



**CHR HANSEN**

*Improving food & health*

Company announcement no. 1/2014

15 January 2014

# **Interim Report Q1 2013/14**

1 September 2013 – 30 November 2013

“As expected the Chr. Hansen Group experienced a slow start to the year 2013/14. Organic growth of 2% excluding carmine price effect was negatively affected by timing of orders and the loss of a customer in the Natural Colors Division in Q4 2012/13,” says CEO Cees de Jong. “The EBIT margin before special items was 25.2%, which is broadly in line with last year, taking into account the negative impact from changed assessment of development costs. We maintain our outlook for the year with organic revenue growth of 7-9% and an EBIT margin before special items above 26%. We continue to implement our new Nature’s No. 1 strategy to take Chr. Hansen to the next level.

Chr. Hansen has a strong balance sheet and remains committed to distributing excess capital to shareholders. To support this, the Board of Directors has decided to initiate a share buy-back program of up to EUR 80 million. The program is planned to be executed during the period from 15 January 2014 to 22 August 2014”.

## HIGHLIGHTS Q1 2013/14

- Revenue EUR 171 million, down 4% on Q1 2012/13. Organic growth 1% (2% excluding carmine price effect)
- Expenses EUR 47 million, compared to EUR 46 million in Q1 2012/13. Increase in expensed development costs offset by lower sales & marketing and administrative expenses
- EBIT before special items (b.s.i.) EUR 43 million, compared to EUR 48 million in Q1 2012/13. EBIT margin b.s.i. 25.2%, down from 26.7% in Q1 2012/13. Negative impact of 1.4 percentage points from changed assessment of development costs
- Special items negative EUR 0.6 million related to optimization of organization, production footprint and business processes. The EBIT margin 24.9% compared to 26.7% in Q1 2012/13
- Income taxes EUR 11 million, equivalent to an effective tax rate of 27%, unchanged from Q1 2012/13
- Profit for the period EUR 29 million, compared to EUR 32 million in Q1 2012/13. Diluted earnings per share EUR 0.22, compared to EUR 0.24 in Q1 2012/13
- Capital expenditures EUR 14 million, or 7.9% of revenue, compared to EUR 14 million, or 7.8%, in Q1 2012/13
- Incurred research & development expenditures EUR 12 million, or 6.7% of revenue, unchanged from Q1 2012/13
- Net working capital EUR 138 million, or 18.8% of revenue, compared to EUR 137 million, or 19.3%, in Q1 2012/13
- Negative free cash flow EUR 31 million, compared to a negative EUR 27 million in Q1 2012/13
- Net interest-bearing debt EUR 355 million, or 1.4x EBITDA, compared to 1.7x EBITDA at 30 November 2012. Adjusted for dividend net interest-bearing debt was 1.9x EBITDA
- Chr. Hansen Holding A/S will establish a sponsored Level 1 American Depositary Receipt (ADR) program in the US. Chr. Hansen ADR’s will then be available for trading in the US over-the-counter (OTC) market.

## OUTLOOK FOR 2013/14

The outlook for 2013/14 is unchanged from the announcement of 23 October 2013, except for the impact from special items on free cash flow.

Organic revenue growth is expected to be 7-9%.

Research & development expenditures incurred as a percentage of revenue are expected to move toward 7% of revenue from 6.1% in 2012/13. Chr. Hansen has reassessed the capitalization of development expenditures. Based on this reassessment, a higher proportion of development expenditures is expected to be expensed in 2013/14. The increased research & development activity and lower level of capitalization are estimated to reduce the EBIT margin by 1-1.5 percentage points.

The EBIT margin before special items is expected to be above 26%. Special items amounting to a cost of EUR 8-10 million related to optimization of organization, production footprint and business processes are expected in 2013/14. Special items are expected to impact free cash flow negatively. Including this effect, free cash flow before acquisitions and divestments is expected to be around EUR 110 million.

## FINANCIAL HIGHLIGHTS AND KEY RATIOS

This unaudited interim report has been prepared in accordance with IAS 34 as well as in accordance with additional Danish regulations. Except for the implementation of the change to IAS 19 “Employee Benefits” removing the “corridor method” in the measurement of defined benefit plans, the interim report has been prepared in accordance with the accounting policies set out in the Annual Report for 2012/13. The change to IAS 19 has had no significant impact on the interim financial statement.

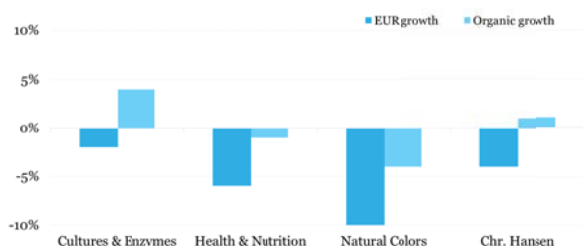
EUR million	Q1 2013/14	Q1 2012/13	Growth
<b>Income statement</b>			
Revenue	171.3	178.5	-4.0%
Gross profit	89.7	93.2	-3.8%
EBITDA	55.8	59.0	-5.6%
EBIT before special items	43.2	47.6	-9.2%
EBIT	42.6	47.6	-10.5%
Profit for the period	29.2	32.1	-9.0%
<b>Financial position</b>			
Total assets	1,375.6	1,341.5	2.5%
Equity excl. non-controlling interests	621.2	604.4	2.8%
Net working capital	137.7	137.3	0.3%
Net interest-bearing debt	355.1	420.3	-15.5%
<b>Cash flow</b>			
Cash flow from operating activities	(17.5)	(12.8)	36.7%
Cash flow used for investing activities	(13.5)	(13.9)	-2.9%
Free cash flow	(31.0)	(26.7)	16.1%
<b>Earnings per share</b>			
EPS, diluted	0.22	0.24	
<b>Key figures</b>			
Organic growth, %	1	5	
Organic growth excl. carmine price effect, %	2	7	
Gross margin, %	52.4	52.2	
EBITDA margin, %	32.5	33.1	
EBIT margin before special items, %	25.2	26.7	
EBIT margin, %	24.9	26.7	
ROIC excl. goodwill, %	29.5	33.3	
R&D, %	6.7	6.7	
Capital expenditure, %	7.9	7.8	
NWC, %	18.8	19.3	
Net debt to EBITDA	1.4x	1.7x	

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

## MANAGEMENT'S REVIEW

### REVENUE GROWTH BY DIVISION

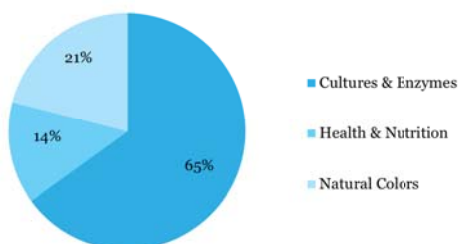
Q1 2013/14



### REVENUE BY DIVISION

Revenue amounted to EUR 171 million, a decrease of 4% on Q1 2012/13. Organic growth amounted to 1%, or 2% excluding the effect of changes in carmine raw material prices. The negative exchange rate effect on revenue was mainly related to the USD, BRL and AUD.

### Revenue split by division (2013/14)



### Cultures & Enzymes Division

(65% of revenue, compared to 63% in Q1 2012/13)

Revenue decreased by 2% to EUR 111 million, corresponding to organic growth of 4%. The organic growth was due mainly to strong growth in cultures for fermented milk and meat and modest growth in cheese cultures. Enzymes realized growth in line with cheese production while revenue from probiotic cultures declined.

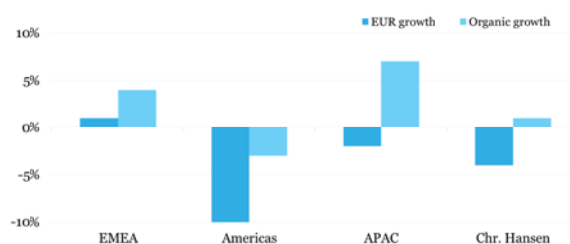
### Health & Nutrition Division

(14% of revenue, compared to 14% in Q1 2012/13)

Revenue decreased by 6% to EUR 24 million, corresponding to negative organic growth of 1%. Revenue from human health products declined, due mainly to timing of orders. Animal health products showed strong growth, driven primarily by the silage and swine segments.

### REVENUE GROWTH BY REGION

Q1 2013/14



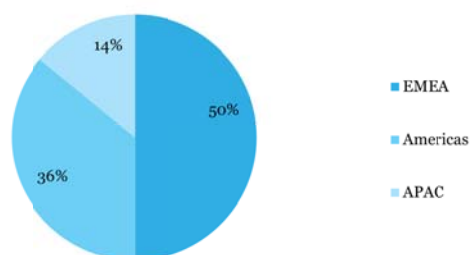
### Natural Colors Division

(21% of revenue, compared to 23% in Q1 2012/13)

Revenue decreased by 10% to EUR 37 million, corresponding to negative organic growth of 1% excluding carmine price effect (-4% including carmine price effect). The loss of a customer in South America in Q4 2012/13 affected growth negatively by approximately 7%. Organic growth was also negatively affected by timing of orders.

### REVENUE BY REGION

### Revenue split by region (2013/14)



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

(50% of revenue, compared to 48% in Q1 2012/13)

Revenue increased by 1%, with organic growth of 4%. The organic growth was driven by cultures for fermented milk, cheese, meat and wine, while revenue from probiotic cultures for fermented milk was lower than in Q1 2012/13.

**Americas (North and South America)**

*(36% of revenue, compared to 39% in Q1 2012/13)*

Revenue decreased by 10%, with negative organic growth of 3%. The organic growth was negatively impacted by approximately 4 percentage points from the loss of a South American natural color customer in Q4 2012/13. Revenue from human health products and probiotic cultures for fermented milk declined. Other cultures for fermented milk and animal health products realized strong growth.

**APAC (Asia-Pacific)**

*(14% of revenue, compared to 13% in Q1 2012/13)*

Revenue decreased by 2%, with organic growth of 7%. The organic growth was driven primarily by strong growth in natural colors and good growth in probiotic cultures for fermented milk, human health products and meat cultures. Revenue from cultures for cheese and wine declined.

**GROSS PROFIT**

Gross profit was EUR 90 million, down 4% on Q1 2012/13. The gross margin increased by 0.2 percentage point to 52.4%, driven by improvements in the Cultures & Enzymes Division and Natural Colors Division.

**EXPENSES**

Expenses totaled EUR 47 million, compared to EUR 46 million in Q1 2012/13, an increase of 2%.

Research & development expenses including amortization increased by 24% to EUR 10.3 million, or 6.0% of revenue, compared to EUR 8.3 million, or 4.6%, in Q1 2012/13.

EUR million	Q1 2013/14	Q1 2012/13
R&D expenses	10.3	8.3
- Amortization	1.3	1.0
- Impairment	0	0
+ Capitalization	2.5	4.6
R&D expenditures incurred	11.5	11.9

Capitalized development costs were EUR 2.5 million, down EUR 2.1 million on Q1 2012/13, primarily as a result of the changed assessment of development costs.

Total research & development expenditures incurred amounted to EUR 12 million, or 6.7% of revenue, unchanged from Q1 2012/13.

Sales & marketing expenses amounted to EUR 23.3 million, or 13.6% of revenue, compared to EUR 23.4 million, or 13.1%, in Q1 2012/13.

Administrative expenses amounted to EUR 13.1 million, or 7.7% of revenue, compared to EUR 13.8 million, or 7.7%, in Q1 2012/13.

**SPECIAL ITEMS**

Special items amounted to a cost of EUR 0.6 million related to optimization of the organization, production footprint and business processes.

**OPERATING PROFIT (EBIT)**

EBIT amounted to EUR 43 million, compared to EUR 48 million in Q1 2012/13.

The EBIT margin before special items was 25.2%, down from 26.7% last year, due mainly to a negative impact of 1.4 percentage points from changed assessment of development costs.

The EBIT margin was 24.9%.

**NET FINANCIALS AND TAX**

Net financial expenses amounted to EUR 2.6 million, compared to EUR 3.7 million in Q1 2012/13. Net interest expenses were EUR 3.1 million, unchanged from Q1 2012/13.

The net impact from exchange rate adjustments was a positive EUR 0.5 million, compared to a negative EUR 0.6 million in Q1 2012/13.

Income taxes amounted to EUR 11 million, equivalent to an effective tax rate of 27%, unchanged from Q1 2012/13.

**PROFIT FOR THE PERIOD**

Profit for the period decreased to EUR 29 million from EUR 32 million in Q1 2012/13, due mainly to the lower sales activity.

## **ASSETS**

At 30 November 2013, total assets amounted to EUR 1,376 million, compared to EUR 1,342 million a year earlier.

Total non-current assets were in line with last year at EUR 1,078 million. Intangible assets declined by EUR 24 million, due partly to exchange rate revaluations and impairment of capitalized development costs. Property, plant and equipment increased by EUR 22 million, driven by the expansion of fermentation capacity for cultures in Copenhagen and freeze-drying capacity in the Health & Nutrition Division.

Total current assets amounted to EUR 298 million, compared to EUR 263 million in Q1 2012/13. Inventories increased by EUR 5 million, or 6%, while trade receivables decreased by EUR 3 million, or 3%. Cash and cash equivalents increased by EUR 31 million to EUR 70 million.

Net working capital was EUR 138 million, or 18.8% of revenue, compared to EUR 137 million and 19.3% a year earlier.

## **EQUITY**

Total equity excluding non-controlling interests amounted to EUR 621 million at 30 November 2013, compared to EUR 604 million a year earlier.

Dividends for the financial year 2012/13 totaling EUR 112 million were paid out in Q2 2013/14.

## **NET DEBT**

Net interest-bearing debt amounted to EUR 355 million, or 1.4x EBITDA, compared to 1.7x EBITDA at 30 November 2012. Adjusted for the dividend pay-out of EUR 112 million in Q2, net interest-bearing debt was 1.9x EBITDA.

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

The return on invested capital excluding goodwill was 29.5%, compared to 33.3% in Q1 2012/13. Invested capital excluding goodwill increased to EUR 601 million, compared to EUR 591 million last year.

## **CASH FLOW**

Cash flow from operating activities was a negative EUR 18 million, compared to a negative EUR 13 million in Q1 2012/13, due to lower operating profit and changes in other receivables.

Cash flow used for investing activities was EUR 14 million and at the same level as in Q1 2012/13. Major investments in Q1 2013/14 included investments in fermentation and warehousing in Denmark as well as packaging capacity for frozen cultures in the US.

Development costs of EUR 2.5 million, or 1.5% of revenue, were capitalized during the period, compared to EUR 4.6 million, or 2.6% of revenue, in Q1 2012/13.

Total capital expenditures corresponded to 7.9% of revenue, compared to 7.8% in Q1 2012/13.

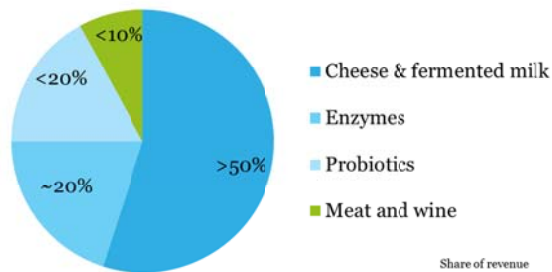
Free cash flow was a negative EUR 31 million, compared to a negative EUR 27 million in Q1 2012/13.

## Segment information

### CULTURES & ENZYMES DIVISION

EUR million	Q1 2013/14	Q1 2012/13
Revenue	110.5	112.3
Organic growth	4%	10%
EBITDA	42.8	42.6
EBITDA margin	38.7%	37.9%
EBIT	33.6	34.1
EBIT margin	30.4%	30.4%
ROIC excluding goodwill	33.6%	35.0%

#### REVENUE



Revenue decreased by 2% to EUR 111 million, corresponding to organic growth of 4%. The organic growth was due mainly to strong growth in cultures for fermented milk and meat and modest growth in cheese cultures, whereas revenue from probiotic cultures declined.

Growth in cultures for fermented milk and enzymes was impacted by strong comparables from Q1 last year.

Probiotic cultures were negatively affected by lower revenue in the EMEA and Americas regions, only partly offset by good growth in the APAC region.

The strong growth in meat cultures was driven primarily by bioprotective cultures.

#### EBIT

EBIT amounted to EUR 33.6 million, down 2% on Q1 2012/13.

The EBIT margin was 30.4%, unchanged from last year, as the negative impact of 1.1 percentage points from the changed assessment of development costs was offset by a positive effect from inventory build-up and scale benefits.

#### ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 33.6%, compared to 35.0% in Q1 2012/13. Invested capital excluding goodwill increased by EUR 5 million, or 1%, to EUR 408 million.

#### UPDATE ON 2013/14 PRIORITIES

In Q1 the Cultures & Enzymes Division focused on various initiatives to accelerate innovation efforts and expand its emerging market presence. Capacity expansion at the Copenhagen facility continued with planned inauguration during the first half of 2014.

#### SELECTED PRODUCT LAUNCHES Q1 2013/14

YoFlex® SoGreek and nu-trish® SoGreek cultures for high-protein Greek yogurt.

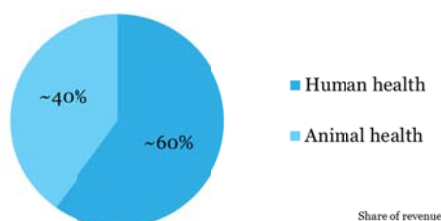
New DVS®CR fullflavor ripening culture for improved flavor in cheese without extra ripening time.

## Segment information

### HEALTH & NUTRITION DIVISION

EUR million	Q1 2013/14	Q1 2012/13
Revenue	24.0	25.5
Organic growth	(1)%	9%
EBITDA	6.2	10.3
EBITDA margin	26.0%	40.4%
EBIT	4.2	8.6
EBIT margin	17.5%	33.6%
ROIC excluding goodwill	16.0%	33.7%

#### REVENUE



Revenue decreased by 6% to EUR 24 million, corresponding to negative organic growth of 1%.

Revenue from human health products declined, due primarily to timing of orders. This was only partly offset by strong growth in animal health products, due mainly to the silage and swine segments.

#### EBIT

EBIT amounted to EUR 4.2 million, down from EUR 8.6 million in Q1 2012/13. EBIT was negatively impacted by lower sales in human health, changed assessment of development costs, inventory changes and exchange rate effects.

The EBIT margin was 17.5%, down from 33.6% in Q1 2012/13. The changed assessment of development costs accounted for 4.2 percentage points of the decrease.

#### ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 16.0%, compared to 33.7% in Q1 2012/13. Invested capital excluding goodwill increased by EUR 3 million, or 2%, to EUR 105 million.

#### UPDATE ON 2013/14 PRIORITIES

In Q1 the Health & Nutrition Division announced a strategic alliance with FMC Corporation covering development and commercialization of biological crop protection products. In addition, the division initiated other limited organizational investments to support the strategic initiatives within plant protection and human health.

#### SELECTED PRODUCT LAUNCHES Q1 2013/14

Nemix C for enhanced growth and yield in sugarcane production launched in Brazil in collaboration with FMC Corporation.

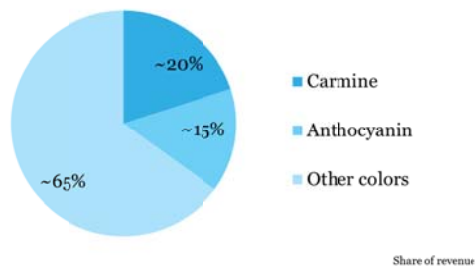


## Segment information

### NATURAL COLORS DIVISION

EUR million	Q1 2013/14	Q1 2012/13
Revenue	36.8	40.7
Organic growth	(4)%	(10)%
Organic growth excl. carmine price effect	(1)%	0%
EBITDA	6.7	6.1
EBITDA margin	18.2%	15.0%
EBIT	5.4	4.9
EBIT margin	14.6%	12.1%
ROIC	26.7%	24.7%

#### REVENUE



Revenue decreased by 10% to EUR 37 million, corresponding to negative organic growth of 1% excluding carmine price effect (-4% including carmine price effect).

The loss of a customer in South America for anthocyanin and natural carotene products affected growth negatively by approximately 7 percentage points.

Timing of orders also affected organic growth in Q1 2013/14 negatively.

Organic growth was driving primarily by anthocyanin products in the EMEA and APAC regions as well as CapColors® and FruitMax™ (coloring foodstuff) products in EMEA. Carmine volumes showed modest growth.

#### EBIT

EBIT amounted to EUR 5.4 million, up from EUR 4.9 million in Q1 2012/13.

The EBIT margin was 14.6%, compared to 12.1% in Q1 2012/13. The increase was due mainly to efficiency improvements.

#### ROIC

The return on invested capital was 26.7%, compared to 24.7% in Q1 2012/13. Invested capital increased by EUR 2 million, or 2%, to EUR 87 million.

#### UPDATE ON 2013/14 PRIORITIES

During Q1 the Natural Colors Division focused on sourcing and operational efficiency improvements to maintain the momentum of conversion.

#### SELECTED PRODUCT LAUNCHES Q1 2013/14

WhiteWhey™ for reduced color transfer from cheesemaking into whey products, allowing manufactures of cheddar and gouda cheese to enhance the value of whey products.

In December 2013, a patent application was filed to protect a key step in the method to produce fermented carmine. Potential commercialization of the production method remains uncertain.

### **INITIATION OF SHARE BUY-BACK PROGRAM**

The Board of Directors has decided to initiate a share buy-back program of up to EUR 80 million. The purpose of the share buy-back is to adjust the capital structure by distributing excess capital to shareholders.

The share buy-back will be structured in compliance with the European Commission's Regulation no. 2273/2003 of 22 December 2003 (the Safe Harbor Regulation) with Nordea acting as Lead Manager for the program.

The share buy-back is planned to be executed during the period from 15 January 2014 to 22 August 2014.

The share buy-back is based on the authorization granted by the Annual General Meeting of 27 November 2012 to acquire up to 13,449,997 treasury shares equal to 10% of the total nominal share capital at a price, that does not deviate by more than 10% from the price on NASDAQ OMX Copenhagen at the time of purchase. The authorization expires on 26 November 2017.

Following the expiry of the share buy-back program, the Board of Directors intends to recommend to the shareholders at the next Annual General Meeting on 27 November 2014 that the share capital is reduced by the number of shares acquired.

### **ESTABLISHMENT OF SPONSORED LEVEL 1 ADR PROGRAM**

Chr. Hansen Holding A/S will establish a sponsored Level 1 American Depositary Receipt (ADR) program in the US with Bank of New York Mellon acting as depositary bank.

Chr. Hansen ADR's will hereafter be available for trading in the US over-the-counter (OTC) market, with two ADRs representing one Chr. Hansen share (2 ADRs: 1 ordinary share).

An ADR is a USD-denominated negotiable certificate that represents ownership of shares in a non-US company. Each ADR is issued by a US depositary bank and represents one or more shares of a foreign stock or a fraction of a share. ADRs were specifically designed to facilitate the purchase, holding and sale of non-US securities by US investors.

### **OUTLOOK FOR 2013/14**

The outlook for 2013/14 remains unchanged from the announcement on 23 October 2013, except for the impact from special items on free cash flow.

Organic revenue growth is expected to be 7-9%.

Research & development expenditures incurred as a percentage of revenue are expected to move toward 7% of revenue from 6.1% in 2012/13. Chr. Hansen has reassessed the capitalization of development expenditures. Based on this reassessment a higher proportion of development expenditures is expected to be expensed in 2013/14. The increased research & development activity and lower level of capitalization are estimated to reduce the EBIT margin by 1-1.5 percentage points.

The EBIT margin before special items is expected to be above 26%.

Special items amounting to a cost of EUR 8-10 million related to optimization of organization, production footprint and business processes are expected in 2013/14.

Special items are expected to impact free cash flow negatively. Including this effect, free cash flow before acquisitions and divestments is expected to be around EUR 110 million.

# Statement of the Board of Directors and Executive Board

Today, the Board of Directors and Executive Board considered and approved the unaudited interim report for Chr. Hansen Holding A/S for the period 1 September 2013 to 30 November 2013. 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 as well as in accordance with 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 2012/13.

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 30 November 2013 and of the results of the Group's operations and cash flow for the period 1 September 2013 to 30 November 2013.

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, 15 January 2014

## EXECUTIVE BOARD:

**Cees de Jong**  
President and CEO

**Klaus Pedersen**  
CFO

**Knud Vindfeldt**  
Executive Vice President

## BOARD OF DIRECTORS:

**Ole Andersen**  
Chairman

**Henrik Poulsen**  
Vice Chairman

**Frédéric Stévenin**

**Mark A. Wilson**

**Søren Carlsen**

**Dominique Reiniche**

**Svend Laulund**

**Per Poulsen**

**Mads Bennedsen**

## ADDITIONAL INFORMATION

### Conference call

Chr. Hansen will host a conference call on 15 January 2014 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:

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### Financial calendar 2013/14

9 April 2014	Interim Report Q2 2013/14
2 July 2014	Interim Report Q3 2013/14
22 October 2014	Annual Report 2013/14
27 November 2014	Annual General Meeting

### Company information

#### Chr. Hansen Holding A/S

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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.

### Governing text

The report has been prepared in English and Danish. The Danish text shall govern for all purposes and prevail in the event of any discrepancy between the versions.

### 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 2012/13 financial year was EUR 738 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	Q1 2013/14	Q1 2012/13
<b>Revenue</b>	171.3	178.5
Cost of sales	(81.6)	(85.3)
<b>Gross profit</b>	<b>89.7</b>	<b>93.2</b>
Research and development expenses	(10.3)	(8.3)
Sales and marketing expenses	(23.3)	(23.4)
Administrative expenses	(13.1)	(13.8)
Other operating income	0.3	0.3
Other operating expenses	(0.1)	(0.4)
<b>Operating profit before special items</b>	<b>43.2</b>	<b>47.6</b>
Special items	(0.6)	-
<b>Operating profit (EBIT)</b>	<b>42.6</b>	<b>47.6</b>
Net financial expenses	(2.6)	(3.7)
<b>Profit before tax</b>	<b>40.0</b>	<b>43.9</b>
Income taxes	(10.8)	(11.8)
<b>Profit for the period</b>	<b>29.2</b>	<b>32.1</b>
Attributable to:		
Shareholders of Chr. Hansen Holding A/S	29.2	31.8
Non-controlling interests	-	0.3
	<b>29.2</b>	<b>32.1</b>
<b>Earnings per share, EUR:</b>		
Earnings per share, continuing operations	0.22	0.24
Earnings per share, continuing operations, diluted	0.22	0.24

## Statement of comprehensive income

EUR million	Q1 2013/14	Q1 2012/13
<b>Profit for the period</b>	<b>29.2</b>	<b>32.1</b>
Currency translation of foreign Group companies	(3.0)	(5.0)
Cash flow hedges	(0.3)	0.5
Tax related to cash flow hedges	0.1	(0.1)
Other comprehensive income for the period	<b>(3.2)</b>	(4.6)
<b>Total comprehensive income for the period</b>	<b>26.0</b>	<b>27.5</b>
Attributable to:		
Shareholders of Chr. Hansen Holding A/S	26.0	27.3
Non-controlling interests	-	0.2
	<b>26.0</b>	<b>27.5</b>

## Balance sheet

EUR million	30 Nov 2013	30 Nov 2012	31 Aug 2013
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	606.2	617.9	609.4
Other intangible assets	146.2	153.7	150.0
Intangible assets in progress	35.2	40.0	32.8
	<b>787.6</b>	<b>811.6</b>	<b>792.2</b>
<b>Property, plant and equipment</b>			
Land and buildings	123.3	121.4	125.2
Plant and machinery	85.8	81.7	89.6
Other fixtures and equipment	10.3	9.7	9.9
Property, plant and equipment in progress	62.1	47.2	55.4
	<b>281.5</b>	<b>260.0</b>	<b>280.1</b>
<b>Other non-current assets</b>			
Deferred tax	9.0	6.7	9.1
	<b>9.0</b>	<b>6.7</b>	<b>9.1</b>
<b>Current assets</b>	<b>1,078.1</b>	<b>1,078.3</b>	<b>1,081.4</b>
<b>Inventories</b>			
Raw materials and consumables	18.2	16.3	17.6
Work in progress	38.1	31.1	32.3
Finished goods and goods for resale	41.4	45.2	37.7
	<b>97.7</b>	<b>92.6</b>	<b>87.6</b>
<b>Receivables</b>			
Trade receivables	95.6	98.4	98.4
Tax receivables	5.7	12.0	4.9
Other receivables	21.1	12.8	10.2
Prepayments	7.5	8.1	6.8
	<b>129.9</b>	<b>131.3</b>	<b>120.3</b>
<b>Cash and cash equivalents</b>	<b>69.9</b>	<b>39.3</b>	<b>77.5</b>
<b>Total current assets</b>	<b>297.5</b>	<b>263.2</b>	<b>285.4</b>
<b>Total assets</b>	<b>1,375.6</b>	<b>1,341.5</b>	<b>1,366.8</b>

## Balance sheet

EUR million	30 Nov 2013	30 Nov 2012	31 Aug 2013
<b>Equity</b>			
Share capital	180.3	185.3	180.3
Reserves	440.9	419.1	500.7
Non-controlling interests	-	5.2	-
<b>Total equity</b>	<b>621.2</b>	<b>609.6</b>	<b>681.0</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employee benefit obligations	5.5	4.9	5.1
Deferred tax	63.4	68.8	61.5
Provisions	1.9	2.0	2.0
Borrowings	412.6	392.9	416.2
Tax payables	19.5	14.5	19.5
Other non-current debt	1.4	1.7	1.4
	<b>504.3</b>	<b>484.8</b>	<b>505.7</b>
<b>Current liabilities</b>			
Provisions	0.3	0.3	0.3
Borrowings	12.4	66.7	12.8
Prepayments from customers	0.7	0.7	1.9
Trade payables	55.6	53.7	78.2
Tax payables	11.5	20.2	32.8
Declared dividend	111.6	51.2	-
Other payables	58.0	54.3	54.1
	<b>250.1</b>	<b>247.1</b>	<b>180.1</b>
<b>Total liabilities</b>	<b>754.4</b>	<b>731.9</b>	<b>685.8</b>
<b>Total equity and liabilities</b>	<b>1,375.6</b>	<b>1,341.5</b>	<b>1,366.8</b>



## Statement of changes in equity

1 September 2013 - 30 November 2013

Shareholders of Chr. Hansen Holding A/S						
EUR million	Share capital	Currency translation	Cash flow hedges	Retained earnings	Non-controlling interests	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	-	3.5	(0.2)	22.7	-	<b>26.0</b>
Exercised share options	-	-	-	25.3	-	<b>25.3</b>
Share-based payment	-	-	-	0.9	-	<b>0.9</b>
Dividend	-	-	-	(111.6)	-	<b>(111.6)</b>
<b>30 November 2013</b>	<b>180.3</b>	<b>(16.2)</b>	<b>(3.2)</b>	<b>460.3</b>	-	<b>621.2</b>

1 September 2012 - 30 November 2012

Shareholders of Chr. Hansen Holding A/S						
EUR million	Share capital	Currency translation	Cash flow hedges	Retained earnings	Non-controlling interests	Total
<b>1 September 2012</b>	<b>185.3</b>	<b>(2.5)</b>	<b>(5.6)</b>	<b>477.9</b>	<b>5.5</b>	<b>660.6</b>
Total comprehensive income for the period, cf. statement of comprehensive income	-	4.8	(4.0)	26.5	0.2	<b>27.5</b>
Purchase of treasury shares	-	-	-	(28.0)	-	<b>(28.0)</b>
Share-based payment	-	-	-	1.2	-	<b>1.2</b>
Dividend	-	-	-	(51.2)	(0.5)	<b>(51.7)</b>
<b>30 November 2012</b>	<b>185.3</b>	<b>2.3</b>	<b>(9.6)</b>	<b>426.4</b>	<b>5.2</b>	<b>609.6</b>

## Statement of cash flows

EUR million	Q1 2013/14	Q1 2012/13
<b>Operating profit</b>	<b>42.6</b>	<b>47.6</b>
Non-cash adjustments	13.4	11.4
Change in working capital	(40.4)	(35.1)
Interest payments made	(2.0)	(3.0)
Taxes paid	(31.1)	(33.7)
<b>Cash flow from operating activities</b>	<b>(17.5)</b>	<b>(12.8)</b>
Investments in intangible assets	(4.4)	(5.8)
Investments in property, plant and equipment	(9.1)	(8.1)
<b>Cash flow used for investing activities</b>	<b>(13.5)</b>	<b>(13.9)</b>
<b>Free cash flow</b>	<b>(31.0)</b>	<b>(26.7)</b>
Borrowings	286.5	40.0
Repayment of long-term loans	(287.0)	(2.2)
Purchase of treasury shares	-	(30.3)
Exercise of options	25.3	-
Non-controlling interests, dividends, etc.	(0.3)	(0.5)
<b>Cash flow used for financing activities</b>	<b>24.5</b>	<b>7.0</b>
<b>Net cash flow for the period</b>	<b>(6.5)</b>	<b>(19.7)</b>
Cash and cash equivalents at beginning of period	77.5	60.5
Unrealized exchange gains/(losses) included in cash and cash equivalents	(1.1)	(1.5)
Net cash flow for the period	(6.5)	(19.7)
<b>Cash and cash equivalents at end of period</b>	<b>69.9</b>	<b>39.3</b>

## Segment information

EUR million	Q1 2013/14			
Income statement	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
External revenue	110.5	24.0	36.8	171.3
EUR growth	-2%	-6%	-10%	-4%
Organic growth	4%	-1%	-4%	1%
EBITDA	42.8	6.2	6.7	55.7
EBITDA margin	38.7%	26.0%	18.2%	32.5%
Depreciation, amortization and impairment losses	(9.3)	(2.0)	(1.3)	(12.6)
EBIT	33.6	4.2	5.4	43.2
EBIT margin	30.4%	17.5%	14.6%	25.2%

	Q1 2012/13			
Income statement	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
External revenue	112.3	25.5	40.7	178.5
EUR growth	12%	15%	-9%	7%
Organic growth	10%	9%	-10%	5%
EBITDA	42.6	10.3	6.1	59.0
EBITDA margin	37.9%	40.4%	15.0%	33.1%
Depreciation, amortization and impairment losses	(8.5)	(1.7)	(1.2)	(11.4)
EBIT	34.1	8.6	4.9	47.6
EBIT margin	30.4%	33.6%	12.1%	26.7%

## Segment information

EUR million		30 Nov 2013			
Assets	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group	
Goodwill	530.1	76.2	-	606.2	
Other intangible assets	127.2	39.3	14.9	181.4	
<b>Intangible assets</b>	<b>657.3</b>	<b>115.4</b>	<b>14.9</b>	<b>787.6</b>	
Property, plant and equipment	204.0	41.1	36.5	281.5	
<b>Total non-current assets excl. deferred tax</b>	<b>861.2</b>	<b>156.5</b>	<b>51.4</b>	<b>1,069.1</b>	
Inventories	50.8	14.0	32.8	97.7	
Trade receivables	58.2	16.4	21.0	95.6	
Trade payables	(32.1)	(5.5)	(18.0)	(55.6)	
<b>Net working capital</b>	<b>76.8</b>	<b>24.9</b>	<b>35.9</b>	<b>137.6</b>	
Assets not allocated				113.2	
<b>Group assets</b>				<b>1,375.6</b>	
<b>Invested capital</b>	<b>408.0</b>	<b>105.2</b>	<b>87.3</b>	<b>600.5</b>	
<b>ROIC, excl. goodwill</b>	<b>33.6%</b>	<b>16.0%</b>	<b>26.7%</b>	<b>29.5%</b>	
<b>Investment in non-current assets excluding deferred tax</b>					
2013/14	10.0	2.3	1.1	13.5	

		30 Nov 2012			
Assets	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group	
Goodwill	541.2	76.7	-	617.9	
Other intangible assets	134.0	44.6	15.1	193.7	
<b>Intangible assets</b>	<b>675.2</b>	<b>121.3</b>	<b>15.1</b>	<b>811.6</b>	
Property, plant and equipment	191.5	34.2	34.3	260.0	
<b>Total non-current assets excl. deferred tax</b>	<b>866.7</b>	<b>155.5</b>	<b>49.4</b>	<b>1,071.6</b>	
Inventories	45.3	13.6	33.7	92.6	
Trade receivables	60.6	16.4	21.4	98.4	
Trade payables	(28.7)	(6.1)	(18.9)	(53.7)	
<b>Net working capital</b>	<b>77.2</b>	<b>23.9</b>	<b>36.2</b>	<b>137.3</b>	
Assets not allocated				78.9	
<b>Group assets</b>				<b>1,341.5</b>	
<b>Invested capital</b>	<b>402.7</b>	<b>102.7</b>	<b>85.6</b>	<b>591.0</b>	
<b>ROIC, excl. goodwill</b>	<b>35.0%</b>	<b>33.7%</b>	<b>24.7%</b>	<b>33.3%</b>	
<b>Investment in non-current assets excluding deferred tax</b>					
2012/13	9.0	3.1	1.8	13.9	

## Segment information

Geographical allocation		Q1 2013/14	Q1 2012/13
EUR million			
<b>Revenue</b>			
Europe, Middle East and Africa		86.1	85.6
Americas		62.0	69.2
Asia-Pacific		23.2	23.7
<b>Revenue, total</b>		<b>171.3</b>	<b>178.5</b>
<b>Non-current assets excl. deferred tax</b>			
Europe, Middle East and Africa		897.4	890.3
Americas		158.4	165.0
Asia-Pacific		13.3	16.3
<b>Non-current assets, total</b>		<b>1,069.1</b>	<b>1,071.6</b>