

Chr. Hansen Holding A/S

Q4 2012/13

23 October 2013



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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.

Forward-looking statements are other than statements of historical facts. The words "believe," "expect," "anticipate," "intend," "estimate," "outlook," "will," "may," "continue," "should" and similar expressions identify forward-looking statements.

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Highlights 2012/13



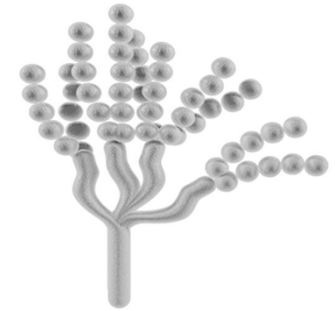
- Solid growth of 9% excl. carmine price effect and EBIT margin before impairment on par with last year
 - CED: Solid growth and scalability
 - HND: Strong growth while reinvesting in the future
 - CED/HND: Clinical studies on GI concluded
 - NCD: Improved performance during the year
- Acquisition of remaining 50% in Turkish subsidiary
- EUR 110 million in dividend announced

Key ratios	FY 2012/13	FY 2011/12
Organic growth excl. carmine price	9%	11%
EBIT margin before impairment	27.2%	27.2%

Key ratios	Q4 2012/13	Q4 2011/12
Organic growth excl. carmine price	12%	14%
EBIT margin before impairment	30.7%	29.8%

Natures No.1

Evolution, not revolution



	1 Fully leveraging the potential of CED	2 Developing the microbial solutions platform in HND	3 Creating further value in NCD
4 Driving a step change in innovation	<ul style="list-style-type: none"> × New innovation for yield & functionality 	<ul style="list-style-type: none"> × Expand existing business × Develop plant protection × Explore human biome 	<ul style="list-style-type: none"> × Improve cost-in-use × New transformational technologies
5 Reinforcing position in emerging markets	<ul style="list-style-type: none"> × Undisputed leadership in emerging markets 	<ul style="list-style-type: none"> × Pursue probiotic opportunities in emerging markets 	<ul style="list-style-type: none"> × Drive emerging market conversion
6 Generating fuel for growth	<ul style="list-style-type: none"> × Drive scalability 	<ul style="list-style-type: none"> × Reinvest in future growth 	<ul style="list-style-type: none"> × Drive scalability
	<ul style="list-style-type: none"> × Continued conversion × Commercial excellence 	<ul style="list-style-type: none"> × Commercial excellence 	<ul style="list-style-type: none"> × Continued conversion × Commercial excellence

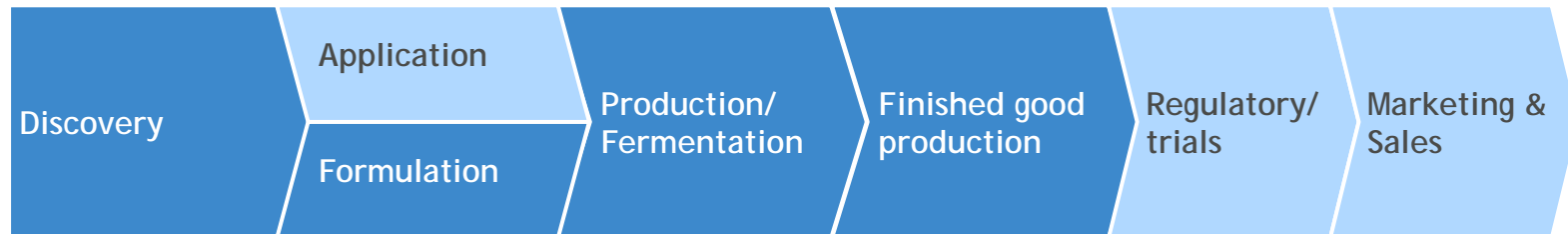
Natures No.1

What we will **NOT** do

- X** Pursue acquisitions in unrelated areas
- X** Expand into products outside microbials/natural colors
- X** Attempt to become a full fledged pharma player
- X** Lose focus on cost control & operational efficiency



Stronger alliance with FMC Corporation creating opportunities in biologic plant protection



■ Chr. Hansen

Chr. Hansen competences

- ✗ Strain library
- ✗ Scouting & screening
- ✗ Up-scaling
- ✗ Large scale manufacturing

FMC competences

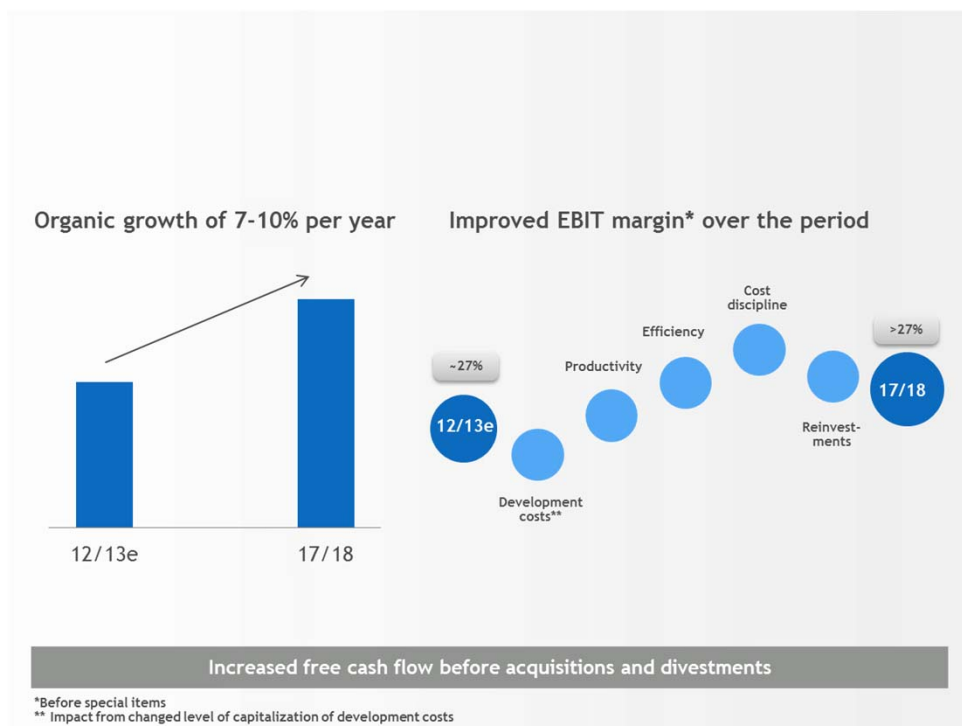
- ✗ Scouting & screening
- ✗ Formulation
- ✗ Product development & registration
- ✗ Global market access

2013/14 priorities and long-term financial ambitions

2013/14 priorities

- Accelerate innovation efforts and emerging market presence in CED
- Increase focus on HND long term growth opportunities within plant protection and human health
- Keep momentum in NCD despite headwind from lost customer
- Evaluate how to further optimize processes and production footprint in order to generate the fuel for growth and ensure a successful implementation of the strategy

Long-term financial ambitions (5 years)



Revenue by regions 2012/13



EMEA
(49%)*



5% organic growth**

Growth driven by

- Fermented milk
- Cheese
- Natural colors
- Revenue from probiotic cultures for fermented milk was lower than in 2011/12

Americas
(38%)*



14% organic growth**

Growth driven by

- Fermented milk
- Cheese
- Enzymes
- Human & animal health
- Natural colors

APAC
(13%)*



13% organic growth**

Growth driven by

- Fermented milk
- Cheese
- Human health

*Share of revenue

**Excluding carmine price effect

Cultures & Enzymes Division

EUR million	Q4 12/13	Q4 11/12	FY 12/13	FY 11/12
Revenue	118.2	113.0	450.9	419.8
Organic growth	10%	12%	9%	10%
EBIT	40.5	33.5	132.9	119.8
EBIT margin	34.3%	29.6%	29.5%	28.5%
EBIT margin before impairment	34.3%	31.5%	30.4%	29.0%
ROIC excluding goodwill			34.5%	31.8%

Organic growth

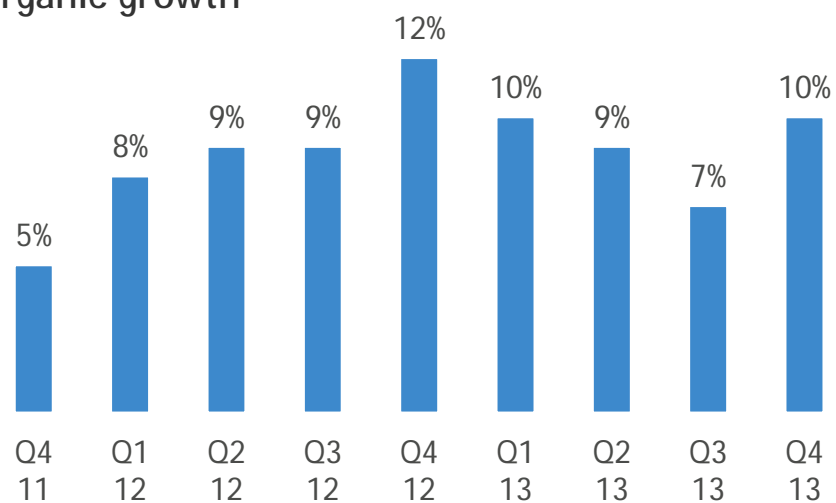
2012/13:

- Strong performance from fermented milk, cheese, meat and enzymes
- Revenue from probiotic cultures unchanged

Q4:

- Strong performance by fermented milk, meat, cheese and enzymes
- Probiotic cultures delivered modest growth

Organic growth



EBIT margin before impairment

2012/13:

- EBIT margin before impairment up 1.4%-point primarily driven by scalability

Q4:

- EBIT margin before impairment up 2.8%-point primarily driven by scalability

Health & Nutrition Division

EUR million	Q4 12/13	Q4 11/12	FY 12/13	FY 11/12
Revenue	34.0	30.6	120.6	107.3
Organic growth	18%	18%	14%	13%
EBIT	12.2	10.8	37.9	37.6
EBIT margin	35.8%	35.3%	31.5%	35.0%
EBIT margin before impairment	35.8%	44.4%	34.6%	37.6%
ROIC excluding goodwill			36.7%	39.1%

Organic growth

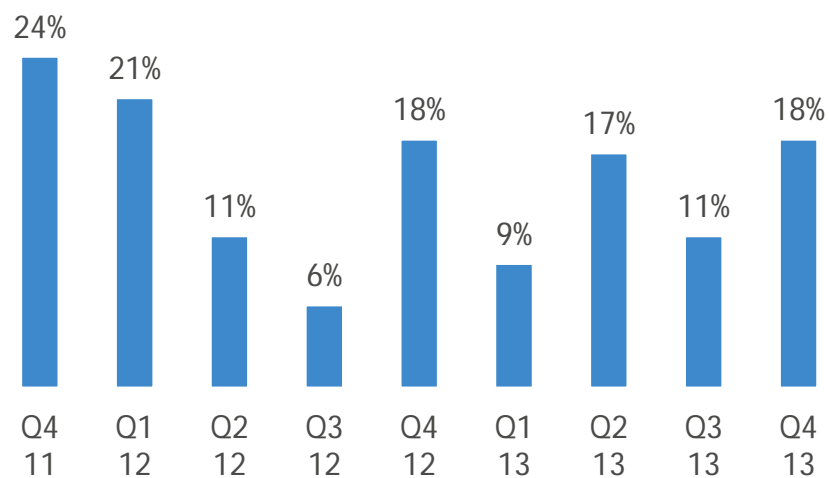
2012/13

- Strong performance in human (dietary supplements) and animal health (silage, poultry and swine segments)

Q4

- Growth driven by both human and animal health
- Human health positively impacted by timing of orders

Organic growth



EBIT margin before impairment

2012/13

- EBIT margin before impairment down 3%-point primarily driven by changes in the product mix in human health and investments in the sales platform

Q4

- EBIT margin before impairment down 8.6%-point
- EUR 1 million negative impact from management change

Natural Colors Division

EUR million	Q4 12/13	Q4 11/12	FY 12/13	FY 11/12
Revenue	41.7	41.4	166.9	171.6
Organic growth	7%	1%	0%	2%
Organic growth excl. carmine effect	13%	15%	8%	12%
EBIT	6.8	6.0	21.7	27.6
EBIT margin	16.3%	14.5%	13.0%	16.1%
ROIC			29.5%	40.5%

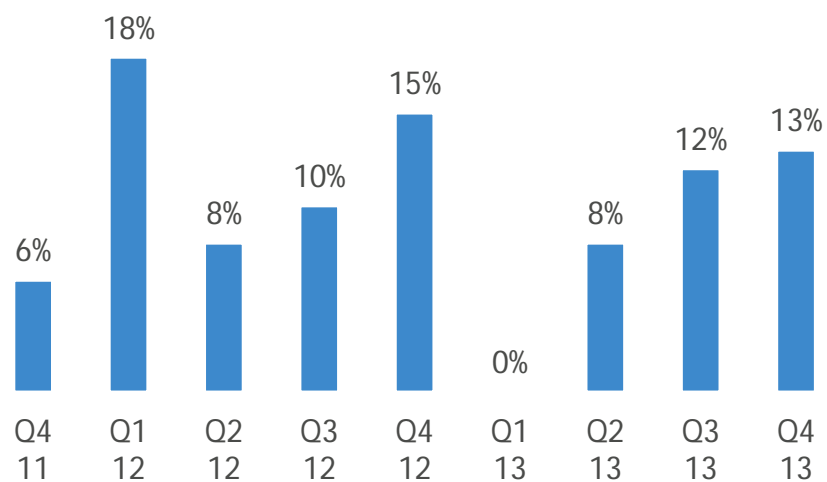
Organic growth excluding carmine price effect 2012/13

- Strong performance in anthocyanin, natural carotene, annatto & Fruitmax®
- Modest growth in carmine volumes

Q4

- Strong performance across most product areas, partly due to positive timing of orders
- Loss of customer in Latin America during Q4

Organic growth excl. carmine price effect



EBIT margin

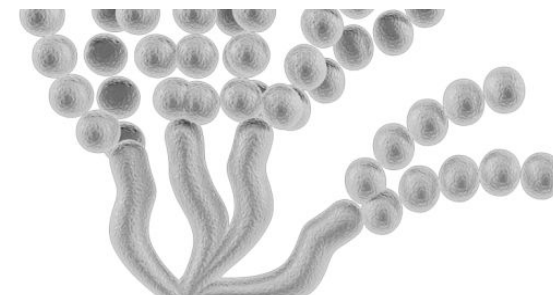
2012/13

- EBIT margin down 3.1%-point driven by pricing reductions to address carmine volume losses at the beginning of the year, a positive carmine price effect from delayed price reductions in 2011/12, and investments in the sales platform

Q4

- EBIT margin up 1.8%-point primarily driven by a continued focus on pricing and as a result of strong focus on efficiency and cost

Profit & Loss



EUR million	Q4 12/13	Q4 11/12	FY 12/13	FY 11/12
Revenue	193.9	185.0	738.4	698.7
Organic growth	10%	10%	7%	8%
Organic growth excl. carmine effect	12%	14%	9%	11%
Gross margin	54.5%	53.6%	52.1%	51.5%
EBIT	59.5	50.3	192.5	185.0
EBIT margin	30.7%	27.2%	26.1%	26.5%
EBIT margin before impairment	30.7%	29.8%	27.2%	27.2%
Net financials	(3.7)	(2.3)	(15.8)	(12.7)
Income tax	(4.3)	(8.7)	(36.9)	(41.0)
Profit for the period	51.5	39.3	139.8	131.3
EPS, diluted (EUR)	0.39	0.28	1.04	0.95

FY 2012/13

Gross margin up 0.6%-point

- Primarily driven by scale benefits in CED

Negative effect from net financials increased by EUR 1.4 million

- Exchange rate adjustments EUR (7) million compared to EUR (1) million in 2011/12

Effective tax rate 21%, compared to 24% in 2011/12

- One-off adjustments to deferred taxes as a consequence of a change in the Danish corporate income tax rate from 25% to 22% in 2015/16 reduced the effective tax rate by 4 %-points

Research & Development



EUR million	Q4 12/13	Q4 11/12	FY 12/13	FY 11/12
R&D expenses	8.7	11.8	42.9	35.7
- Amortization	1.3	1.1	4.5	3.1
- Impairment	0	4.8	8.1	4.8
+ Capitalization	2.6	4.5	14.8	19.3
R&D expenditures incurred	10.0	10.3	45.1	47.1
Share of revenue	5.2%	5.5%	6.1%	6.7%
- of which capitalized	1.3%	2.4%	2.0%	2.8%

Gastrointestinal health clinical studies concluded

- Primary endpoints not met on full population i.e. EUR 8 million impairment loss in Q2 2012/13
- Further analysis of data conducted in Q3 and Q4 showed beneficial effect on bowel function from BB-12® in certain sub groups

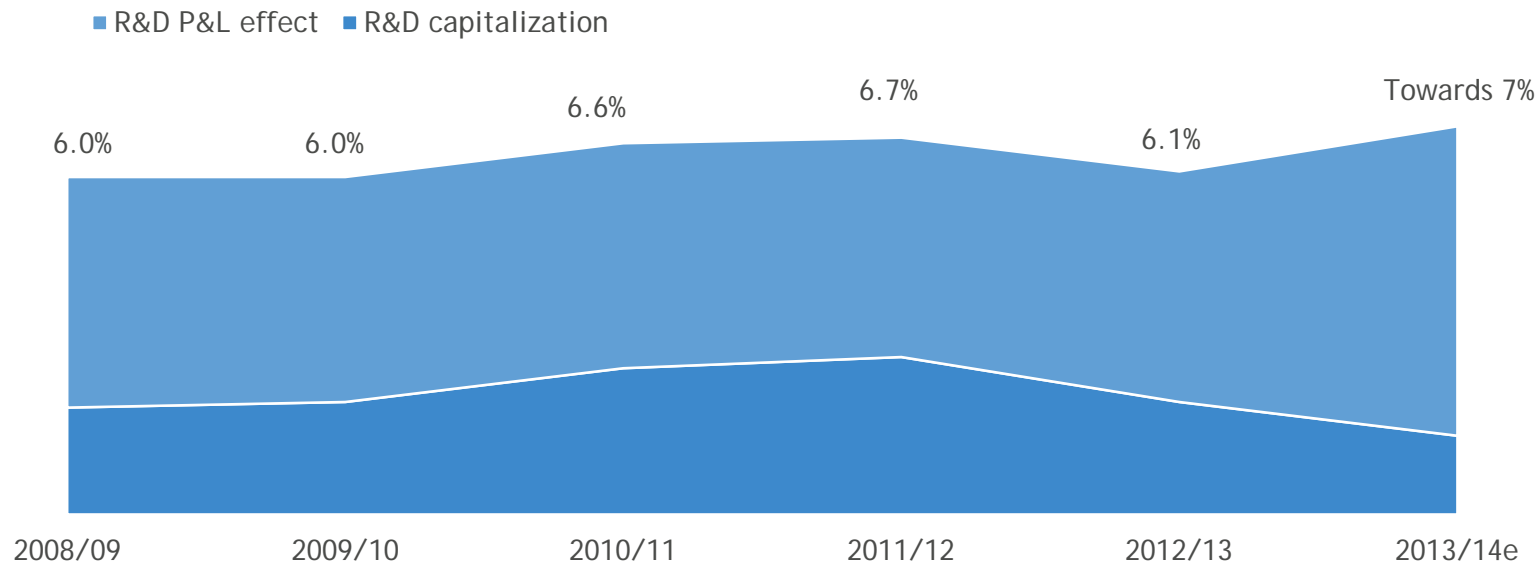
Differentiation through documentation remains key focus area

- Near-term focus on supporting probiotic opportunities in emerging markets through new clinical studies

R&D impact on EBIT margin 2013/14



R&D expenditures as percentage of revenue

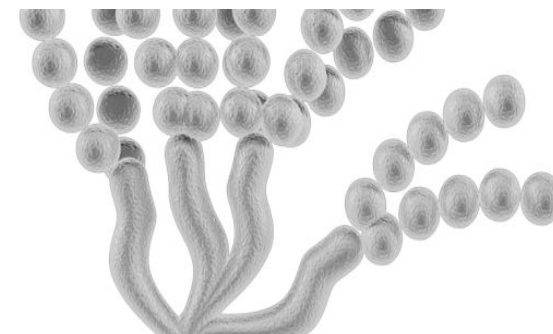


R&D spend expected to move towards 7% of revenue

A higher proportion of development expenditures expected to be expensed in 2013/14

Estimated impact on EBIT margin negatively 1-1.5 percentage point compared to 2012/13

Cash flow and Balance sheet



EUR million	Q4 12/13	Q4 11/12	FY 12/13	FY 11/12
Cash flow				
Operating activities	91.7	86.6	190.3	176.4
Investing activities	(23.4)	(20.0)	(70.3)	(63.1)
Free cash flow	68.3	66.6	120.0	113.3
Balance sheet				
Total assets			1,367	1,343
Equity, excl. minorities			681	661
Net interest-bearing debt			352	364
Key Figures				
ROIC excluding goodwill	40.9%	35.6%	34.4%	34.1%
Net working capital			14.6%	14.1%
Capital expenditure	12.4%	11.1%	9.6%	9.1%
Research & Development	5.2%	5.5%	6.1%	6.7%
NIBD/EBITDA			1.4x	1.5x

FY 2012/13

Cash flow from operating activities, up 8%

- Driven by improved operating profit

Cash flow used for investing activities, up EUR 7 million

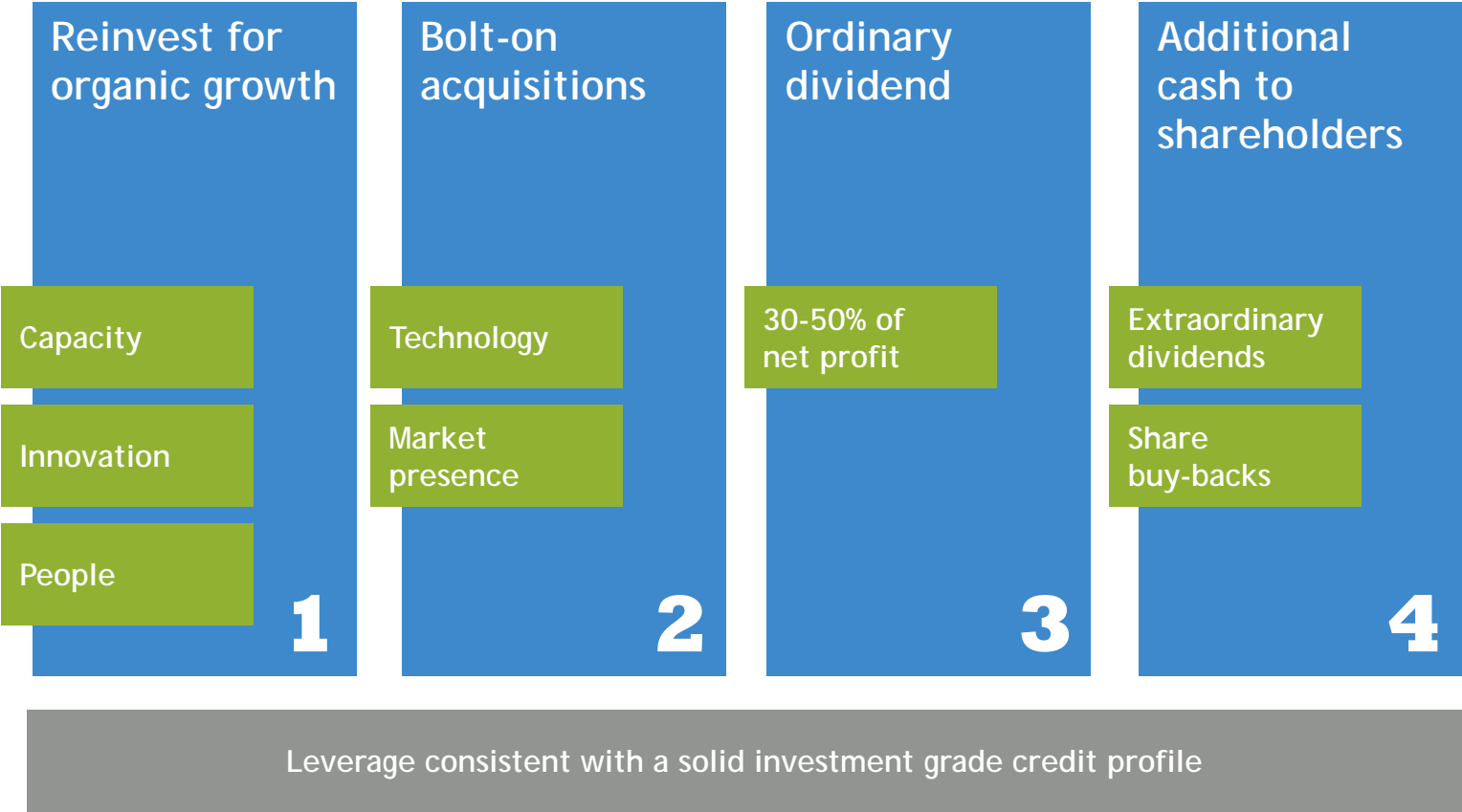
Capital expenditure, up 0.5%-point driven by investments in

- Fermentation capacity
- Freeze-drying capacity
- Clinical studies

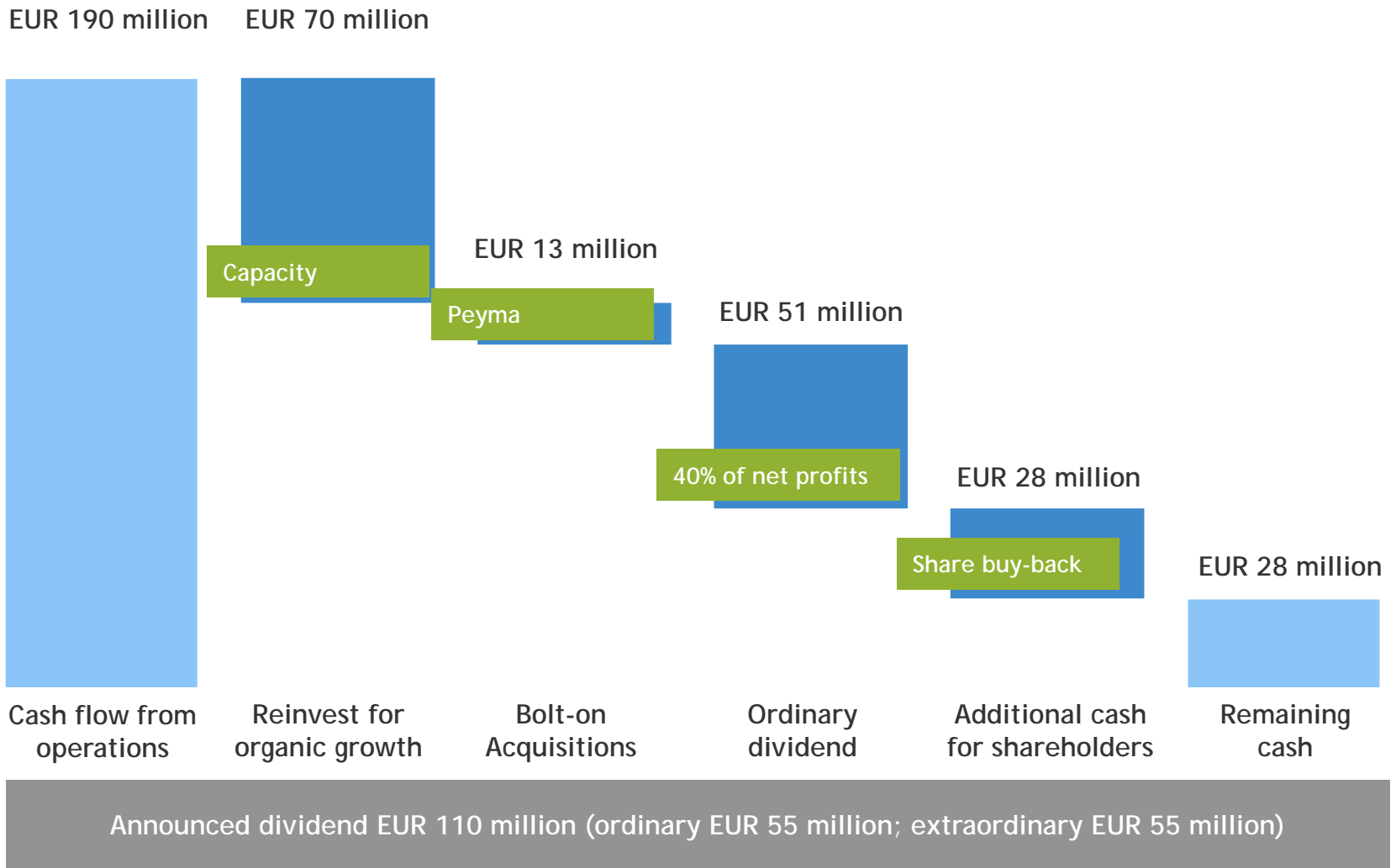
Net working capital, up 0.5%-point

ROIC excluding goodwill slightly up compared to 2011/12

Capital allocation priorities



Capital allocation 2012/13



Outlook 2013/14

Organic revenue growth*	7-9%
Research & development expenditures (as percentage of revenue)	Towards 7%
EBIT margin before special items**	Above 26%
Free cash flow before acquisitions and divestments	Around last year

* Q1 expected to be soft due to the timing of orders in human health and natural colors and negative effects from lower carmine prices in the Natural Colors Division

**Increased research & development activity and lower level of capitalization is estimated to reduce the EBIT margin by 1-1.5 percentage points compared to 2012/13

Annual General Meeting



Tuesday, 26 November 2013 at Chr. Hansen's
headquarter,

Bøge Allé 10-12, 2970 Hørsholm at 4pm CET

Deadline for proxy votes 22 November 2013





APPENDIX



Chr. Hansen

Founded in 1874

Dairy Enzymes



▼ Cheese

Cultures



▼ Yogurt

▼ Meat

▼ Cheese

▼ Wine

Probiotic cultures



▼ Yogurt



▼ Food supplements

▼ Infant formula

▼ Animal health

Natural colors



▼ Beverage

▼ Confectionary

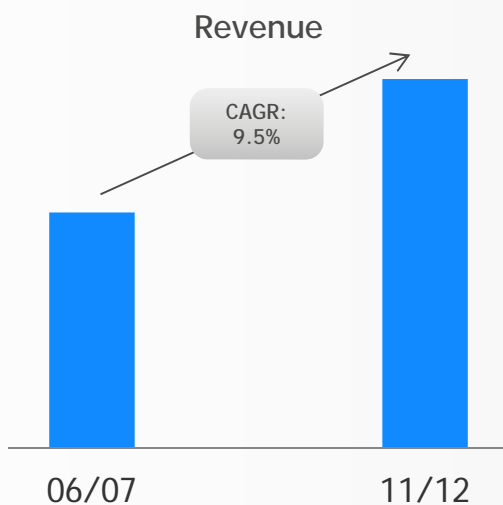
▼ Dairy & fruit preparation

▼ Prepared food

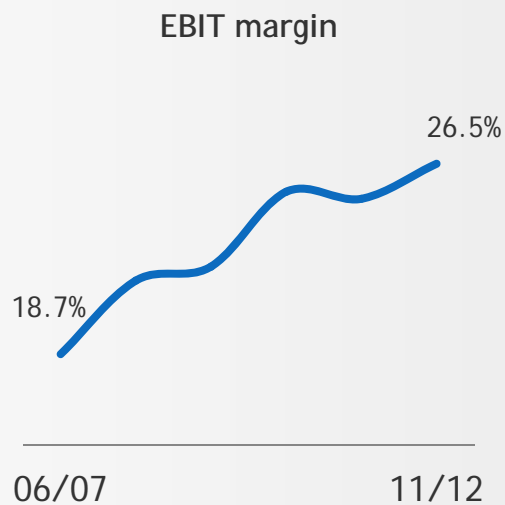


Chr. Hansen - key characteristics

Attractive growth markets



Strong profitability



Unique value composition

- ✗ Strategic ingredients
- ✗ Strong R&D platform
- ✗ Up-scaling & large scale fermentation
- ✗ Application & customer intimacy
- ✗ Talent & expertise

Cultures & Enzymes Division

Cultures & Enzymes

61% of revenue

2012/13

Revenue EUR 451m

Organic growth 9%

EBIT margin 29.5%

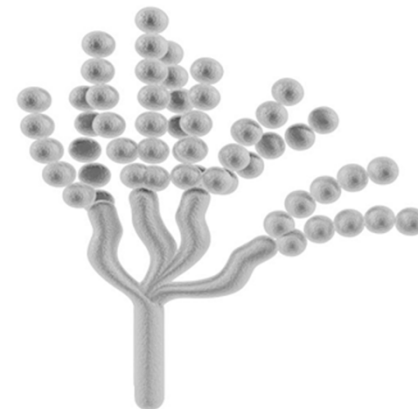
ROIC* 34.5%

Financial ambition (5 years)

- × Average annual organic growth rate between 7-8%
- × Increased EBIT margin over the period

Cultures, enzymes and probiotics for the food industry, especially the dairy markets

The ingredients help determine the taste, nutritional value, health benefits and product shelf life of the end products

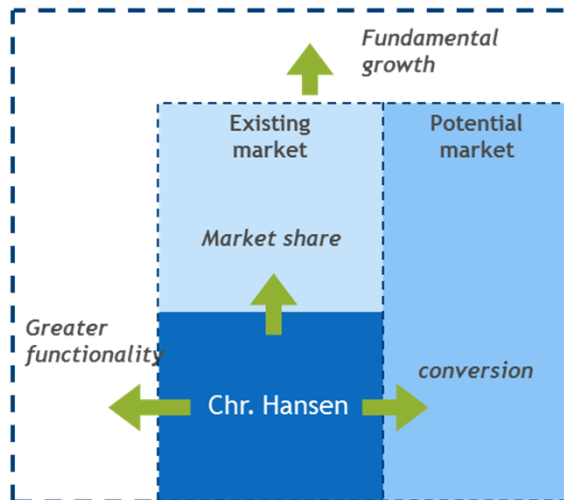


CHR HANSEN

Improving food & health

Cultures & Enzymes Division

CED growth model



Market share

Estimated global market share around 45%

Fundamental growth & conversion

EUR million	CAGR 2010-12*		Conversion rate	
	Fermented milk	Cheese	Fermented milk	Cheese
North America	2.2%	2.4%	~75	~40
South America	6.5%	4.3%	~90	~70
Europe	2.4%	1.5%	~80	~45
Africa & Middle East	10.1%	6.0%	~65	~20
APAC	9.4%	4.6%	~70	~35
Total	5.2%	2.4%	~80	~45

Greater functionality

Addressing consumer needs

- ✗ Low sugar, lactose and fat
- ✗ Distinctive texture & flavors
- ✗ Low salt
- ✗ Local taste preferences

Addressing customer needs

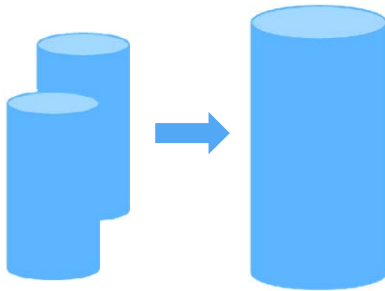
- ✗ Improve yield
- ✗ Improve efficiency

Continued scalability opportunities in CED

Plant expansion in Copenhagen progressing as planned

- ✗ Moving to larger fermentors

Illustrative



- ✗ Investment in fermentation approx. EUR 25 million
- ✗ Expected inauguration during summer 2014
- ✗ Positive margin impact expected end of 2014/15

Future expansion

- ✗ Investments down stream de-bottlenecking (e.g. freeze drying)
- ✗ Further fermentation capacity needed in ~5 years

Other scalability enablers

- ✗ Focused supply & foot print strategy
- ✗ Strong cost control
- ✗ Re-invigorating lean in manufacturing
- ✗ Yield improvements

Health & Nutrition Division

Expanding the microbial solutions platform

Health & Nutrition

16% of revenue

2012/13

Revenue	EUR 121m
Organic growth	14%
EBIT margin	31.5%
ROIC*	36.7%

Products for the dietary supplement, infant formula and animal feed industries

The key offering is probiotic cultures with a documented health effect

Financial ambition (5 years)

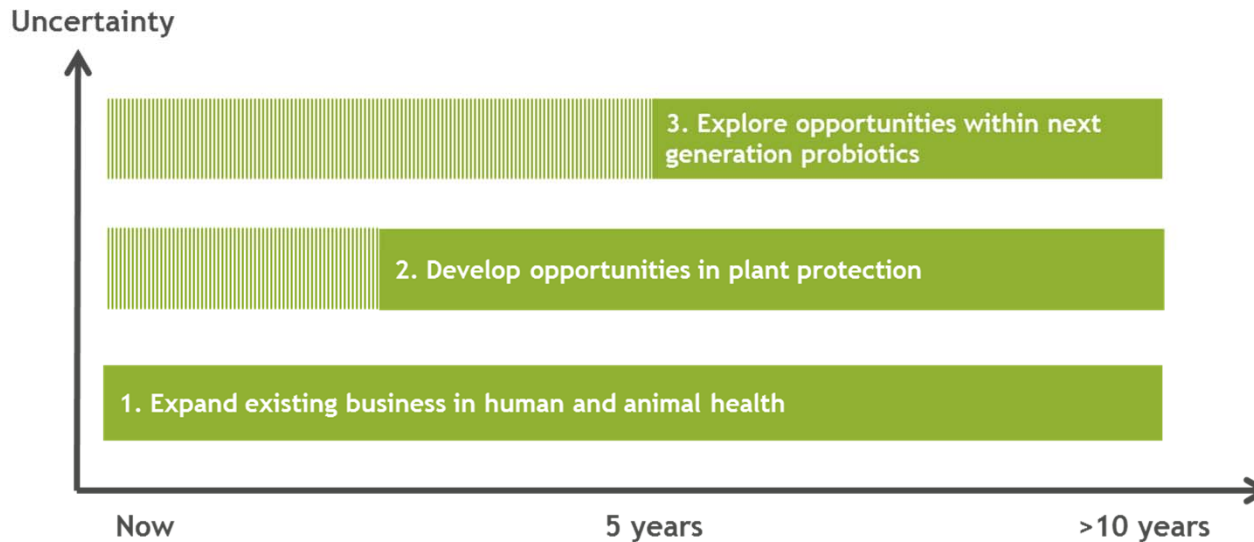
- ✗ Average annual organic growth rate above 10%
- ✗ Plant protection is expected to add additional growth from the end of the period
- ✗ Due to increased investment level in future growth opportunities EBIT margin is expected to be around current levels during the period

Health & Nutrition Division

Expanding the microbial solutions platform



HND growth model



Focus areas

1. Expand existing business

- ▼ Emerging markets
- ▼ Documentation
- ▼ Operational excellence

2. Develop opportunities in plant protection

- ▼ Initially sugar cane, Brazil
- ▼ Alliance with FMC Corporation

2. Explore opportunities within next generation probiotics

- ▼ Strengthen relevant competences through "incubator environment"
- ▼ Prepared to adapt approach given the technological, regulatory, and commercial uncertainties involved

Creating further value in NCD

Natural Colors Division 23% of revenue

2012/13

Revenue EUR 167m

Organic growth 0%/8%

EBIT margin 13.0%

ROIC 29.5%

World leader in natural color solutions to the food & beverage industry

The colors are extracted from natural sources such as fruits, vegetables, berries, roots and seeds

Financial ambitions (5 years)

- ✗ Average annual organic growth rate above 10%
- ✗ Increased EBIT margin over the period



Strong conversion potential in food and beverages

Current natural color market and conversion rate

Natural color in food & beverages	Market value* (EUR million)	Conversion**
North America	~115	~20%
South America	~80	~25%
Europe	~260	~60%
Africa & Middle East	~25	~15%
APAC	~200	~25%
Total	~650	~30%



Improved cost-in-use solutions

- ✗ Agronomy: Pigment optimization through breeding programs
- ✗ Sourcing: Global reach, multiple suppliers, long term contracts
- ✗ Formulation: e.g. encapsulation, milling and emulsion techniques

Coloring foodstuff

- ✗ Develop full product offering
- ✗ Optimize crop and pigment yield to improve cost-in-use
- ✗ Stability of pigments (e.g. ultra stable anthocyanin)

New transformational technologies

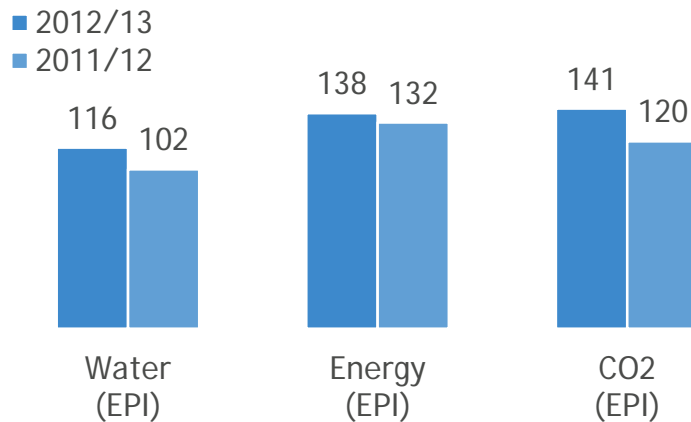
- ✗ DairyMax™
- ✗ Fermented carmine

Sustainability

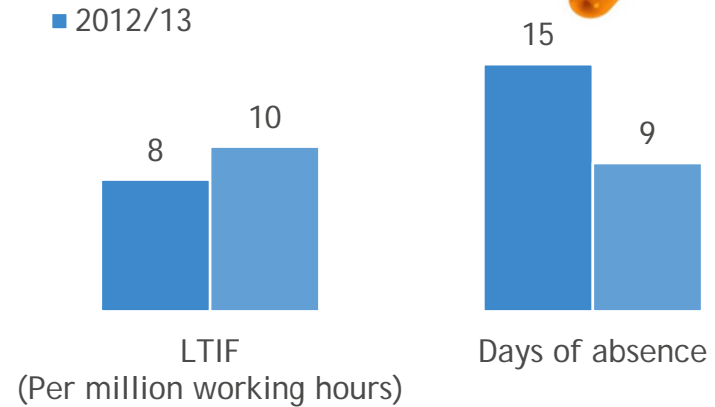
Performance 2012/13

- Improvement in environmental performance
 - Water +14%
 - Energy +6%
 - CO₂ + 21%
- Lost time incident frequency (LTIF) reduced, however days of absence increasing
- 6 product retrievals
 - 5 unarmful product cross contaminations
 - 1 product density

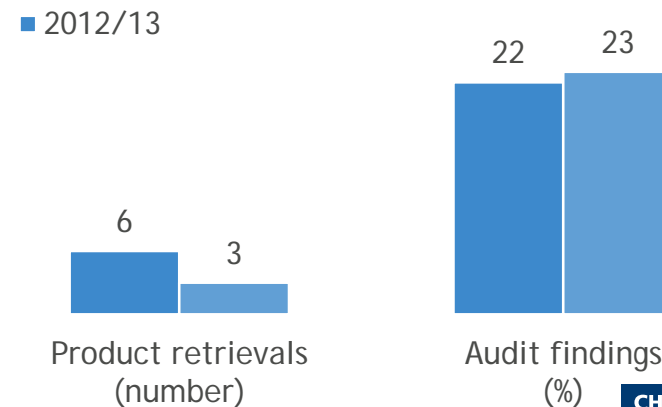
Environmental performance Indicators (EPI)



People



Product Safety



Key risks



STRATEGIC RISKS

Product safety

Chr. Hansen's customers demand and expect high-quality products, and it is a major strategic risk for the Company if the safety of its products is questioned by customers, consumers or authorities

To ensure the highest product safety, Chr. Hansen has an extensive quality assurance and food safety program covering the entire value chain, from the sourcing of raw materials until the finished products are delivered to customers

Health claims and documentation

Chr. Hansen has some of the best-documented probiotic strains on the market. However, governments and agencies, especially the European Food Safety Authority (EFSA), are introducing more stringent rules and regulations for the documentation of health claims for food-related products. The Company is working to further improve the documentation of health claims for its probiotic products.

FINANCIAL RISKS

As an international business, Chr. Hansen is exposed to a number of financial risks relating to currency and interest rate fluctuations, funding, liquidity, credit and counterparty risks

Please refer to the Annual Report 2012/13 (p. 21-22) and relevant notes for more information on Chr. Hansen's known key risks

OPERATIONAL RISKS

Production

To minimize the risk of production breakdowns or failures, Chr. Hansen has implemented a risk prevention program where regular safety audits are conducted to ensure that maintenance and replacements are performed preventively. The Company also maintains redundant capacity for key processes.

Legal proceedings

Chr. Hansen is from time to time party to legal proceedings arising in the ordinary course of its business. A number of diacetyl-related lawsuits in which the Company was defendant were settled in 2012/13. Chr. Hansen is still defendant in a few diacetyl-related lawsuits.

Human capital

Attracting and retaining the best employees and new talents will remain crucial if Chr. Hansen is to continue to excel. Human knowledge is instrumental to Chr. Hansen's business, and there is a strong focus on continuously building and expanding the knowledge base by actively developing employees' key skills.

Health & safety

Chr. Hansen is committed to continuously improving both the physical and psychological workplace so that employees experience a safe working environment.

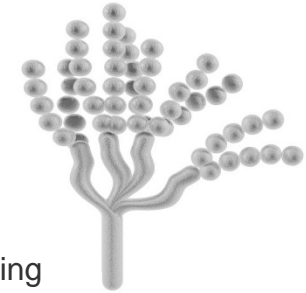
Taxes and transfer pricing

It is the Company's intention always to fulfill the tax requirements in all countries where business is conducted. Chr. Hansen constantly works on creating tax awareness in the organization and has defined clear roles and responsibilities between line management, local finance and the Group Tax function

CHR HANSEN

Improving food & health

Definitions



Organic growth

Adjusted organic revenue growth is calculated based on the reported International Financial Reporting Standards revenue adjusted for sales reductions (such as commissions and sales discounts), further adjusted for acquisitions and divestitures in order to standardize year-on-year comparisons and measured in local currency.

EBIT (Earnings before interest & taxes)

EBIT is calculated as profit for the period before financial income and expenses and corporate income taxes. EBIT also excludes income and expenses from discontinued operations.

Free cash flow

Free cash flow is a measure of financial performance calculated as operating cash flow less net capital expenditures.

Invested capital

Invested capital is calculated as intangible assets, property, plant and equipment, trade receivables and inventories less trade payables.

ROIC (return on invested capital) excluding goodwill

Operating profit as a percentage of average invested capital excluding goodwill.

Financial Calendar 2013/14

15 January 2014	Interim Report Q1
9 April 2014	Interim Report Q2
2 July 2014	Interim Report Q3
22 October 2014	Annual Report 2013/2014

Interactive Annual Report

<http://annualreport1213.chr-hansen.com>

Share Data

Share capital	1,344,999,760
Number of shares	134,499,976
Outstanding shares	131,125,177
Classes of shares	1
Voting & Ownership restrictions	None
Stock exchange	NASDAQ OMX Copenhagen
ISIN code	DK0060227585
Ticker symbol	CHR

Dividend

Proposed ordinary dividend of EUR 0.42 (DKK 3.13) per share for 2012/13. Total amount EUR 55 million, equal to 40% of profit for the year.

Proposed extraordinary dividend of EUR 0.42 (DKK 3.13) per share. Total amount EUR 55 million.

27 November 2013	Ex-date (ex-dividend)
29 November 2013	Record date
2 December 2013	Dividend payment date

Contact Chr. Hansen

Head of Investor Relations

Senior Director

Anders Mohr Christensen

Tel: +45 4574 7618

Email: dkamc@chr-hansen.com