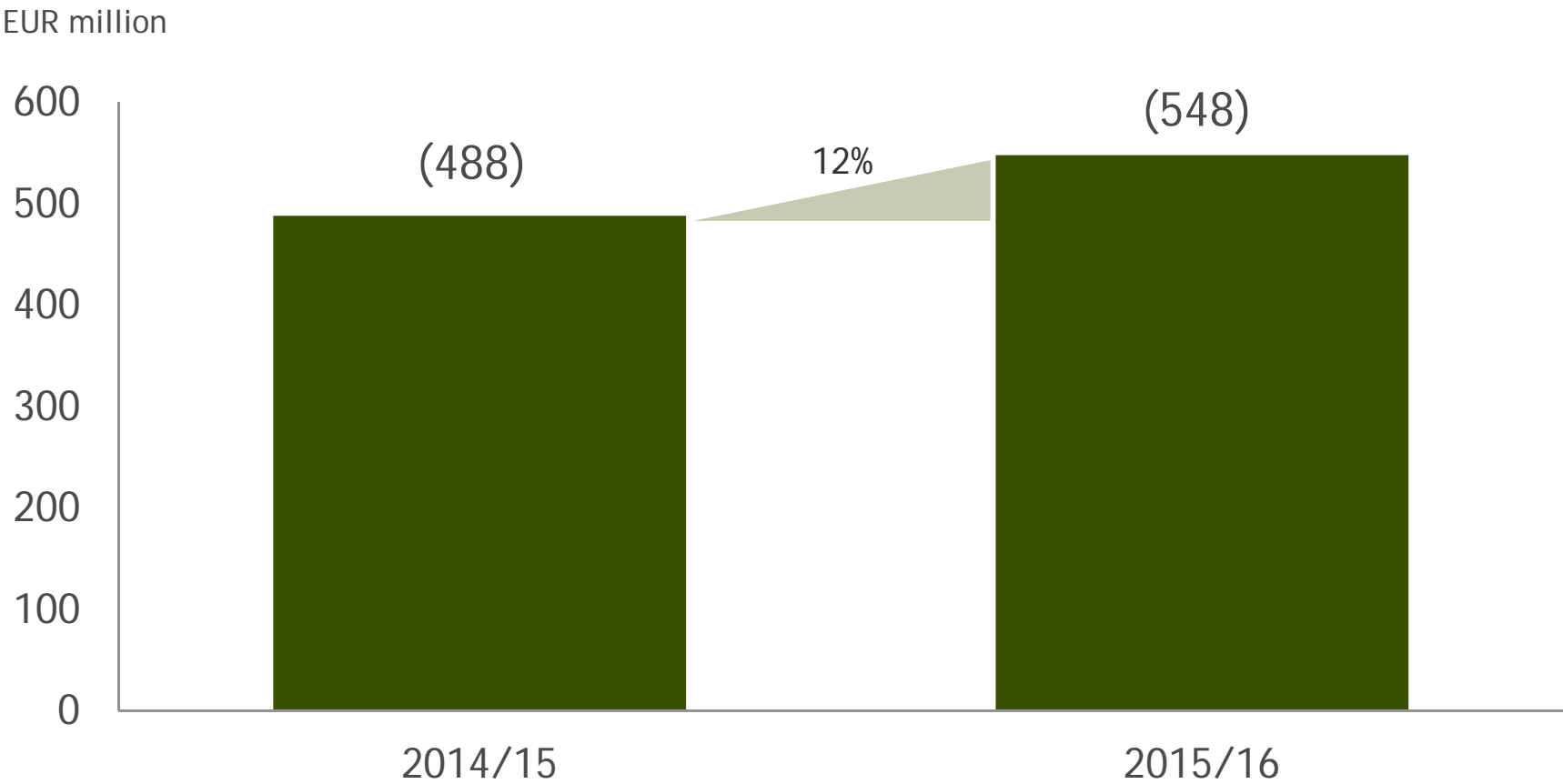
PROFIT FOR THE YEAR



CASH FLOW

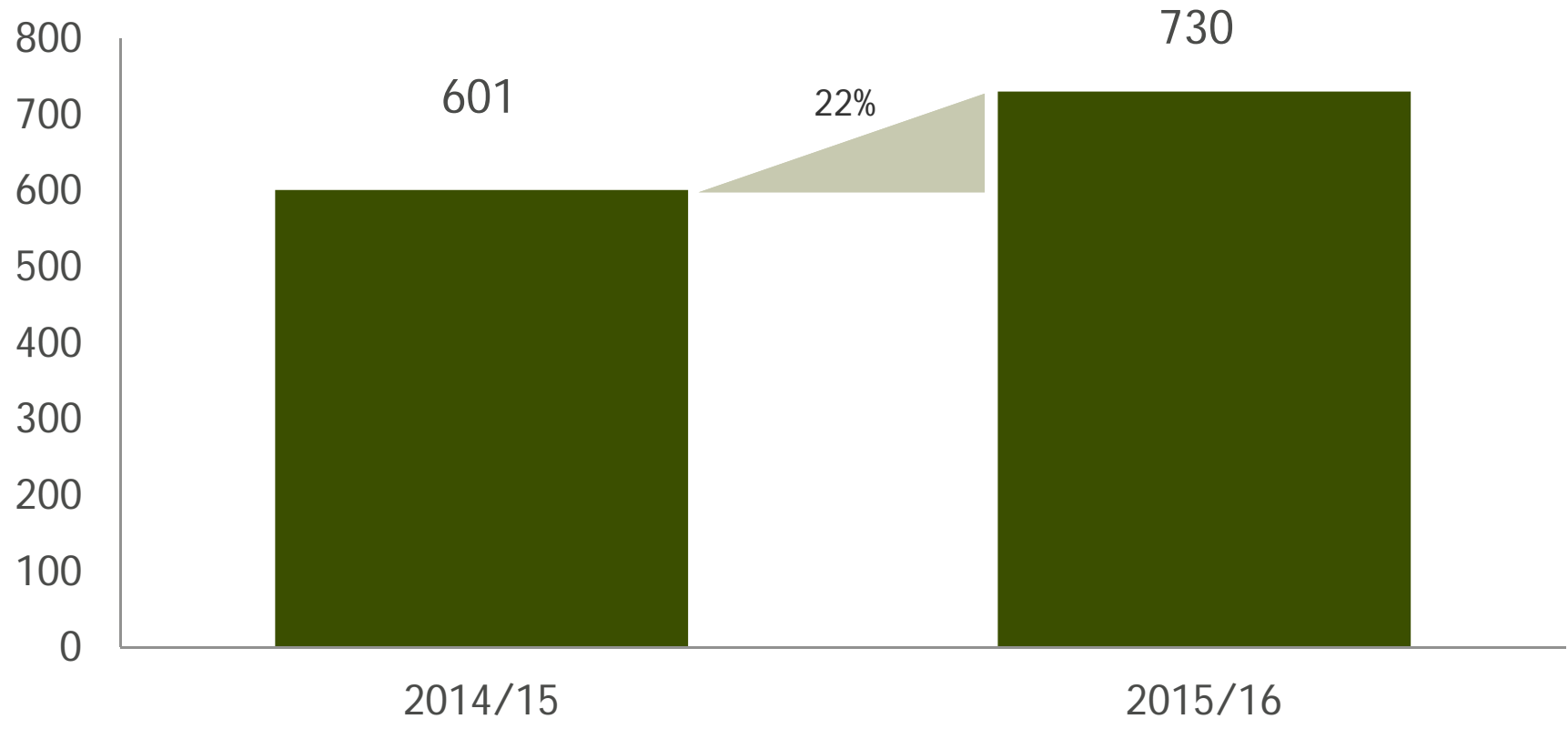


NET INTEREST-BEARING DEBT

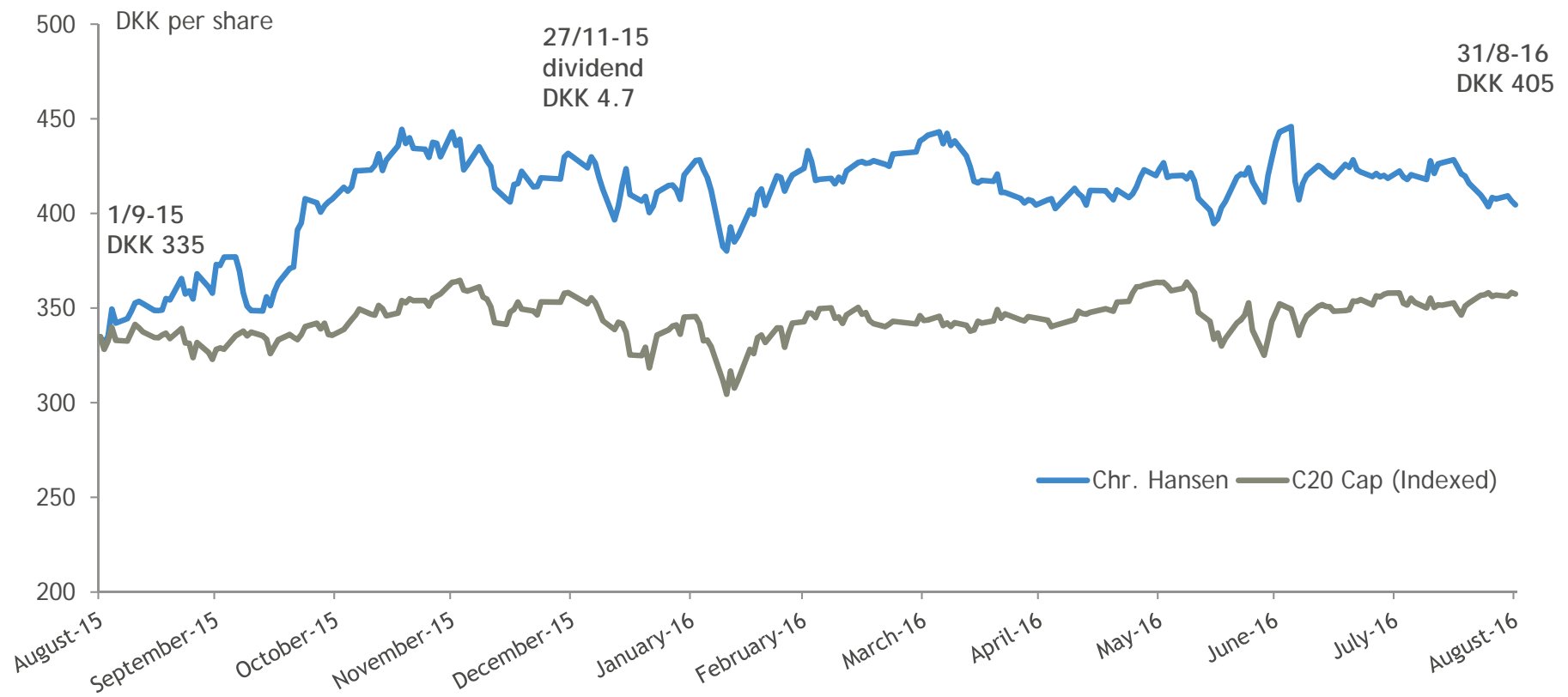


EQUITY

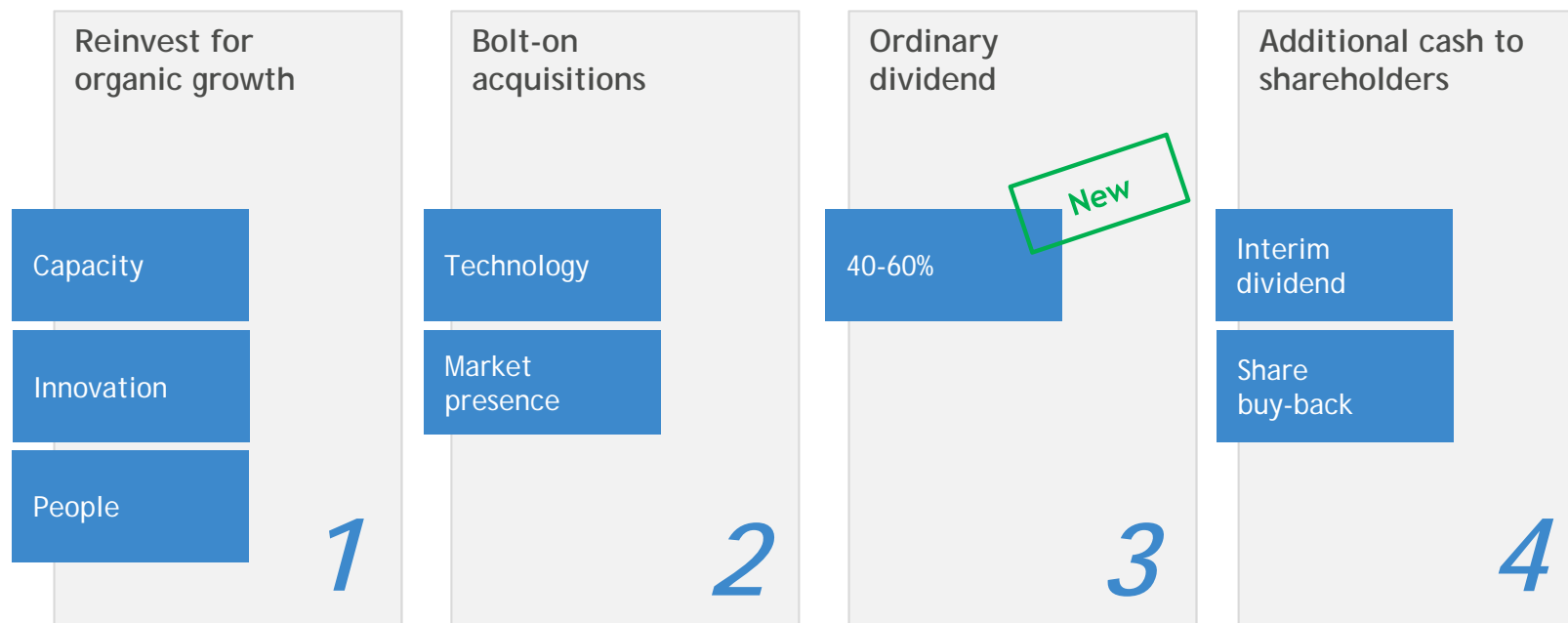
EUR million



GOOD DEVELOPMENT IN THE SHARE PRICE



MAINTAINING CAPITAL ALLOCATION PRIORITIES



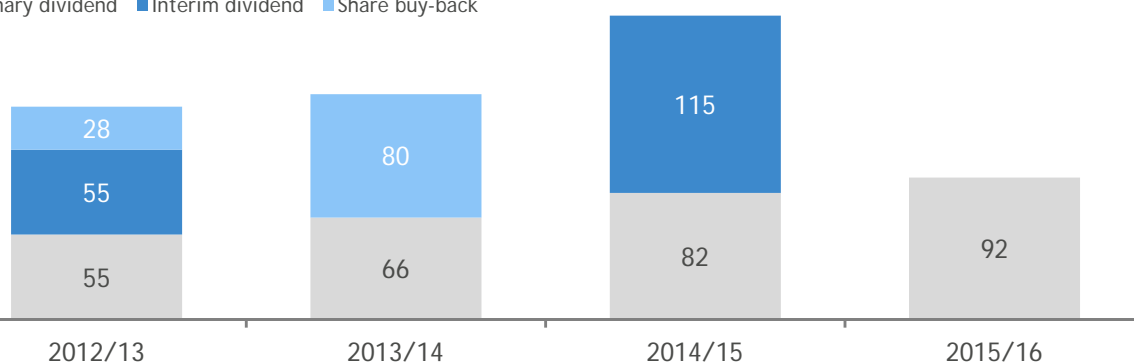
RESOLUTION ON THE APPROPRIATION OF PROFIT

The Board of Directors proposes that the Annual General Meeting approves the Board of Directors' proposal for distribution of a total dividend of

DKK 5.23 per share corresponding to an amount of DKK 685 million or 50% of the profit for the year

Development in dividend and share buy-back (EUR million)

■ Ordinary dividend ■ Interim dividend ■ Share buy-back



OUTLOOK FOR 2016/17

	Outlook 2016/17	Long-term financial ambitions 2019/20
Organic revenue growth	8-10%	8-10%
<ul style="list-style-type: none"> ✓ <i>Food Cultures & Enzymes</i> ✓ <i>Health & Nutrition</i> ✓ <i>Natural Colors</i> 	<i>In line with long-term ambitions</i>	7-8% +10% Around 10%
EBIT-margin before special items	Slightly above 2015/16 (28.2%)	Increasing
Free cash flow before acquisitions, divestments and special items	Around the same level as in 2015/16 (EUR 175 million)	Increasing



STRATEGIC FOCUS AREAS FOR 2016/17

Integration of acquired assets (NPC and LGG®)

Ensure capacity expansion within cultures

Accelerate the effort in the new business areas

- Bioprotective Cultures
- Human Microbiome
- Plant Health

Ensure profitable growth in Natural Colors



SUSTAINABLE GROWTH

Improved energy and CO2 efficiency in 2015/16

New commercial sustainability targets:

- Five new products before 2019/20 with a documented effect to support healthy living
- Expand the use of Chr. Hansen's natural solutions for plant health to cover at least 25 million hectares of farmland by 2024/25 and in that way support the development of sustainable farming
- Help dairies reduce global yogurt waste by 2% by 2019/20 and in that way support sustainable consumer and production patterns

Chr. Hansen
2015/16

2%

*improvement in
energy efficiency*

5%

*improvement in
CO₂ efficiency*

unchanged

water efficiency

UNIQUE SOLUTIONS

We are in a unique position to support our customers need for sustainable solutions

Examples:

- Promote sustainable farming: We help farmers increase their productivity by up to 15% with natural solutions
- Reduce food waste: FreshQ can reduce yogurt waste in Europe by 30% (360,000 tons) annually



SUSTAINABILITY IN OUR DNA

"First, we have a responsibility towards our customers, including end-users, distributors and agents.

Secondly, we have a responsibility toward our employees. To work can also be a pleasure. There is not a single job in Chr. Hansen that is not both relevant and meaningful.

Thirdly, we must respect our competitors. No company can do without competition.

Finally, we have a duty and responsibility toward our shareholders, as well as our country and the society in which we live, to act as loyal citizens."



Johannes Hansen, 1949

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DECISION ON REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

<i>Board:</i>		<i>2015/16</i>	<i>2016/17 (Proposal)</i>
Members	DKK	375,000	DKK 400,000
Chairman		x3	x3
Vice chairman		x2	x2
Chairmen:			
Audit and Science Committees:	DKK	250,000	DKK 250,000
Remuneration Committee:	DKK	150,000	DKK 250,000
Nomination Committee:	DKK	150,000	DKK 150,000
Member:			
Audit and Science Committees:	DKK	150,000	DKK 150,000
Nomination and Remuneration Committees:	DKK	125,000	DKK 125,000



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AMENDMENT OF ARTICLES OF ASSOCIATION TO REFLECT NEW COMPANY REGISTRAR

The company registrar has been changed to Computershare A/S and consequently the Board of Directors proposes that the reference to the company registrar in Article 4.2 of the Articles of Association be amended accordingly.

The revised wording of article 4.2 shall be as follows:

"The register of shareholders will be kept by Computershare A/S, CVR No. 27088899, which has been elected company registrar on behalf of the Company."



AMENDMENT OF ARTICLES OF ASSOCIATION TO REFLECT LEGAL NAME CHANGE OF NASDAQ OMX COPENHAGEN

As of 1 December 2015, NASDAQ OMX Copenhagen A/S changed its legal name to "Nasdaq Copenhagen A/S". Consequently, the Board of Directors proposes that the reference to the stock exchange in Article 6.4 of the Articles of Association be amended accordingly.

The revised wording of Article 6.4 shall be as follows:

"General Meetings must be convened by the Board of Directors by no more than five weeks' and no less than three weeks' notice by publication on the Company's website: www.chr-hansen.com, through Nasdaq Copenhagen A/S and by written notice to any registered shareholder who has so requested to the address recorded in the Company's register of shareholders, but see article 8."



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ELECTION OF CHAIRMAN OF BOARD OF DIRECTORS



The Board of Directors proposes reelection of the Chairman of the Board of Directors:

Ole Andersen

Chairman of the Board since March 2010

Chairman of the Board of Directors of Danske Bank A/S and Bang & Olufsen A/S

Member of the Nomination Committee of NASDAQ OMX Nordic Ltd, Danish Committee on Corporate Governance and DenmarkBridge

Adjunct professor at Copenhagen Business School

ELECTION OF OTHER MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors proposes to re-elect:



Dominique
Reiniche

Independent



Frédéric
Stévenin

Independent



Kristian
Villumsen

Independent



Mark
Wilson

Independent



Tiina
Mattila-Sandholm

Independent

ELECTION OF OTHER MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors proposes election of Luis Cantarell Rocamora



Other Board positions:

Chairman: Froneri SA (UK)

Member: OSEM, Investments Ltd (Israel), Lactalis Nestlé Produits Frais (France), Cereal Partners Worldwide (Switzerland), Beverage Partners Worldwide (Switzerland), Nestlé Health Science (Switzerland), Group J. Uriach, S.L. Barcelona (Spain)

Born 1952, Spanish

Education:

Graduate in Economic Sciences,
Universitat Barcelona

Occupation:

Executive Vice President in
Nestlé SA

	Company	Position
2014 -	Nestlé SA, Switzerland	Executive Vice President Zone EMENA
2012 - 2014	Nestlé Nutrition, Switzerland	CEO
2011 - 2014	Nestlé Health Science SA, Switzerland	CEO
2005 - 2010	Nestlé SA, Switzerland	EVP
1976 - 2005	Nestlé Group	Various management positions

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ELECTION OF COMPANY AUDITOR

The Board of Directors proposes to re-elect the Company's current auditor:

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab



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AUTHORIZATION OF THE CHAIRMAN OF THE ANNUAL GENERAL MEETING

The Board of Directors proposes that the Annual General Meeting authorizes the Chairman of the Annual General Meeting to:

File the resolutions passed with the Danish Business Authority and to make any such changes as the Danish Business Authority may require registering or approving the resolutions passed



