



Chr. Hansen Holding A/S

Q1 2013/14

15 January 2014

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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.

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Highlights Q1 2013/14 - Chr. Hansen Group

- Slow start with 2% organic growth excl. carmine price effect
 - CED: 4% organic growth on tough comps
 - HND: -1% organic growth negatively affected by timing
 - NCD: -1% organic growth excl. carmine price effect impacted by loss of customer (7%-points) and timing
- EBIT margin b.s.i. 25.2%, broadly in line with last year (26.7%), taking into account the impact of 1.4%-points from changed assessment of development costs
- Outlook for 2013/14 unchanged, except for the impact from special items on free cash flow
- EUR 80 million share buy-back program to be initiated
- Introduction of sponsored ADR program in the US

Update on 2013/14 priorities

- Accelerate innovation efforts and strengthen emerging market presence in CED
- Capacity expansion at the Copenhagen facility as planned with inauguration during first half of 2014
- Increase focus on HND long term growth opportunities within plant protection and human health
 - FMC strategic collaboration announced
 - Launch of Nemix C for enhanced growth and yield in sugarcane production in Brazil
- Maintain momentum in NCD despite headwind from lost customer
 - Development of new improved cost-in-use innovations through 3rd generation encapsulation technologies making conversion affordable in emerging markets
 - Launch of WhiteWhey™ for enhanced value of whey products
 - Fermented Carmine patent filed
- Optimization of organization, production footprint and business processes in order to generate the fuel for growth and ensure a successful implementation of the strategy
 - Special items of EUR 8-10 million expected in 2013/14 (Q1: EUR 0.6 million)

Highlights Q1 2013/14 - Regions

EMEA
(50%)*



4% organic growth

- Growth driven by fermented milk, cheese, meat & wine
- Revenue from probiotic cultures for fermented milk was lower than in Q1 2012/13

Americas
(36%)*



-3% organic growth

- Negative impact from loss of customer in natural colors (4%-points)
- Decline in human health products and probiotic cultures for fermented milk
- Strong growth in fermented milk and animal health products

APAC
(14%)*



7% organic growth

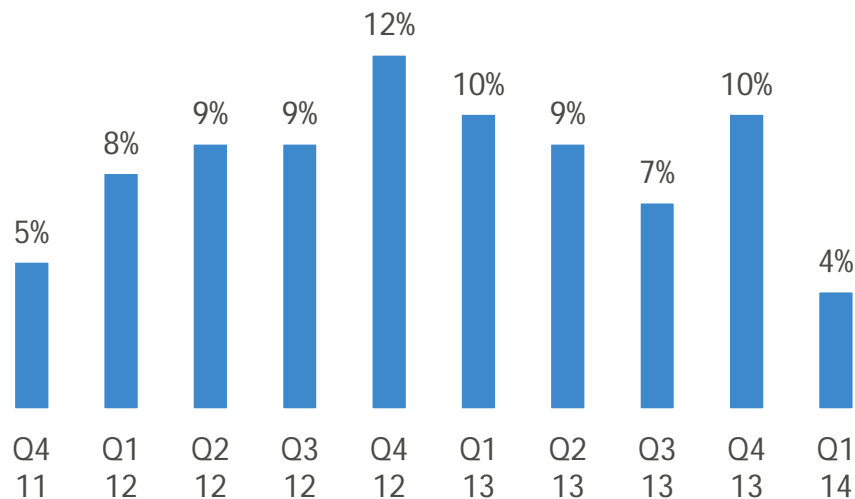
- Growth driven by natural colors, probiotic cultures for fermented milk and human health products

Cultures & Enzymes Division

(65% of revenue)

EUR million	Q1 13/14	Q1 12/13
Revenue	110.5	112.3
Organic growth	4%	10%
EBIT	33.6	34.1
EBIT margin	30.4%	30.4%
ROIC excluding goodwill	33.6%	35.0%

Organic growth



Organic growth

- Strong performance by fermented milk and meat despite strong comparables from last year
- Modest growth in cheese
- Revenue from probiotic cultures declined driven by Europe and Americas, only partly offset by growth in APAC
- Modest growth in enzymes against tough comparables from last year

EBIT margin

- EBIT margin unchanged from last year as negative impact from changed assessment of development costs (-1.1-points) was offset by positive effect from inventory build-up and scale benefits

Health & Nutrition Division

(14% of revenue)

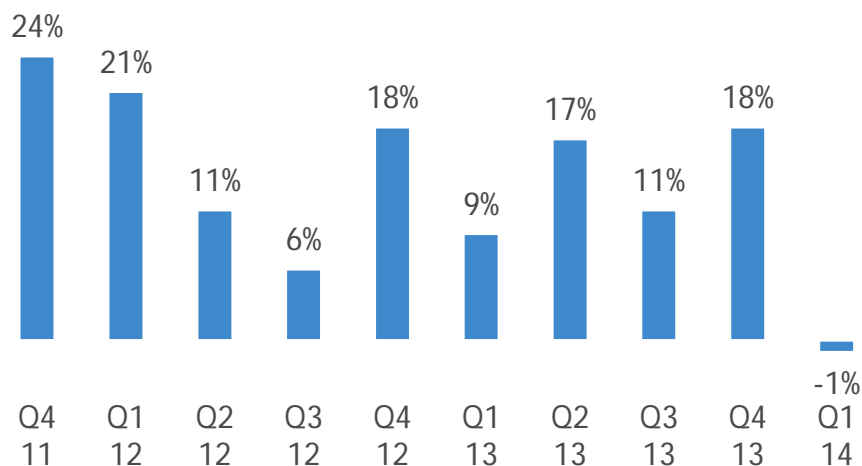


EUR million	Q1 13/14	Q1 12/13
Revenue	24.0	25.5
Organic growth	(1%)	9%
EBIT	4.2	8.6
EBIT margin	17.5%	33.6%
ROIC excluding goodwill	16.0%	33.7%

Organic growth

- Revenue from human health products declined due to timing of orders
- Strong growth in animal health products driven by the silage and swine segments

Organic growth



EBIT margin

EBIT margin down 16.1%-points driven by

- Lower sales in human health
- Changed assessment of development costs (4.2%-points)
- Inventory changes
- Exchange rate effects

CHR HANSEN

Improving food & health

Natural Colors Division

(21% of revenue)

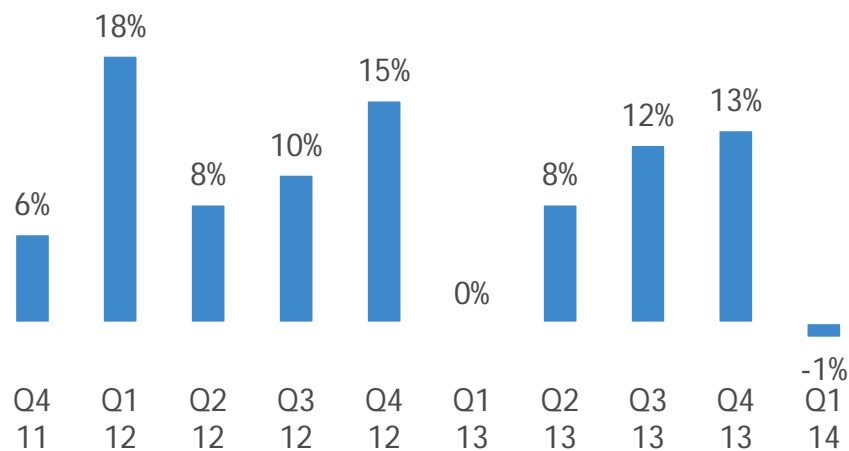


EUR million	Q1 13/14	Q1 12/13
Revenue	36.8	40.7
Organic growth	(4%)	(10%)
Organic growth excl. carmine effect	(1%)	0%
EBIT	5.4	4.9
EBIT margin	14.6%	12.1%
ROIC	26.7%	24.7%

Organic growth

- Negative impact of approximately 7%-points from loss of customer in South America in Q4 2012/13
- Negative impact from timing of orders
- Positive impact from anthocyanin in EMEA and APAC regions as well as CapColor® and FruitMax™ (coloring foodstuff) in EMEA

Organic growth excl. carmine price effect



EBIT margin

- EBIT margin up 2.5%-points driven by efficiency improvements

Profit & Loss

EUR million	Q1 13/14	Q1 12/13
Revenue	171.3	178.5
Organic growth	1%	5%
Organic growth excl. carmine effect	2%	7%
Gross margin	52.4%	52.2%
EBIT before special items	43.2	47.6
EBIT margin before special items	25.2%	26.7%
Special items	(0.6)	0
EBIT	42.6	47.6
EBIT margin	24.9%	26.7%
Net financials	(2.6)	(3.7)
Income tax	(10.8)	(11.8)
Profit for the period	29.2	32.1
EPS, diluted (EUR)	0.22	0.24

Highlights

Negative exchange rate effect on revenue mainly related to the USD, BRL and AUD

Gross margin up 0.2%-point driven by improvements in CED and NCD

EBIT margin before special items on par with last year when adjusting for negative impact from changed assessment of development costs

Special items of EUR 0.6 million

Net financials decreased by EUR 1.1 million

- Net interest unchanged at EUR 3.1 million
- Exchange rate adjustments EUR 0.5 million compared to EUR (0.6) million in Q1 2012/13

Effective tax rate 27%

Special items

Optimization of organization, production footprint and business processes in order to generate the fuel for growth and ensure a successful implementation of the strategy

Which costs?

Around EUR 8-10 million expected in 2013/14 related to:

Organization, including:

- Consolidation of CED/HND production management
- De-layering management structure

Optimization of production footprint

Business processes

Optimize legal structure of subsidiaries

Pay-back

Expected pay-back within 3 years

Why special items?

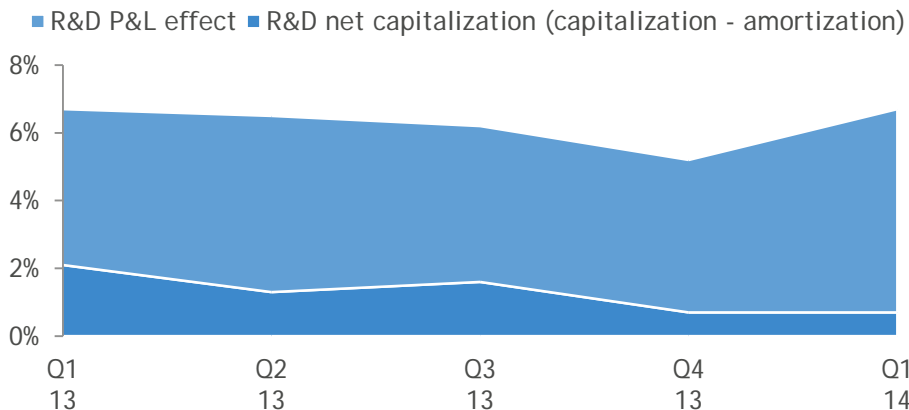
...Material non-recurring income and expenses that originate from projects related to the strategy for the development of the Group and process optimizations are classified as special items

(Annual Report 2012/13: Note 1 - Accounting policies)

Innovation

EUR million	Q1 13/14	Q1 12/13
R&D expenses	10.3	8.3
- Amortization	1.3	1.0
- Impairment	0	0
+ Capitalization	2.5	4.6
<hr/>		
R&D expenditures incurred	11.5	11.9
<hr/>		
Share of revenue	6.7%	6.7%
- of which P&L effect	6.0%	4.6%

Impact from changed assessment



Highlights

- Increased research & development activity and lower level of capitalization is estimated to reduce the EBIT margin by 1-1.5%-points compared to 2012/13 (Q1: 1.4%-points)
- New product launches
 - New cultures for high-protein Greek yogurt
 - Ripening culture for improved flavor in cheese without extra ripening time
 - NemixC for enhanced growth and yield in sugarcane production
 - WhiteWhey™ to enhance value of whey products
- Good reception of previously launched solutions for low salt (cheese) and low sugar (fermented milk)

Cash flow and Balance sheet

EUR million	Q1 13/14	Q1 12/13
Cash flow		
Operating activities	(17.5)	(12.8)
Investing activities	(13.5)	(13.9)
Free cash flow	(31.0)	(26.7)
Balance sheet		
Total assets	1,376	1,342
Equity, excl. minorities	621	604
Net interest-bearing debt	355	420
Key Figures		
Capital expenditure	7.9%	7.8%
Research & development	6.7%	6.7%
Net working capital	18.8%	19.3%
ROIC excluding goodwill	29.5%	33.3%
NIBD/EBITDA	1.4x	1.7x

Highlights

Cash flow from operating activities, down EUR 5 million driven by lower operating profit

Cash flow used for investing activities, slightly down from Q1 last year

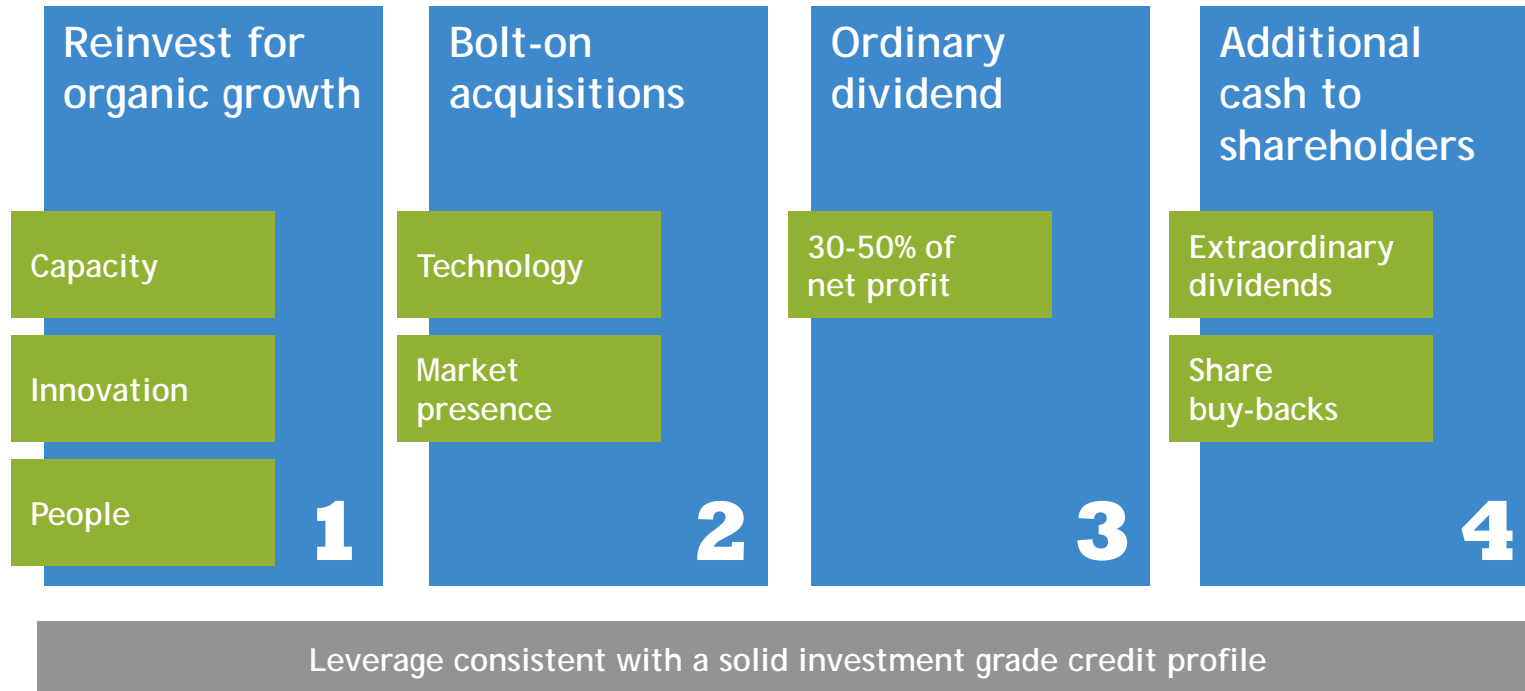
Capital expenditure, up 0.1%-point

- Major investments in Q1 related to fermentation and warehousing capacity in Denmark as well as packaging capacity for frozen cultures in USA
- Impact from lower capitalization of development costs (1.1%-point)

Net working capital, down 0.5%-point

ROIC excluding goodwill down 3.8%-points driven by HND and CED

Capital allocation priorities 2013/14



Q1 status

- Fermentation capacity
- R&D towards 7%
- Resources for strategic initiatives

- 2012/13 dividend of EUR 55 million paid in December 2013
- 2013/14 dividend to be announced in connection with Q4

- Extraordinary dividend of EUR 55 million paid in December 2013
- EUR 80 million share buy-back program announced

Initiation of Share Buy-Back Program

- Up to EUR 80 million
- To be executed during the period 15 January - 22 August 2014
- Purpose of the share buy-back is to adjust the capital structure by distributing excess capital to the shareholders
- The share buy-back will be conducted under the Safe Harbor Regulation
- Following the expiry of the share buy-back program, the Board of Directors intends to recommend to the shareholders at the next AGM on 27 November 2014 to decrease the share capital with the number of shares acquired under the program

Establishment of sponsored ADR program in the US

- Chr. Hansen Holding A/S will establish a sponsored Level 1 American Depositary Receipt (ADR) program in the United States 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
- An ADR is a US dollar-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 2013/14

Unchanged, except for the impact from special items on free cash flow

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 acquisition and divestments

Around
EUR 110 million

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

APPENDIX

Chr. Hansen

Founded in 1874

Dairy Enzymes

CED

➤ Cheese

Cultures

CED

➤ Yogurt

➤ Meat

➤ Cheese

➤ Wine

Probiotic cultures

CED

➤ Yogurt

HND

➤ Food supplements

➤ Infant formula

➤ Animal health

Natural colors

NCD

➤ Beverage

➤ Confectionary

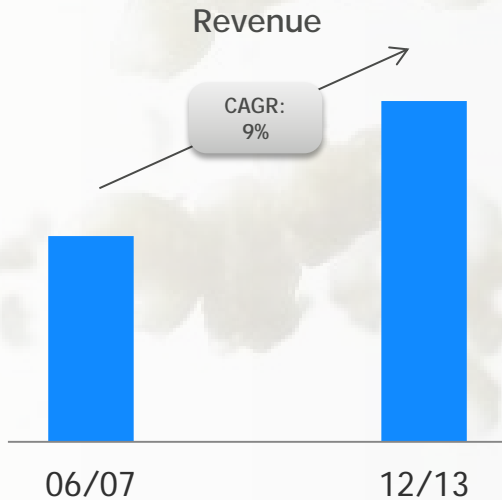
➤ Dairy & fruit preparation

➤ Prepared food

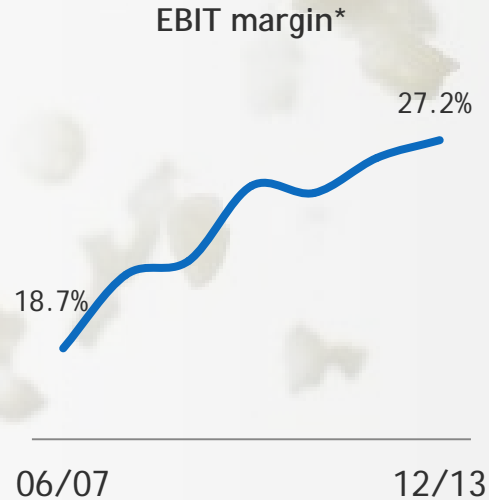


Chr. Hansen - key characteristics

Attractive growth markets



Strong profitability

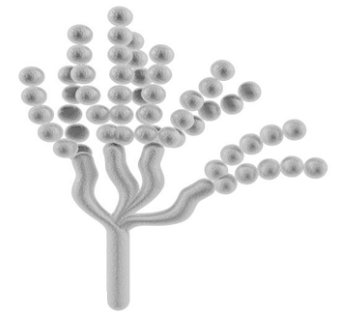


Unique value composition

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

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	➤ 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	➤ Undisputed leadership in emerging markets	➤ Pursue probiotic opportunities in emerging markets	➤ Drive emerging market conversion
6 Generating fuel for growth	➤ Drive scalability	➤ Reinvest in future growth	➤ Drive scalability
	<ul style="list-style-type: none"> ➤ Continued conversion ➤ Commercial excellence 	➤ Commercial excellence	<ul style="list-style-type: none"> ➤ Continued conversion ➤ Commercial excellence

Natures No.1

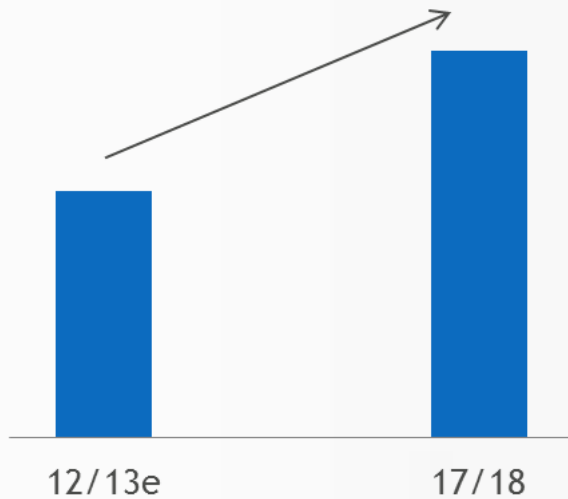
What we will **NOT** do

- 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

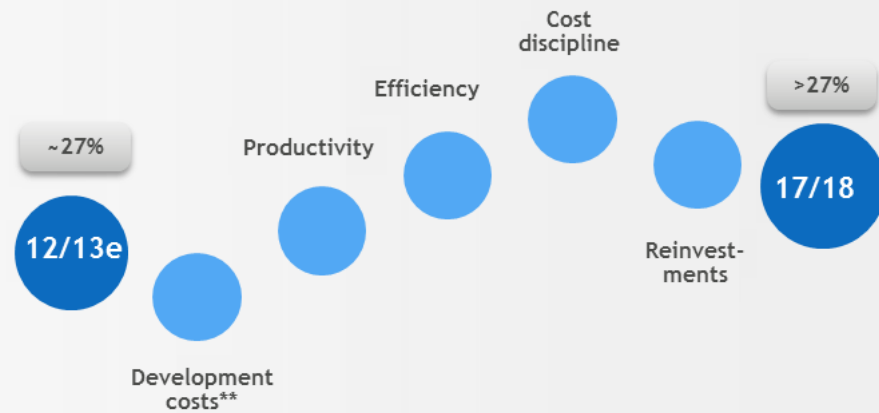


Long-term financial ambitions (5 years)

Organic growth of 7-10% per year



Improved EBIT margin* over the period



Increased free cash flow before acquisitions and divestments

*Before special items

** Impact from changed level of capitalization of development costs

Cultures & Enzymes Division

Cultures & Enzymes

61% of revenue

2012/13

Revenue EUR 451m

Organic growth 9%

EBIT margin 29.5%

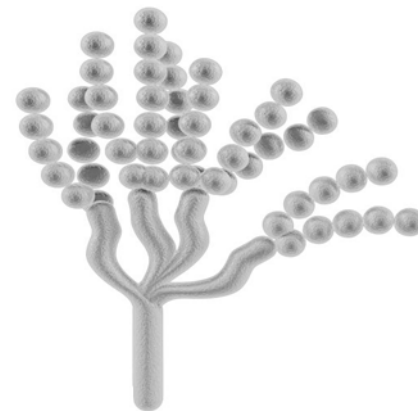
ROIC* 34.5%

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

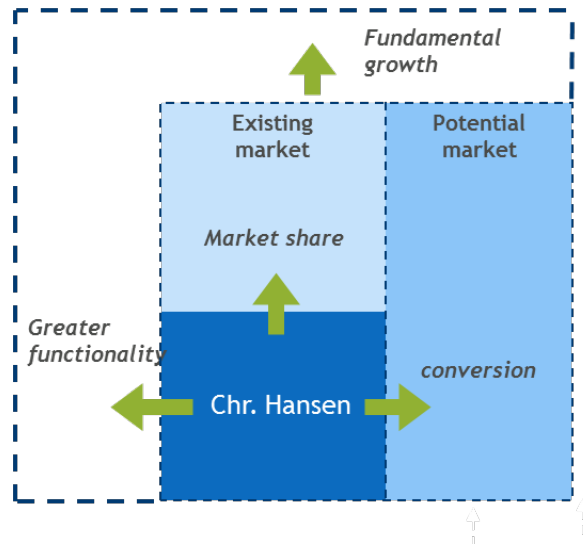
Financial ambition (5 years)

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



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

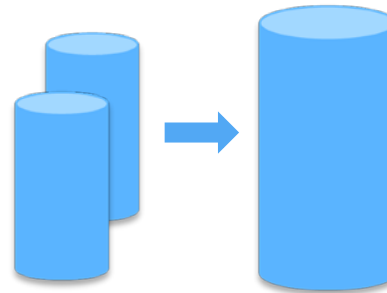
- Improve yield
- Improve efficiency

Continued scalability opportunities in CED

Plant expansion in Copenhagen progressing as planned

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

Illustrative



Future expansion

- Investments in downstream 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

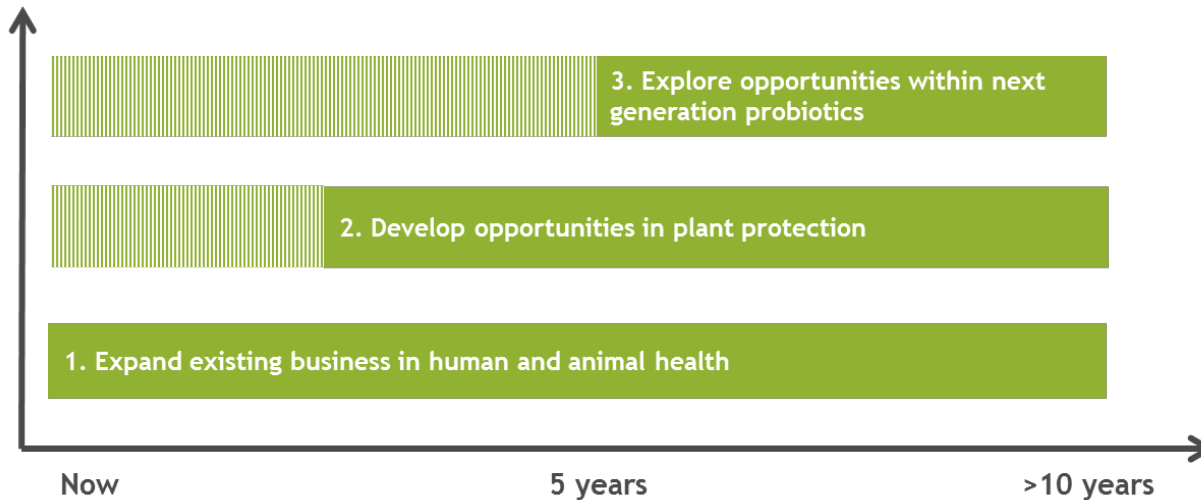
Health & Nutrition Division

Expanding the microbial solutions platform



HND growth model

Uncertainty



1. Expand existing business

- Emerging markets
- Documentation
- Operational excellence

2. Develop opportunities in plant protection

- Initially sugar cane, Brazil
- Alliance with FMC Corporation

3. 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

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

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

Special items

Special items comprise material amounts that cannot be attributed to recurring operations, such as income and expenses related to divestment, closure or restructuring of subsidiaries and business lines from the time the decision is made. Also classified as special items are, if major, gains and losses on disposal of subsidiaries not qualifying for recognition as discontinued operations in the income statement. Material nonrecurring income and expenses that originate from projects related to the strategy for the development of the Group and process optimizations are classified as special items

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

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

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