

CHR HANSEN

Improving food & health

Chr. Hansen Holding A/S

Interim Report Q2 2010/11

6 April 2011

Teleconference 9:30am CET



Chr. Hansen - A bioscience based company

Founded in 1874

Cultures

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

Dairy 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



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This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Chr. Hansen believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors many of which are beyond Chr. Hansens control



Highlights YTD 2010/11

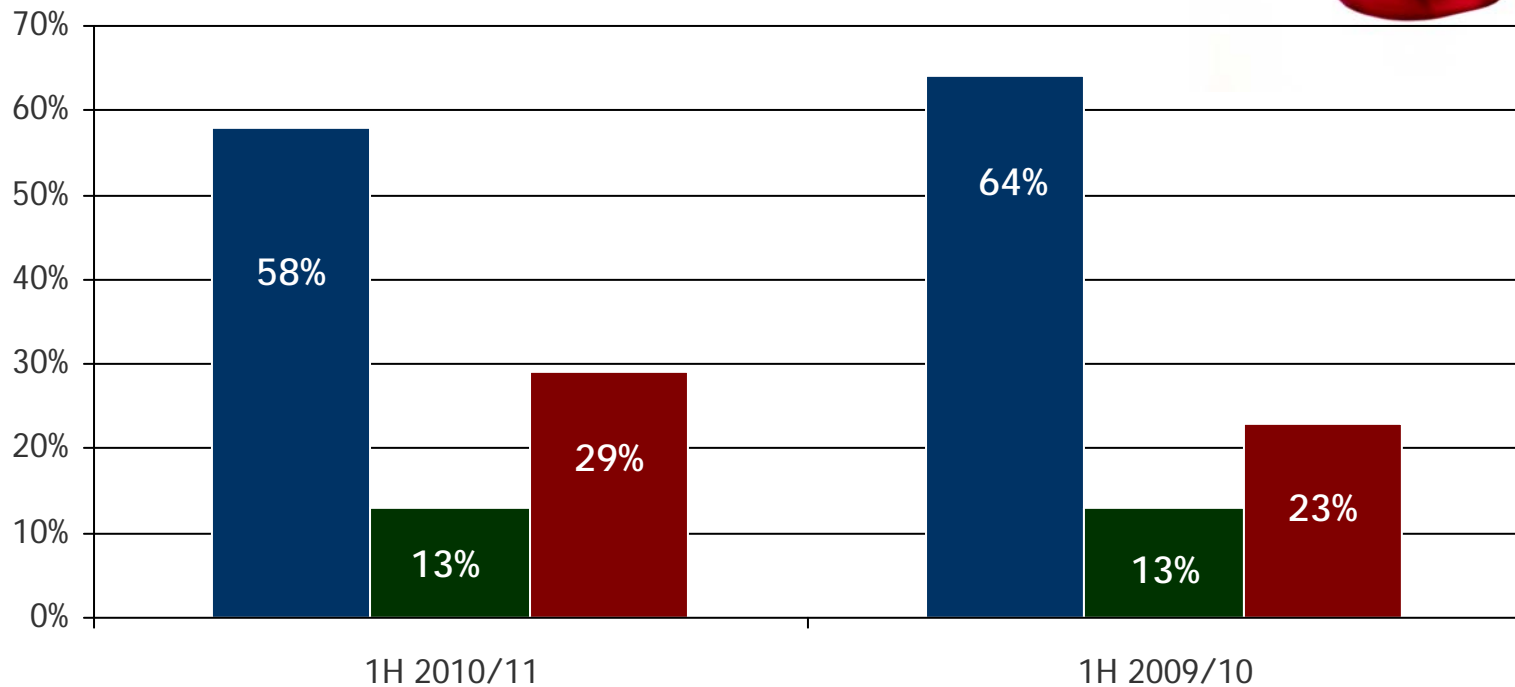
- Revenue EUR 315 million, up 23%
- Organic revenue growth of 17%
 - Increased sales prices reflecting higher raw material prices for carmine (+7%-points)
 - Effect from euro pricing (-2%-points)
- EBIT b.s.i. EUR 71 million, up 23%
- EBIT margin b.s.i. 23%, unchanged
- Revised outlook
 - Revenue expected to grow organically by 12-14%
 - EBIT margin b.s.i. is expected to be at or above 25%

	YTD 2010/11	YTD 2009/10
Organic growth	17%	11%
EBIT margin b.s.i.	23%	23%

Change in business mix affects margins by approx 1%-point



Share of total revenue



- Cultures & Enzymes
- Health & Nutrition
- Colors & Blends



Growth across regions in 1H 2010/11

North America

- 8% organic growth
- 20% of total revenue

Europe

- 18% organic growth
- 50% of total revenue

South America

- 20% organic growth
- 13% of total revenue

APMEA

- 24% organic growth
- 17% of total revenue

Highlights Q2 2010/11

- Revenue EUR 160 million, up 24%
- Organic revenue growth of 19%
 - Increased sales prices reflecting higher raw material prices for carmine (+8%-points)
 - Effect from euro pricing (-2%-points)
- EBIT b.s.i. EUR 36 million, up 24%
- EBIT margin b.s.i. 23%, unchanged
- Change in business mix
 - Cultures & Enzymes Division: 56% vs. 63%
 - Health & Nutrition Division: 14% vs. 14%
 - Colors & Blends Division: 30% vs. 23%

YTD 2010/11

YTD 2009/10

Organic
growth

19%

9%

EBIT margin
b.s.i.

23%

23%

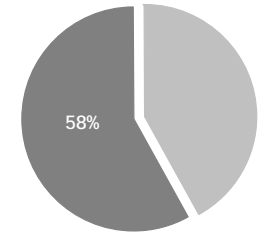
Strong revenue growth and EBIT margins

EUR million	YTD			Q2		
	2010/11	2009/10	Index	2010/11	2009/10	Index
Revenue	315.4	256.2	123	159.6	128.4	124
Organic growth	17%	11%		19%	9%	
Gross margin	47%	50%		47%	51%	
EBIT b.s.i.	71.3	58.1	123	36.1	29.2	124
EBIT b.s.i. margin	23%	23%		23%	23%	
EBIT	71.3	56.7	126	36.1	28.5	127
EBIT margin	23%	22%		23%	22%	
Profit/loss	47.7	(3.6)		24.5	(14.9)	
EPS continuing activities, diluted	0.35	(0.04)		0.18	(0.15)	
Cash flow						
Cash flow from operating activities	12.4	16.9	73	28.3	10.0	283
Cash flow from investing activities	(16.8)	(16.7)	101	(9.8)	(9.9)	99
Free cash flow	(4.4)	0.2		18.5	0.1	
Balance sheet						
Total assets	1,315	1,269	104			
Equity, excl. minorities	590	96	515			
Net interest-bearing debt	483	844	57			



Cultures & Enzymes

Share of total revenue

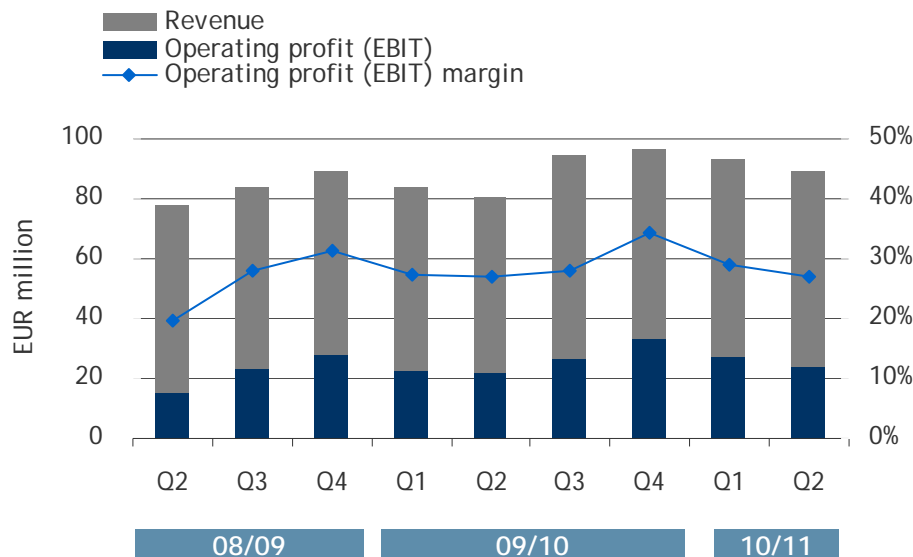


EUR million	Q2 2010/11	Q2 2009/10	1H 2010/11	1H 2009/10
Revenue	90	81	183	165
Organic growth	6%	4%	6%	7%
EBITDA	32	30	67	61
EBITDA margin	35%	37%	36%	37%
EBIT	24	22	51	45
EBIT margin	27%	27%	28%	27%

1H/Q2

Organic growth affected by

- Strong growth in fermented milk, cheese and wine cultures
- Reduced sale of probiotic cultures in Europe primarily related to the current uncertainty around EFSA regulation
- Euro pricing (-2%-points both 1H/Q2)



EBIT margin

Scalability gains offset by changed product mix

- 1H: Up 1%-point
- Q2: Unchanged



Transition period for all Article 13.1 claims will extend at least into mid-2012

Now expected
April 2011



EFSA opinion
Batch 1

EFSA opinion
Batch 2

EFSA opinion
Batch 3

EFSA opinion
Batch 4

EFSA opinion
Batch 5

Steps after June 2011:

- EC publication positive list
- Parliament hearing period
- EC positive list final
- Transition period of six months

Chr. Hansen 13.1 claims for:

- Combination BB-12 + LA-5
- L. Casei-431

Products still in progress:
BB-12

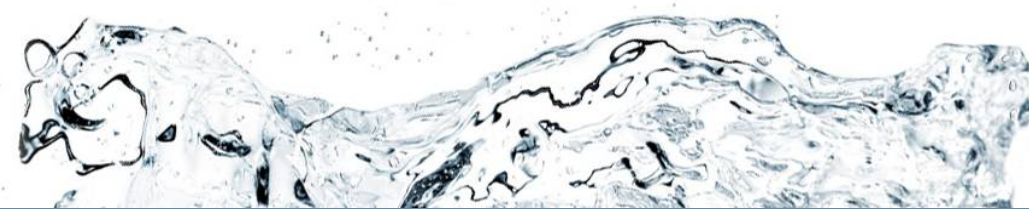
Formal rejection as expected. Awaiting procedure from EFSA to resubmit characterisation data

Impact on Chr. Hansen

- **Short term:** Negative effect from uncertainty
- **Long term:** Chr. Hansen well positioned with well documented strains and resources to carry out necessary clinical studies for Article 13.5 claims

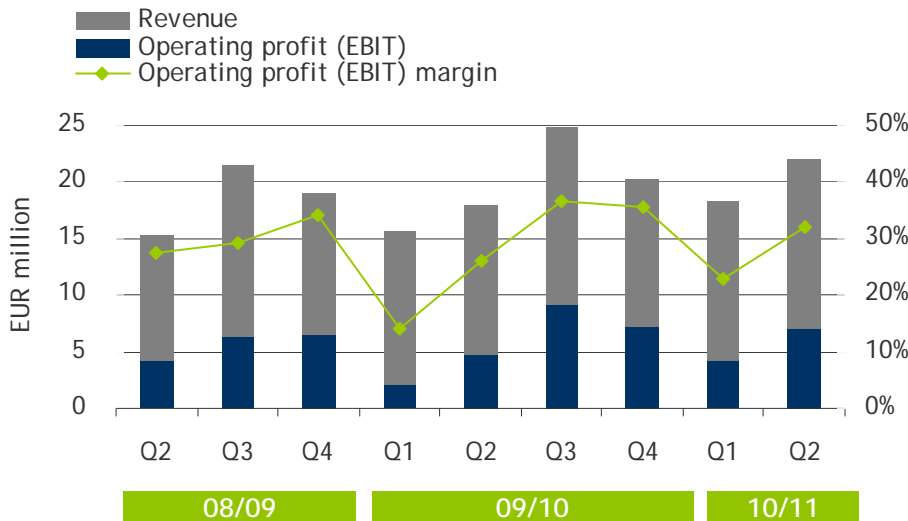
Latest development

- We continue to build documentation and will file Article 13.5 claims in due time

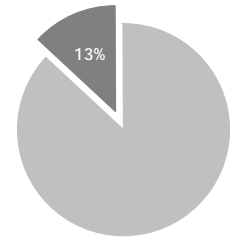


Health & Nutrition

EUR million	Q2 2010/11	Q2 2009/10	1H 2010/11	1H 2009/10
Revenue	22	18	40	34
Organic growth	19%	21%	16%	23%
EBITDA	9	6	14	9
EBITDA margin	39%	33%	35%	28%
EBIT	7	5	11	7
EBIT margin	32%	26%	28%	20%



Share of total revenue



1H

Both animal and human health contributed to the strong growth

EBIT margin improved primarily due to increased volume and easy comparables due to production issues in North America in Q1 2009/10

Q2

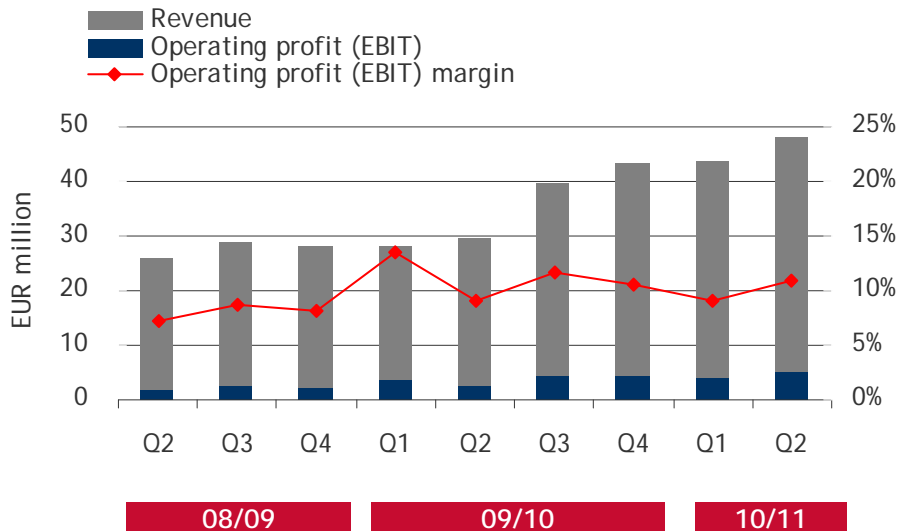
Organic growth driven by strong sales of cultures for silage and animal health products for pigs

EBIT margin increased primarily driven by increased sales volume and optimization of the product portfolio within animal health

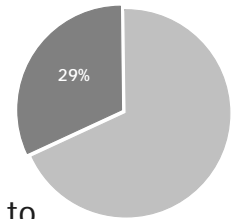


Colors & Blends

EUR million	Q2 2010/11	Q2 2009/10	1H 2010/11	1H 2009/10
Revenue	48	30	92	58
Organic growth	57%	20%	52%	15%
EBITDA	6	4	11	9
EBITDA margin	13%	13%	12%	15%
EBIT	5	3	9	7
EBIT margin	11%	9%	10%	11%



Share of total revenue



1H

Growth driven by continued conversion to natural color solutions, primarily by major manufacturers of beverages, confectionery and ice cream

Organic growth affected by

- Recovery of higher raw material prices for carmine colors (30%-points)
- Volume growth (>20%-points)

EBIT margin diluted by increased raw material costs partly passed on to customers

Q2

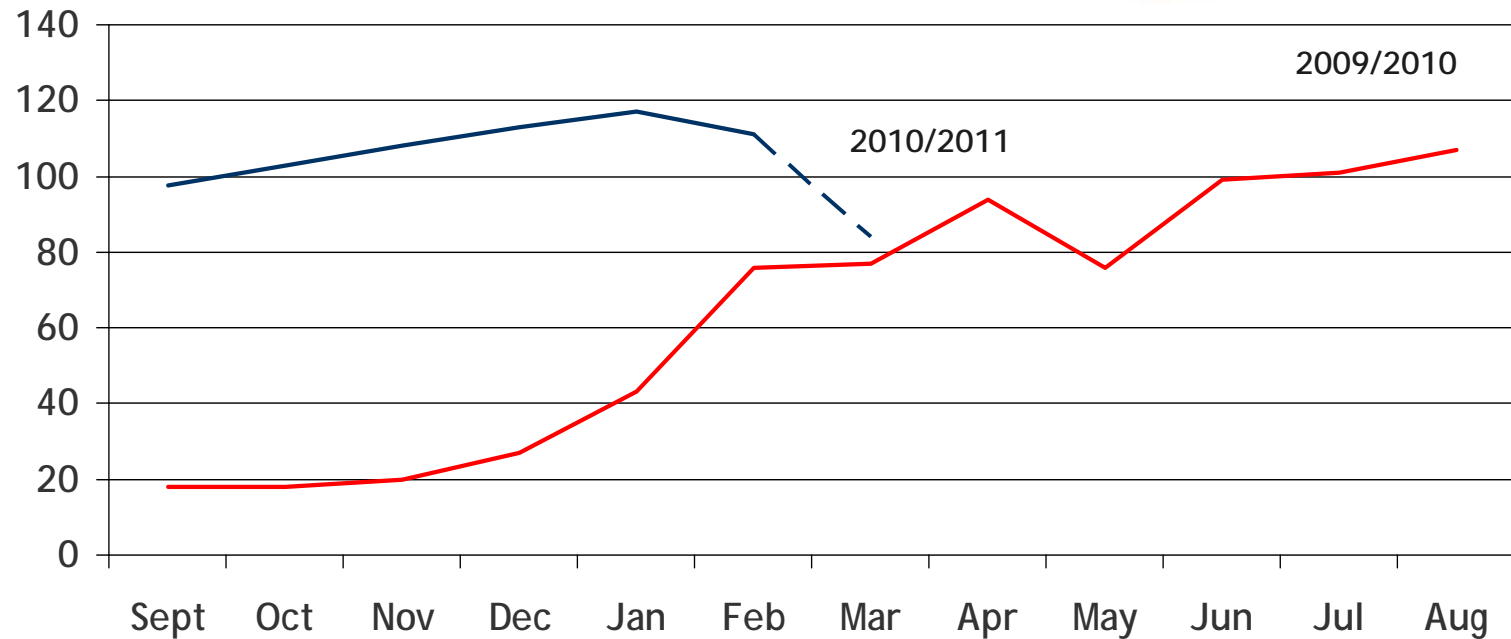
Organic growth affected by

- Recovery of higher raw material prices for carmine colors (35%-points)
- Volume growth (>20%)

EBIT margin improved in Q2 due to increased recovery of raw material prices



Raw material costs for carmine at a high level in 1H



Outlook

2010/11 (6 April)

Org. Growth	EBIT margin b.s.i.	NWC (% of revenue)	Cap. Exp.* (% of revenue)	R/D Exp.* (% of revenue)	Tax rate (On operating profit)	Net debt/ EBITDA
12-14%	At or above 25%	In line with long term target			~26%	~2.0

2010/11 (12 January)

Org. Growth	EBIT margin b.s.i.	NWC (% of revenue)	Cap. Exp.* (% of revenue)	R/D Exp.* (% of revenue)	Tax rate (On operating profit)	Net debt/ EBITDA
11-13%	Above 25%	In line with long term target			~26%	~2.0

The 2010/11 outlook is sensitive to major changes in the global economy including the USD exchange rate, and raw material prices for carmine which could impact the operational and financial performance of the company

* Includes capitalised development costs



Q & A