



Chr. Hansen
Q3 2010
Investor Presentation

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Agenda

- ▼ Welcome and introduction
- ▼ Highlights
- ▼ Revenue overview
- ▼ P&L
- ▼ Balance sheet & cash flow
- ▼ Divisional information
- ▼ Share information
- ▼ Outlook
- ▼ Q&A



Introduction: What we do

Cultures

- ▼ Cultures are living microorganisms which control fermentation processes in a range of food products

Enzymes

- ▼ Enzymes are proteins which catalyze naturally occurring processes
- ▼ Transforms milk to cheese

Probiotics

- ▼ Selected microorganisms recognized for their healthy properties
- ▼ Science progresses fast in this area

Natural colors

- ▼ A complete color range extracted from seeds, roots, and berries
- ▼ Natural alternative to synthetic colors

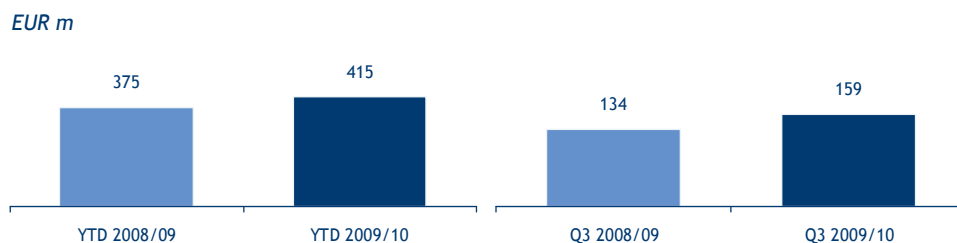


Highlights:

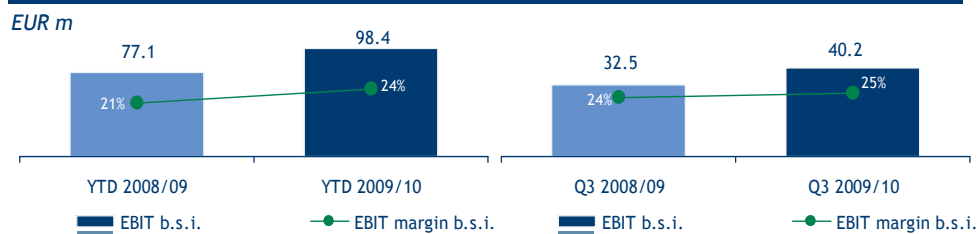
- ▼ Strong growth momentum in all business areas
 - ▼ Revenue in Q3 reached EUR 159 million, 15% organic growth
 - ▼ Revenue after 9 months reached EUR 415 million, 12% organic growth
 - ▼ Growth in all divisions and regions
- ▼ Scalability resulted in stronger growth in EBIT before special items
 - ▼ In Q3, EBIT margin before special items increased from 24% to 25%
 - ▼ During the first 9 months, EBIT margin before special items increased from 21% to 24%
- ▼ One off special items in Q3 of EUR 21.1 million, related to the listing of the company
 - ▼ EUR 18.6 million relates to a one off IPO bonus to all employees to be paid in august 2010. The expense will be reimbursed by the selling shareholder through a capital contribution
 - ▼ Other IPO related costs amounted to EUR 2 million
 - ▼ Will be kept as central costs, will not be allocated to divisions
- ▼ EBIT in Q3 reached EUR 19 million and after 9 months EUR 76 million, EBIT margin of 18%
- ▼ Successful listing of the company
- ▼ Refinancing in place
- ▼ Outlook maintained

Continued strong performance

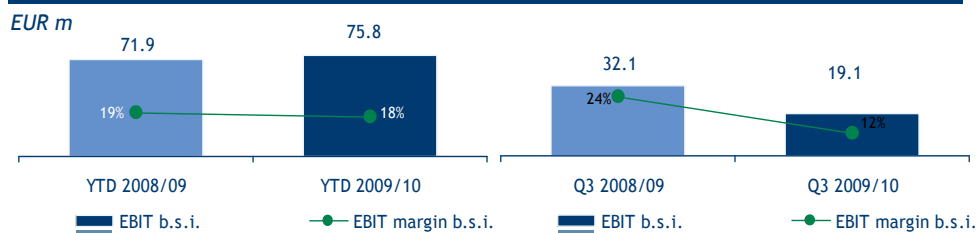
Development in revenues



Development in EBIT b.s.i.



Development in EBIT

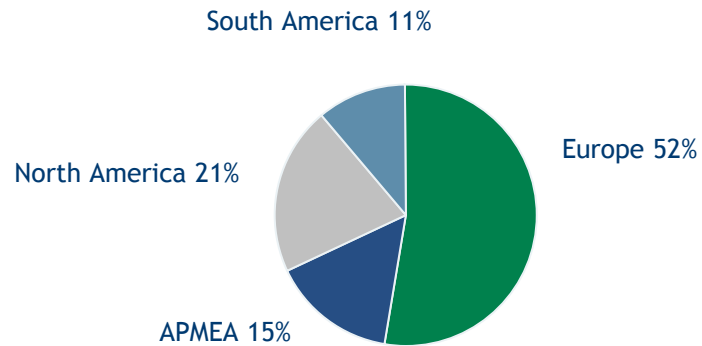


Comments

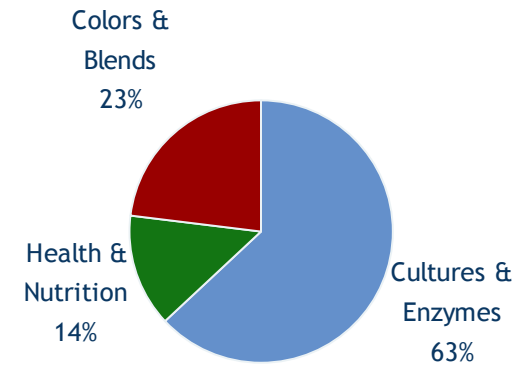
- ▼ Revenue after nine months increased by 11% to EUR 415 million. Organic growth was 12%
 - ▼ In Q3 revenue grew 18% on a reported basis and 15% organically
- ▼ Nine months EBIT before special items reached EUR 98.4 million and the margin increased from 21% to 24%
 - ▼ In Q3 EBIT margin before special items increased from 24% to 25%
- ▼ Q3 was negatively affected by one-off special items relating to the IPO of EUR 21.1 million. EUR 18.6 million net of tax will be reimbursed by the selling shareholder as a capital contribution
- ▼ EBIT after nine months increased from EUR 71.9 million to EUR 75.8 million. EBIT margin reached 18%.
 - ▼ Revenue positively impacted by increased carmine prices (3 pp for Q3; 1pp for 9 months)

Growth in all regions and divisions in 2009/10

Revenue split by regions



Revenue split by divisions



9 months organic growth:

Europe	7%
South America	12%
North America	14%
APMEA	34%

9 months organic growth:

Cultures & Enzymes	7%
Health & Nutrition	18%
Colors & Blends	23%

Q3 2009/10 results confirm positive trends

P&L

EUR m	YTD 2009/10	YTD 2008/09	EUR m	Q3 2009/10	Q3 2008/09
Revenue	415.3	374.7	Revenue	159.0	134.3
Cost of sales	(210.1)	(200.2)	Cost of sales	(81.6)	(68.7)
Gross profit	205.2	174.5	Gross profit	77.4	65.6
SG&A	(106.8)	(97.4)	SG&A	(37.2)	(33.1)
EBITDA b.s.i.	129.1	106.8	EBITDA b.s.i.	50.4	42.2
D&A	(30.7)	(29.7)	D&A	(10.2)	(9.7)
EBIT b.s.i.	98.4	77.1	EBIT b.s.i.	40.2	32.5
Special items	(22.6)	(5.2)	Special items	(21.1)	(0.4)
EBITDA	106.5	101.6	EBITDA	29.3	41.8
EBIT	75.8	71.9	EBIT	19.1	32.1
Net financial	(62.2)	(96.4)	Net financial	(20.3)	(2.9)
PBT	13.6	(24.5)	PBT	(1.2)	29.2
Tax	(21.4)	(9.5)	Tax	(3.3)	(10.1)
PAT	(7.8)	(34.0)	PAT	(4.5)	19.1
Organic growth y-o-y	12%	9%	Organic growth y-o-y	15%	9%
Gross margin	49.4%	46.6%	Gross margin	48.7%	48.8%
EBITDA b.s.i. margin	31.1%	28.5%	EBITDA b.s.i. margin	31.7%	31.4%
EBIT b.s.i. margin	23.7%	20.6%	EBIT b.s.i. margin	25.3%	24.2%
EBITDA margin	25.6%	27.1%	EBITDA margin	18.4%	31.1%
EBIT margin	18.3%	19.2%	EBIT margin	12.0%	23.9%

Comments on Q3

- ▼ Organic growth of 15%
- ▼ Very efficient production out of Copenhagen plant
- ▼ Gross margin growth driven by Cultures & Enzymes division
- ▼ EBIT margin before special items increased from 24% to 25%
- ▼ EBIT margin was 12%, due to one off special items of EUR 21.1 million
- ▼ The quarter was negatively impacted by provisions related to new and old incentive schemes

Balance sheet & cash flow

Balance sheet and cash flow

EUR m	31 May 2010	31 May 2009
Total assets	1,337.1	1,299.1
Equity	107.5	70.9
Net interest bearing debt	925.9	960.7
	<u>YTD 2009/10</u>	<u>YTD 2008/09</u>
Cash flow from operations	55.4	49.0
Cash flow from investments	(25.8)	(17.6)
Free cash flow	29.6	31.4

Comments

- ▼ Net interest bearing debt will be reduced significantly in Q4 2010, due to the primary proceeds from the IPO
- ▼ Refinancing of the long term debt in place

Cultures & Enzymes



P&L

EUR million	Q3 2009/10 (unaudited)	Q3 2008/09 (unaudited)	YTD 2009/10 (unaudited)	YTD 2008/09 (unaudited)	YTD growth %
Revenue	94.5	83.8	259.6	241.7	7%
Organic growth	8%	-	7%	-	
EBITDA	34.8	30.6	96.1	79.6	21%
EBITDA margin	37%	37%	37%	33%	
EBIT	26.5	23.1	71.3	56.1	27%
EBIT margin	28%	28%	27%	23%	
ROIC	27%	23%	25%	19%	

Highlights

- ▼ Organic growth was 8% in Q3, growth rate for the first nine months was 7%
- ▼ Strong sales growth within Cultures, while Enzymes sales were impacted by our decision to reduce sales of contract manufactured animal rennet
- ▼ Asia and North America were the strongest performers
- ▼ EBIT margin for the first nine months continued to increase from 23% to 27%, due to the scalability of the business, including the impact from the Copenhagen plant

Health & Nutrition



P&L

EUR million	Q3 2009/10 (unaudited)	Q3 2008/09 (unaudited)	YTD 2009/10 (unaudited)	YTD 2008/09 (unaudited)	YTD growth %
Revenue	24.8	21.5	58.5	49.5	18%
Organic growth	12%	-	18%	-	
EBITDA	9.9	7.5	19.2	16.2	19%
EBITDA margin	40%	35%	33%	33%	
EBIT	9.1	6.7	16.0	13.3	20%
EBIT margin	37%	31%	27%	27%	
ROIC	42%	36%	25%	25%	

Highlights

- ▼ Organic growth was 12% in Q3 bringing growth rate for the first nine months to 18%
- ▼ Strong sales growth within all application areas for Human Health.
- ▼ Animal Health saw good growth in probiotics, but disappointing sales of silage cultures.
- ▼ Europe, Asia and North America were all strong performers
- ▼ At 37%, EBIT margin was very strong in Q3. EBIT margin after nine months is 27%, returning to normalized levels, after a weak Q1

Colors & Blends



P&L

EUR million	Q3 2009/10 (unaudited)	Q3 2008/09 (unaudited)	YTD 2009/10 (unaudited)	YTD 2008/09 (unaudited)	YTD growth %
Revenue	39.7	29.0	97.2	83.5	16%
Organic growth	38%	-	23%	-	
EBITDA	5.7	4.1	14.6	11.0	33%
EBITDA margin	14%	14%	15%	13%	
EBIT	4.6	2.8	11.2	7.6	47%
EBIT margin	12%	10%	12%	9%	
ROIC	22%	14%	19%	13%	

Highlights

- ▼ Organic growth was 38% in Q3 bringing growth rate for the first nine months to 23%
- ▼ Approx. one third of the Q3 increase was due to higher sales prices, driven by Carmine prices
- ▼ Strong volume growth within Carmine and Anthocyanin
- ▼ All regions were strong performers
- ▼ EBIT margin was 12% in Q3. EBIT margin after nine months has improved from 9% to 12% due to scalability
- ▼ Carmine situation

Colors & Blends

Carmine

The source of carmine colors is Cochineal

A Cochineal is an insect living on one single type of cactus only, which grows primarily in South America and on the Canary islands

The color component from Cochineals is carminic acid

Prices has more than tripled in Q3, due to strong demand

The price increases are absorbed by the customers, while the profitability for Chr. Hansen is more or less unchanged



Share information

Comments

- ▼ Listed on NASDAQ OMX, Copenhagen
- ▼ Major investors (>5%)
 - ▼ Financière star 1 (55.6%)
 - ▼ Blackrock (UK) (5.9%)
- ▼ Strong institutional investor base
- ▼ Approx. 5,000 private shareholders



Trading code	CHR
ISIN	DK0060227585
Shares	138,034,220
GICS	15101050
Sector	Materials, Specialty Chemicals
Segment	Large Cap

Outlook

- ▼ Unchanged outlook compared to the IPO offering memorandum:
 - ▼ Organic revenue growth for the financial year ending August 31, 2010, is expected to be in line with the equivalent period in 2009
 - ▼ Operating profit for the financial year ending August 31, 2010 is expected to grow faster than revenue growth, mainly due to a more profitable product mix combined with a more efficient production, sales and marketing and administration platform
- ▼ Assumptions, among others:
 - ▼ There will be no material change in existing political, legal, fiscal, market or economic conditions (including a deterioration in consumer confidence) in the countries in which we currently operate or which is otherwise material to our revenues
 - ▼ There will be no changes in legislation, regulations or rules in Denmark or any other country with which we have arrangements or agreements, which materially adversely affect our business other than as set forth in the Prospectus
 - ▼ There will be no material changes in foreign currency exchange rates from those prevailing on February 28, 2010 and in particular that the U.S. dollar/euro exchange rate are maintained at the level prevailing in April 2010
 - ▼ There will be no litigation against us other than as set forth in the IPO offering memorandum;
 - ▼ There will be no material change in our prices, our customers or our business because of the effects of competition for our products or the expected impact of changes in competitive conditions in our markets, including the obtaining or failure to obtain regulatory approvals for our products
 - ▼ We will be able to maintain our existing competitive strengths

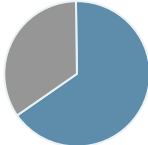
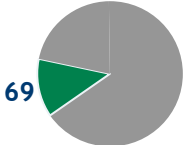

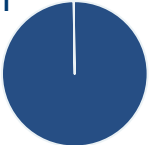
Q&A



Appendix



Our three divisions are market leaders

	Cultures & Enzymes	Health & Nutrition	Colors & Blends	Total Chr. Hansen
Market position	Market leader	Market leader	Market leader	
Market share	c. 45% ¹	c. 15% ¹	c. 20% ¹	
Revenue FY 2008/09 (EUR m)	 331	 69	 111	 511
Adjusted organic growth ² 3Y CAGR / FY 2008/09	10% / 9%	20% / 27%	4% / 6%	10% / 10%
EBIT margin b.s.i. ³ FY 2008/09	26%	29%	9%	22%
ROIC ⁴ FY 2008/09	22%	26%	13%	21%

Note 1: Management estimates, based on market reports

Note 2: Adjusted organic growth is calculated based on the reported IFRS revenue adjusted for sales reductions, year-on-year for acquisitions and divestments and measured in local currency

Note 3: Operating profit before special items for each period that comprise material amounts that cannot be attributed to recurring operations. "b.s.i." refers to before special items

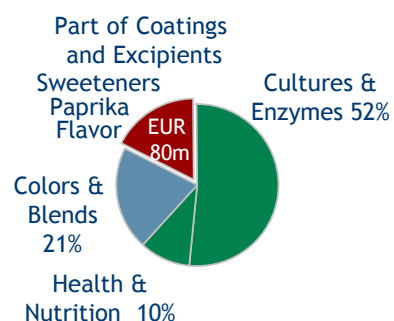
Note 4: Return on average invested capital is operating profit b.s.i. as a percentage of average invested capital. Invested capital is defined as intangible assets excluding goodwill, property, plant & equipment, inventories and trade receivables less trade payables

Source: Chr. Hansen

We have transformed the business under private ownership

Profile before (FY2005/06)

One-stop supplier



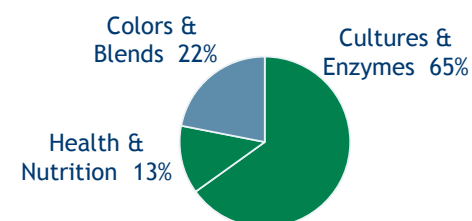
Revenue inc. disc.op.¹: EUR 505m
 Revenue²: EUR 425m
 EBIT b.s.i.³ margin: 13%

Transformation

- ▼ Bioscience platform emphasised
- ▼ Increased investments in R&D creating a high level of product innovation
- ▼ Investment in state-of-the-art facilities
- ▼ Targeted acquisitions and divestments of non-core assets
- ▼ Next level of management empowered and high level of employee satisfaction
- ▼ Transparent management information systems and processes

Profile today (FY2008/09)

Bioscience focus



Revenue: EUR 511m
 EBIT b.s.i.³ margin: 22%

“Bioscience is the science that deals with the function of living organisms”

Note 1: Includes divestments such as the flavor division defined as “discontinued operations” under IFRS

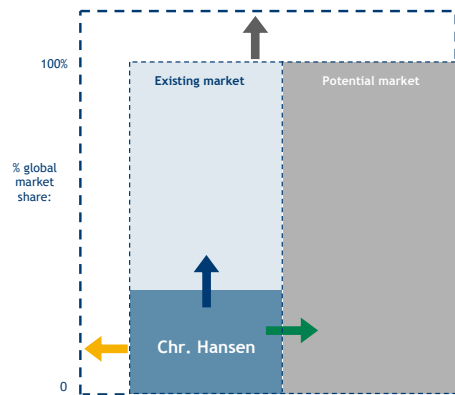
Note 2: Excluding divestments such as the flavor division defined as “discontinued operations” under IFRS, mentioned in note 1

Note 3: Operating profit before special items for each period that comprise material amounts that cannot be attributed to recurring operations and adjusted for discontinued operations. “b.s.i.” refers to before special items

Source: Chr. Hansen

Chr. Hansen is a compelling investment opportunity

Attractive growth story

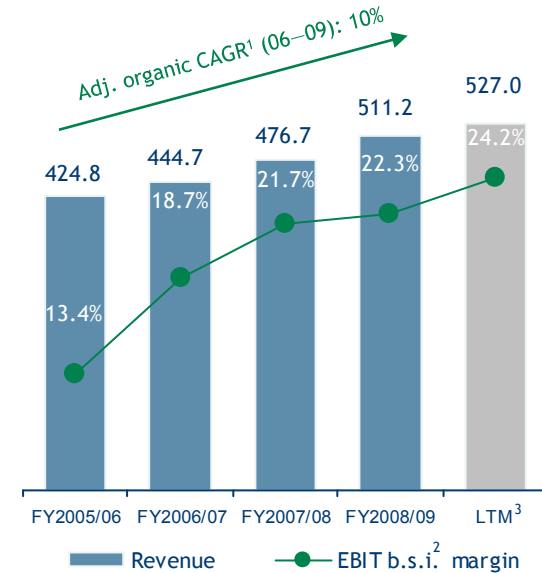


- Fundamental growth
- Market expansion through conversion
- Market expansion through greater functionality
- Market share growth

Market leader in segments with high barriers to entry

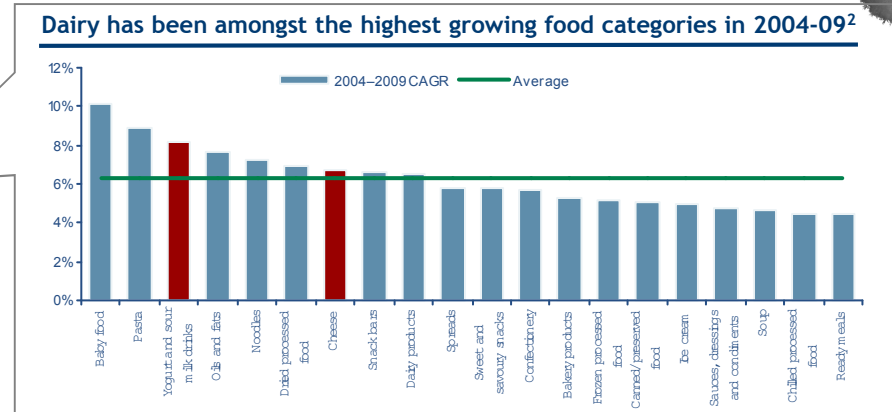
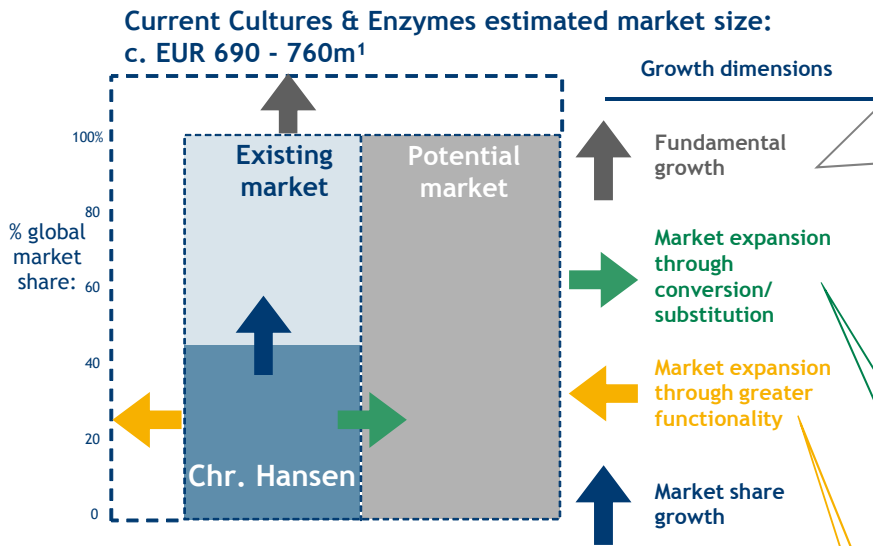


Strong financials

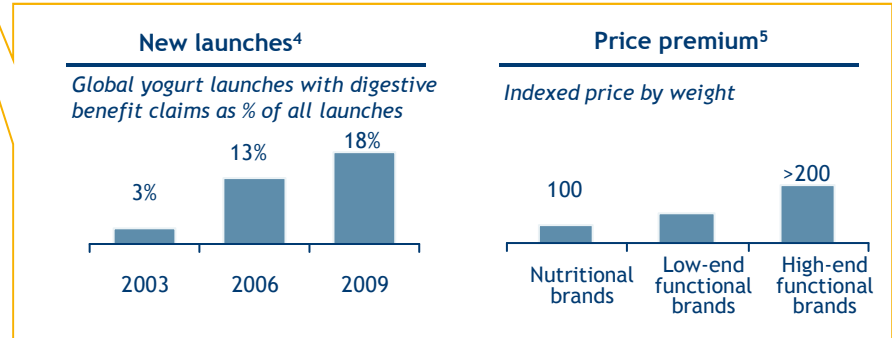
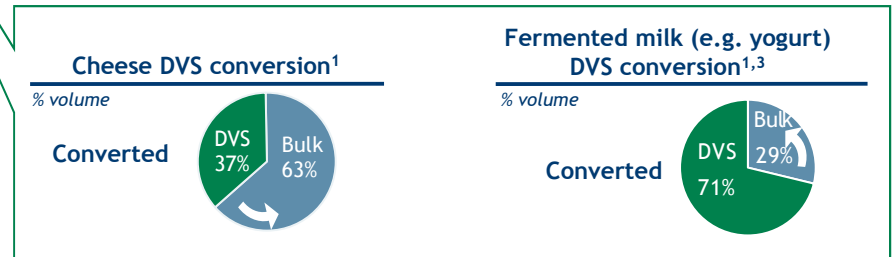
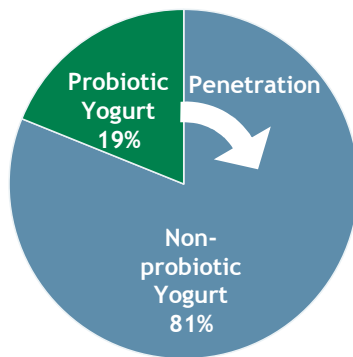


Note 1: Adjusted organic CAGR is calculated based on the reported IFRS revenue adjusted for sales reductions, year-on-year for acquisitions and divestments and measured in local currency
 Note 2: Operating profit before special items for each period that comprise material amounts that cannot be attributed to recurring operations. "b.s.i." refers to before special items
 Note 3: LTM to 28 February 2010
 Source: Chr. Hansen

Cultures & Enzymes division: A leading supplier of ingredients to a market worth an estimated EUR 690-760m¹ (I)



Probiotics penetration (% volume)¹



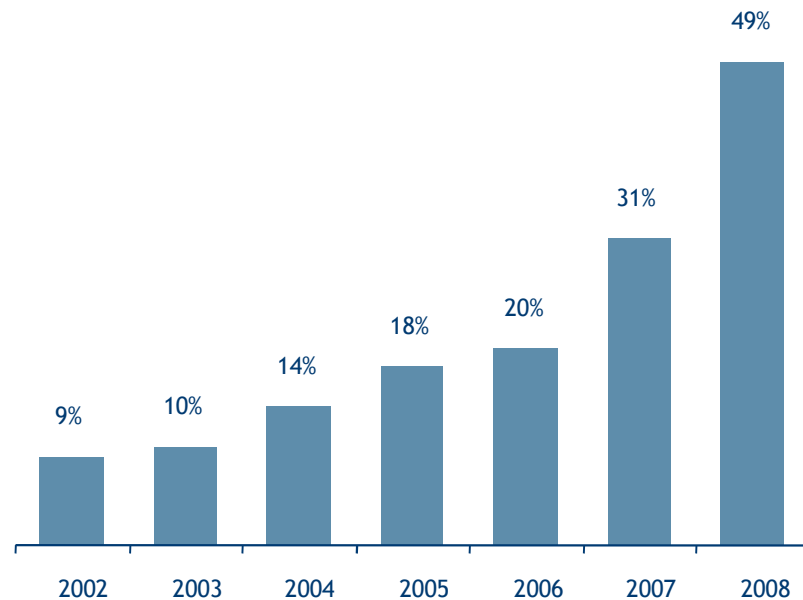
Note 1: Based on management estimates and market reports
 Note 2: Euromonitor
 Note 3: Volume excludes informal sector
 Note 4: Includes spoonable and drinking yogurts; Source: Mintel
 Note 5: Example provided by major dairy company

Health & Nutrition division: Leveraging core technology and creating new growth opportunities (I)



Growing public awareness of probiotics

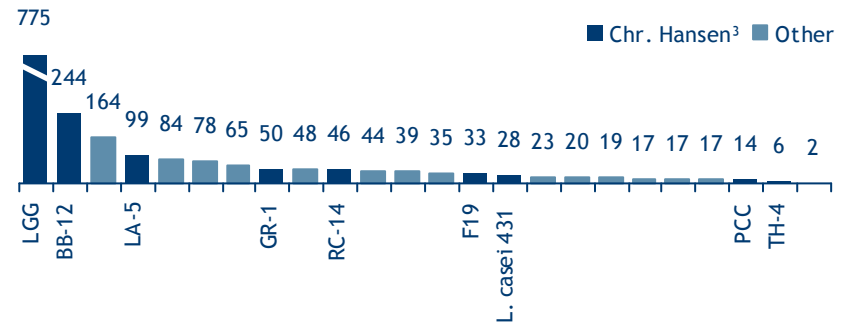
Number of people having heard about “probiotics”¹



Regulation is key driver

- ▼ Animal Health: Ban on antibiotics creates opportunities
- ▼ Human Health: EFSA health claims is “work in progress”
 - ▶ EFSA regulation as a differentiator
 - ▶ Submitted products for 13.1 approval but do not expect to get it
 - ▶ Building data and will apply for 13.5 approval

of publications on leading probiotic strains²

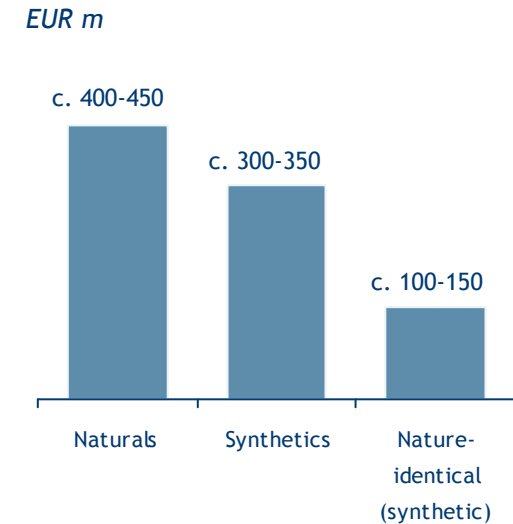


Note 1: Survey done in United States since 2002 by the Natural Marketing Institute; Natural Marketing Institute (NMI, 2009)
 Note 2: Based on FSTA (Food Science and Technology Abstracts) and MEDLINE using standardized search terms (March 2010)
 Note 3: Including strains produced and sold under license
 Source: Management estimates, based on market reports

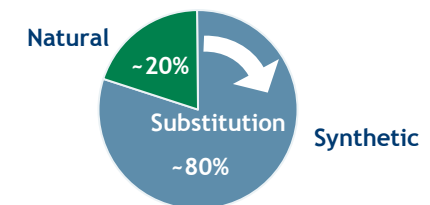
Colors & Blends division: Natural solutions to consumers concerned with synthetic colors (I)



Estimated worldwide food colors market size² (value)



Natural colors substitution potential (volume)



Theoretical market size assuming that the entire market substitutes to natural colors³



Southampton study

The Lancet September 2007
 “An adverse effect of food additives has been found on the hyperactive behavior of children.”

Note 1: Based on management estimates
 Note 2: Management estimates, based on market reports; Naturals market includes coloring foodstuff segment of EUR 50m-100m
 Note 3: Management estimates, based on market reports; Assuming a price ratio of approximately 5:1

Long term relationships ensure a loyal customer base

Strategic value of Chr. Hansen ingredient is much higher than ingredient cost

Illustrative example of Chr. Hansen ingredient costs

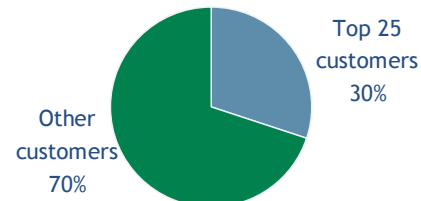


We build customer competitiveness

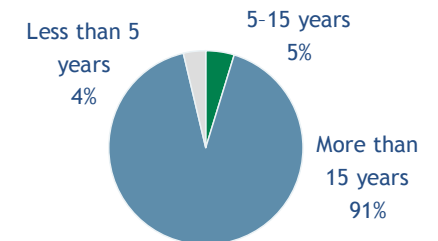


A diversified and loyal customer base

Top 25 customers¹ share of revenue



Top 25 customers¹ revenue by seniority

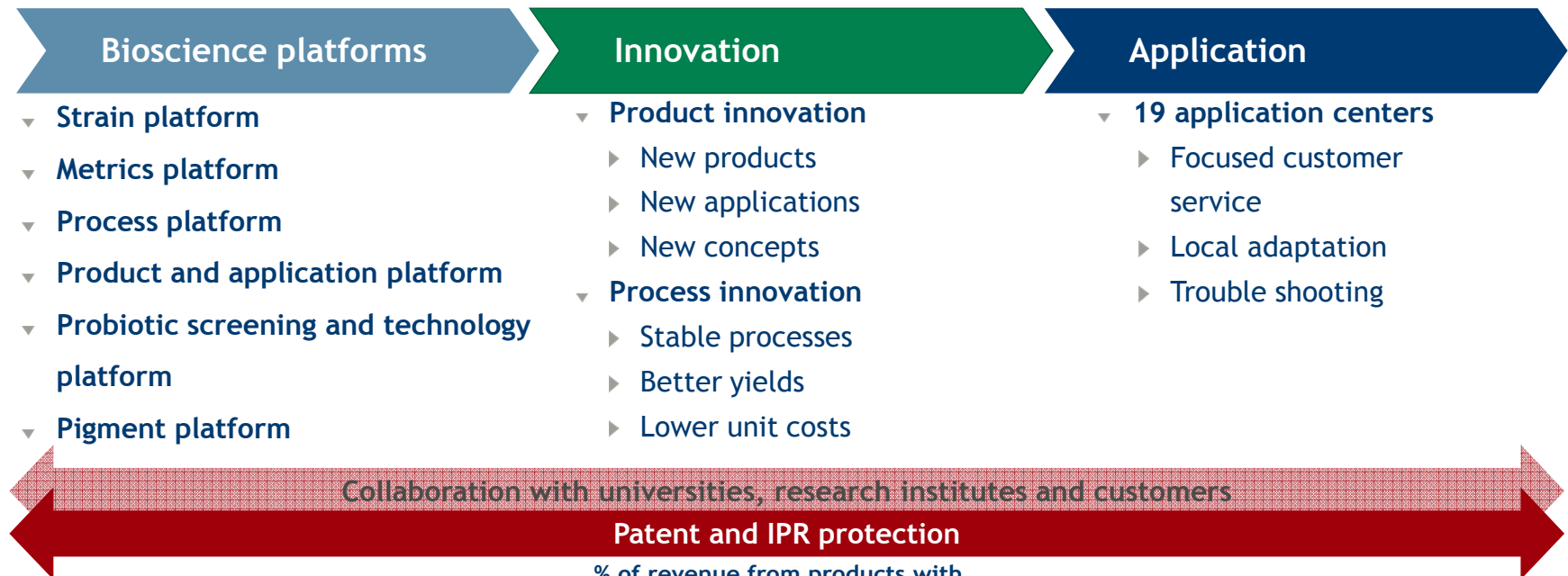


FY 2008/09 revenue: EUR 511 m

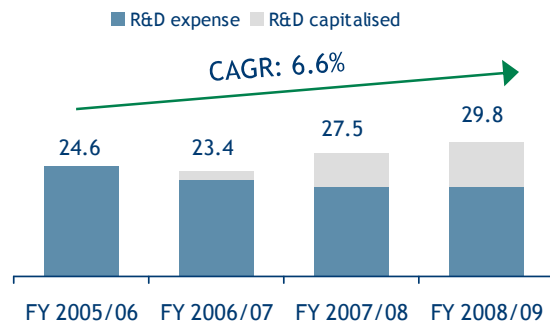
Top customers ¹	Avg. years with Chr. Hansen	3yr revenue CAGR
Top 5	>20	18%
Top 10	>20	16%
Top 25	>20	14%

Source: Chr. Hansen
Note 1: Includes distributors

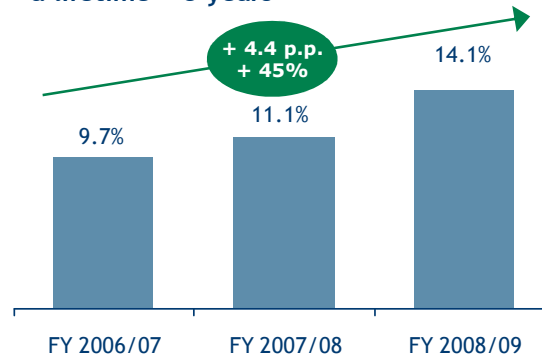
A strong R&D platform for innovative product development



R&D costs in EUR m



% of revenue from products with a lifetime < 3 years



~1,130 patents and patent applications

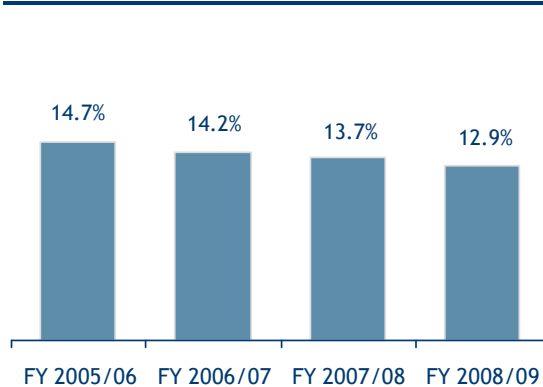
Source: Chr. Hansen

Growing sales faster than costs with a scalable business model

Sales platform

- ▼ Global platform with local presence
- ▼ Key account coverage
- ▼ Stable, technically skilled salesforce

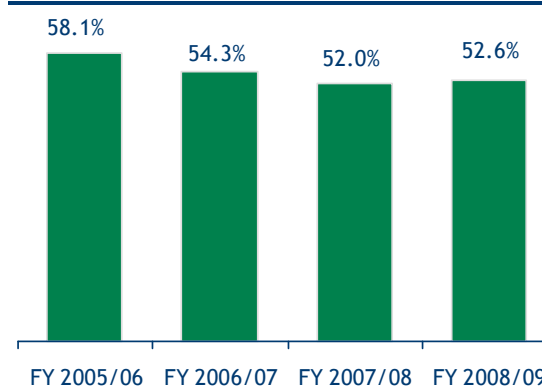
Sales and administration percentage of revenue



Global supply chain

- ▼ Few and well invested production sites
- ▼ Highly scalable set-up allows leveraging of capacity costs
- ▼ Introduction of Lean principles reduces time to market

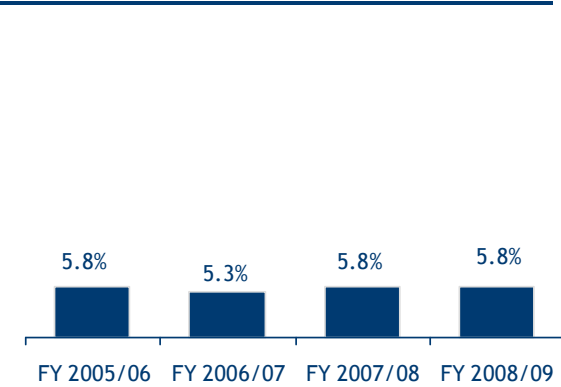
COGS¹ as percentage of revenue



R&D platform

- ▼ State-of-the-art R&D facilities
- ▼ Platform based on deep technological knowledge and market understanding
- ▼ Library of over 10,000 microorganisms
- ▼ Investment in documentation

R&D as percentage of sales



Note 1: Cost of sales includes depreciation and amortization, impairments and losses incurred from retirement of assets related to cost of sales
Source: Chr. Hansen