



CHR HANSEN

Improving food & health

Company announcement no. 15/2014

9 April 2014

Interim Report 2013/14

1 September 2013 – 28 February 2014

“Following a strong Q2 with 10% organic growth and solid margin development we remain on track to deliver on our outlook for the full year, expecting organic revenue growth of 7-9% and an EBIT margin before special items above 26%. We have continued to implement our Nature’s No. 1 strategy with initiatives to support the future growth and profitability of Chr. Hansen. I am especially pleased with the good performance of both the Cultures & Enzymes Division and the EMEA region in general as well as to see the first sales of cultures for crop protection,” says CEO Cees de Jong.

HIGHLIGHTS YTD 2013/14

- Revenue EUR 353 million, unchanged from 1H 2012/13, corresponding to organic growth of 6%. Revenue negatively affected by exchange rate effects, primarily related to BRL, USD and AUD
- Operating expenses EUR 97 million, compared to EUR 102 million in 1H 2012/13. Last year’s operating expenses were impacted by impairment charges of EUR 8 million. Before impairments, expenses increased by 3%
- EBIT before special items and impairments EUR 88 million, corresponding to an EBIT margin before special items and impairments of 25.0%, both unchanged from last year. Negative impact of 1.4 percentage points from increased research & development activity and a lower level of capitalization
- Special items negative EUR 4.0 million in 1H 2013/14 related to optimization of the organization and business processes
- EBIT EUR 84 million, compared to EUR 80 million in 1H 2012/13. EBIT margin 23.9% compared to 22.7% last year
- Income taxes EUR 21 million, equivalent to an effective tax rate of 27%, unchanged from 1H 2012/13
- Profit for the period EUR 56 million, compared to EUR 53 million in 1H 2012/13. Diluted earnings per share EUR 0.42, compared to EUR 0.39 last year
- Capital expenditures EUR 26 million, or 7.5% of revenue, compared to EUR 30 million, or 8.6%, in 1H 2012/13
- Incurred research & development expenditures EUR 25 million, or 6.9% of revenue, up from 6.6% in 1H 2012/13
- Net working capital EUR 150 million, or 20.3% of revenue, compared to EUR 139 million, or 19.3%, in 1H 2012/13
- Free cash flow EUR 1 million, compared to EUR 6 million in 1H 2012/13
- Net interest-bearing debt EUR 446 million, or 1.8x EBITDA, compared to 1.8x EBITDA at 28 February 2013
- **Q2 2013/14 results:** Revenue EUR 182 million, up 4% on last year. Organic growth 10%. EBIT margin before special items and impairments 24.8%, up from 23.3% last year. Free cash flow EUR 32 million, compared to EUR 33 million last year.

OUTLOOK FOR 2013/14

The outlook for 2013/14 is unchanged from the announcement of 15 January 2014.

Organic revenue growth	7-9%
Research & development expenditures incurred (% of revenue)	toward 7%
Negative impact on EBIT margin from increased research & development activity and lower level of capitalization	1-1.5%-point
EBIT margin before special items	above 26%
Special items (cost)	EUR 8-10 million
Free cash flow before acquisitions and divestments	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. The interim report has been prepared in accordance with the accounting policies set out in the Annual Report for 2012/13.

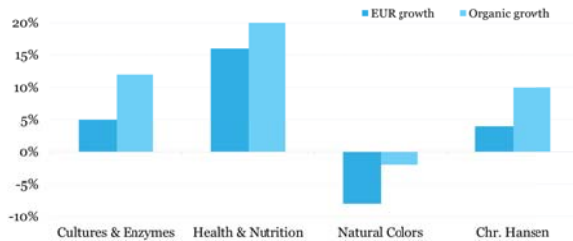
EUR million	Q2 2013/14	Q2 2012/13	Growth	YTD 2013/14	YTD 2012/13	Growth
Income statement						
Revenue	181.5	174.4	4.1%	352.8	352.9	0.0%
Gross profit	95.1	88.9	7.0%	184.8	182.1	1.5%
EBITDA	57.9	52.6	10.2%	113.7	111.7	1.8%
EBIT before special items	45.0	32.6	38.0%	88.1	80.2	9.9%
EBIT	41.6	32.6	27.6%	84.1	80.2	4.9%
Profit for the period	27.1	20.7	30.8%	56.2	52.8	6.4%
Financial position						
Total assets	1,358.4	1,331.2	2.0%	1,358.4	1,331.2	2.0%
Equity excl. non-controlling interests	629.6	620.7	1.4%	629.6	620.7	1.4%
Net working capital	149.7	138.9	7.8%	149.7	138.9	7.8%
Net interest-bearing debt	445.6	446.1	-0.1%	445.6	446.1	-0.1%
Cash flow						
Cash flow from operating activities	45.1	49.1	-8.2%	27.5	36.3	-24.1%
Cash flow used for investing activities	(12.8)	(16.4)	-22.0%	(26.3)	(30.3)	-13.2%
Free cash flow	32.3	32.7	-1.2%	1.2	6.0	-79.2%
Earnings per share						
EPS, diluted	0.20	0.15		0.42	0.39	
Key figures						
Organic growth, %	10	8		6	6	
Organic growth excl. carmine price effect, %	10	10		6	9	
Gross margin, %	52.4	51.0		52.4	51.6	
EBITDA margin, %	31.9	30.2		32.2	31.7	
EBIT margin before special items, %	24.8	18.7		25.0	22.7	
EBIT margin, %	22.9	18.7		23.9	22.7	
ROIC excl. goodwill, %	30.4	22.1		29.8	28.1	
R&D, %	7.2	6.5		6.9	6.6	
Capital expenditure, %	7.1	9.4		7.5	8.6	
NWC, %	20.3	19.3		20.3	19.3	
Net debt to EBITDA				1.8x	1.8x	

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

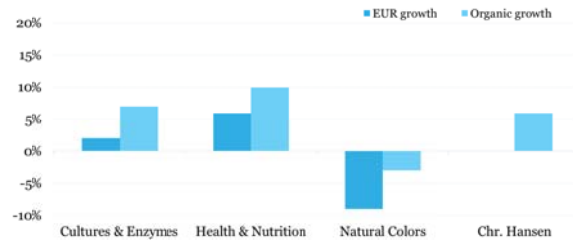
MANAGEMENT'S REVIEW

REVENUE GROWTH BY DIVISION

Q2 2013/14



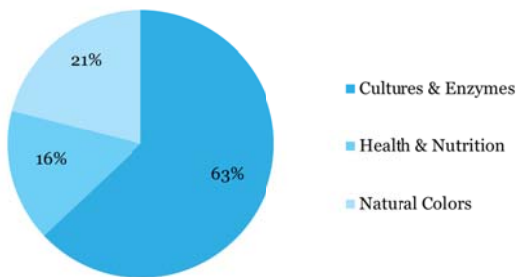
1H 2013/14



REVENUE BY DIVISION

Revenue amounted to EUR 353 million, unchanged from 1H 2012/13. Organic growth amounted to 6%. Revenue was negatively affected by exchange rate effects, primarily related to BRL, USD and AUD. In Q2, revenue amounted to EUR 182 million, corresponding to organic growth of 10%.

Revenue split by division (2013/14)



Cultures & Enzymes Division

(63% of revenue, compared to 62% in 1H 2012/13)

Revenue increased by 2% to EUR 221 million, corresponding to organic growth of 7%. Cultures for fermented milk and meat showed strong growth while cheese cultures and enzymes realized good growth. Revenue from probiotic cultures declined.

In Q2, revenue amounted to EUR 111 million, corresponding to organic growth of 12%. The organic growth was due mainly to strong growth in cultures for fermented milk, meat and enzymes while cheese cultures realized solid growth. Probiotic cultures delivered modest growth.

Health & Nutrition Division

(16% of revenue, compared to 15% in 1H 2012/13)

Revenue increased by 6% to EUR 58 million, corresponding to organic growth of 10%. Animal health products realized strong growth within the silage, swine and cattle segments. Human health products delivered solid organic growth.

In Q2, revenue amounted to EUR 34 million, corresponding to organic growth of 20%. The organic growth was due mainly to strong growth in human health products which was positively affected by timing of orders. Animal health products delivered solid organic growth. Initial sales of cultures for crop protection contributed to the organic growth of the division as well.

Natural Colors Division

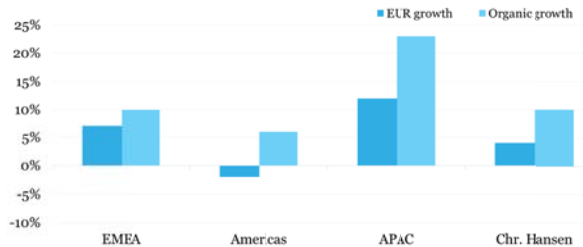
(21% of revenue, compared to 23% in 1H 2012/13)

Revenue decreased by 9% to EUR 74 million. Measured in local currencies the revenue excluding carmine price effect was in line with last year (-3% including carmine price effect). The loss of a customer in Q4 2012/13 which affected organic growth negatively by 7 percentage points was offset by solid organic growth in the remaining business.

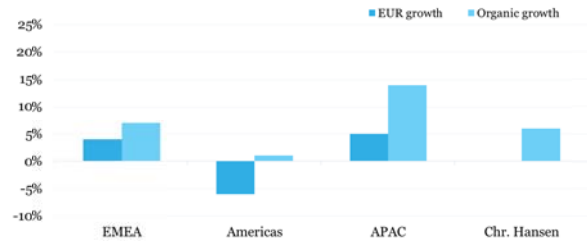
In Q2, revenue amounted to EUR 37 million. Measured in local currencies the revenue excluding carmine price effect was in line with last year (-2% including carmine price effect). The customer loss which affected organic growth negatively by 8 percentage points was offset by good growth in the remaining business, mainly within FruitMax[®], color blends and carmine products.

REVENUE GROWTH BY REGION

Q2 2013/14

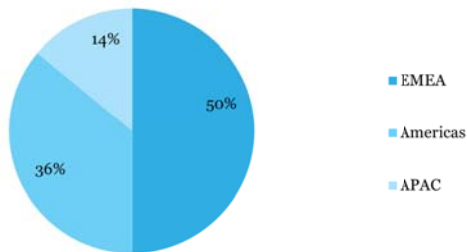


YTD 2013/14



REVENUE BY REGION

Revenue split by region (2013/14)

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

(50% of revenue, compared to 48% in 1H 2012/13)

Revenue increased by 4%, with organic growth of 7%. The organic growth was driven by cultures for fermented milk, cheese and meat as well as human health products.

Revenue from probiotic cultures for fermented milk was lower than in 1H 2012/13.

In Q2, revenue amounted to EUR 91 million, corresponding to organic growth of 10%. The organic growth was due mainly to strong growth in human health products, cultures for fermented milk and cheese as well as enzymes. Revenue from probiotic cultures for fermented milk and animal health products was lower than in Q2 2012/13.

Americas (North and South America)

(36% of revenue, compared to 39% in 1H 2012/13)

Revenue decreased by 6%, with organic growth of 1%. The loss of a customer in South America in Q4 2012/13 affected growth negatively by approximately 5 percentage -points. Cultures for fermented milk, animal health products and

enzymes showed strong growth while cultures for cheese realized modest growth. Revenue from probiotic cultures for fermented milk and human health products was lower than in 1H 2012/13.

In Q2, revenue amounted to EUR 66 million, corresponding to organic growth of 6%. The organic growth was due mainly to strong growth in cultures for fermented milk, animal health products and enzymes while cultures for cheese realized good growth. Revenue from probiotic cultures for fermented milk was at the same level as in Q2 2012/13. The loss of a customer within natural colors affected growth negatively by approximately 5 percentage -points while the remaining natural color business showed solid growth.

APAC (Asia-Pacific)

(14% of revenue, compared to 13% in 1H 2012/13)

Revenue increased by 5%, with organic growth of 14%. The organic growth was driven primarily by strong growth in human health products and cultures for fermented milk including probiotics. Natural colors realized good growth while revenue from cultures for cheese declined.

In Q2, revenue amounted to EUR 25 million, corresponding to organic growth of 23%. The organic growth was due mainly to strong growth in human health products, partly due to positive timing of orders. Cultures for fermented milk including probiotics showed solid growth while natural colors realized modest growth.

GROSS PROFIT

Gross profit was EUR 185 million, up 1% on 1H 2012/13. The gross margin increased by 0.8 percentage point to 52.4%, driven by improvements in the Cultures & Enzymes Division and Natural Colors Division.

OPERATING EXPENSES

Expenses totaled EUR 97 million, compared to EUR 102 million in 1H 2012/13, with 1H last year impacted by impairment charges of EUR 8 million. Adjusted for impairments, expenses increased by 3% driven by increased research & development activity and a lower level of capitalization.

Research & development expenses including amortization but before impairments increased by 29% to EUR 22 million, or 6.3% of revenue, compared to EUR 17 million, or 4.9%, in 1H 2012/13.

EUR million	YTD 2013/14	YTD 2012/13
R&D expenses	22.4	25.4
- Amortization	2.7	2.0
- Impairment	0.2	8.1
+ Capitalization	5.0	7.9
R&D expenditures incurred	24.5	23.2

Capitalized development costs were EUR 5 million, down EUR 2.9 million on 1H 2012/13, primarily as a result of the changed assessment of development costs.

Total research & development expenditures incurred amounted to EUR 25 million, or 6.9% of revenue, up from 6.6% in 1H 2012/13.

In Q2, total research & development expenditures incurred amounted to EUR 13 million, or 7.2% of revenue, compared to 6.5% last year due to higher activity in the Health & Nutrition Division and Natural Colors Division.

Sales & marketing expenses amounted to EUR 47 million, or 13.3% of revenue, compared to EUR 48 million, or 13.5% in 1H 2012/13, with 1H last year impacted by non-recurring costs related to the sales platform.

Administrative expenses amounted to EUR 28 million, or 7.8% of revenue, compared to EUR 29 million, or 8.3%, in 1H 2012/13, with 1H last year impacted by cost related to the change of CEO.

SPECIAL ITEMS

Special items at a cost of EUR 4 million in 1H 2013/14 related mainly to optimization of the organization and business processes.

OPERATING PROFIT (EBIT)

EBIT before special items and impairments amounted to EUR 88 million, unchanged from 1H 2012/13. The exchange rate effect on EBIT was less than EUR 1 million.

The EBIT margin before special items and impairments was 25.0%, unchanged from 1H 2012/13. A very high utilization of production capacity in the Cultures & Enzymes Division and a more favorable business mix were offset by a negative impact of 1.4 percentage points from increased research & development activity and a lower level of capitalization.

EBIT amounted to EUR 84 million, compared to EUR 80 million in 1H 2012/13. The EBIT margin was 23.9% compared to 22.7% last year.

In Q2, EBIT before special items and impairments amounted to EUR 45 million, compared to EUR 41 million in Q2 2012/13.

In Q2 the EBIT margin before special items and impairments was 24.8%, up from 23.3% last year, despite a negative impact of 1.4 percentage points from increased research & development activity and a lower level of capitalization. The increase was due mainly to a very high utilization of production capacity in the Cultures & Enzymes Division, higher sales volume in the Health & Nutrition Division and a more favorable business mix.

NET FINANCIALS AND TAX

Net financial expenses amounted to EUR 7 million, compared to EUR 8 million in 1H 2012/13. Net interest expenses were EUR 6.5 million, compared to EUR 6.1 million in 1H 2012/13.

The net impact from exchange rate adjustments was a negative EUR 0.5 million, compared to a negative EUR 1.7 million in 1H 2012/13.

In Q2, the net impact from exchange rate adjustments was a negative EUR 0.9 million, compared to a negative EUR 1.1 million in 2012/13.

Income taxes amounted to EUR 21 million, equivalent to an effective tax rate of 27%, unchanged from 1H 2012/13.

PROFIT FOR THE PERIOD

Profit for the period increased to EUR 56 million from EUR 53 million in 1H 2012/13.

ASSETS

At 28 February 2014, total assets amounted to EUR 1,358 million, compared to EUR 1,331 million a year earlier.

Total non-current assets were in line with last year at EUR 1,074 million. Intangible assets declined by EUR 22 million, due mainly to exchange rate revaluations.

Property, plant and equipment increased by EUR 18 million, driven by the expansion of fermentation capacity for cultures in Copenhagen and freeze-drying capacity in Roskilde in the Health & Nutrition Division.

Total current assets amounted to EUR 284 million, compared to EUR 257 million in 1H 2012/13. Inventories increased by EUR 8 million, or 9%, while trade receivables were in line with last year. Cash and cash equivalents increased by EUR 19 million to EUR 55 million.

Net working capital was EUR 150 million, or 20.3% of revenue, compared to EUR 139 million, or 19.3%, in 1H 2012/13 driven by inventory increase in the Cultures & Enzymes Division in preparation for the capacity expansion project in Copenhagen.

EQUITY

Total equity excluding non-controlling interests amounted to EUR 630 million at 28 February 2014, compared to EUR 621 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 was EUR 446 million, or 1.8x EBITDA, unchanged compared to 28 February 2013.

RETURN ON INVESTED CAPITAL (ROIC) EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 29.8%, compared to 28.1% in 1H 2012/13. Invested capital excluding goodwill increased to EUR 612 million, compared to EUR 589 million last year.

CASH FLOW

Cash flow from operating activities was EUR 28 million, down from EUR 36 million in 1H 2012/13 due to changes in net working capital and special items.

Cash flow used for investing activities was EUR 26 million, compared to EUR 30 million in 1H 2012/13. Major investments in 1H 2013/14 included investments in fermentation and warehousing in Denmark as well as packaging capacity for frozen cultures in the US.

Total capital expenditures corresponded to 7.5% of revenue, compared to 8.6% in 1H 2012/13. Development costs of EUR 5 million, or 1.4% of revenue, were capitalized during the period, compared to EUR 8 million, or 2.2% of revenue, in 1H 2012/13.

Free cash flow was EUR 1 million, compared to EUR 6 million in 1H 2012/13.

In Q2, cash flow from operating activities was EUR 45 million, down from EUR 49 million in 2012/13 as higher operating profit was more than offset by an increase in paid taxes, special items and working capital changes.

In Q2, cash flow used for investing activities was EUR 13 million, compared to EUR 16 million in 2012/13. Major investments in Q2 included investments in fermentation, warehousing and freeze-drying capacity. Total capital expenditures corresponded to 7.1% of revenue, down from 9.4% in 2012/13.

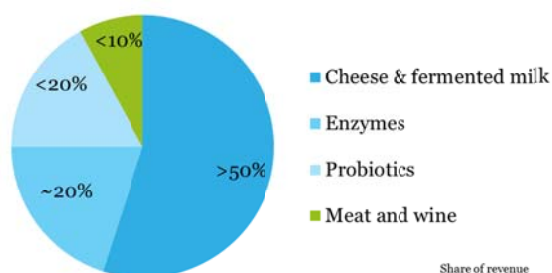
In Q2, free cash flow was EUR 32 million, compared to EUR 33 million in 2012/13.

Segment information

CULTURES & ENZYMES DIVISION

EUR million	Q2 2013/14	Q2 2012/13	1H 2013/14	1H 2012/13
Revenue	110.9	105.2	221.4	217.6
Organic growth	12%	9%	7%	10%
EBITDA	39.6	36.4	82.4	79.1
EBITDA margin	35.7%	34.6%	37.2%	36.4%
EBIT	29.9	23.3	63.5	57.5
EBIT margin	27.0%	22.1%	28.7%	26.4%
EBIT margin before impairments	27.0%	26.2%	28.7%	28.4%
ROIC excluding goodwill			31.7%	29.7%

REVENUE



Revenue increased by 2% to EUR 221 million, corresponding to organic growth of 7%. Cultures for fermented milk realized strong growth. Meat cultures delivered strong growth driven by bioprotective cultures while cheese cultures showed good growth despite strong comparables from last year. Enzymes realized good growth.

Revenue from probiotic cultures was lower than last year as the decline in the EMEA and Americas regions was only partly offset by solid growth in the APAC region.

The organic growth of 12% in Q2 was due mainly to strong growth in cultures for fermented milk, meat and enzymes while cheese cultures realized solid growth.

Revenue from probiotic cultures increased in Q2. Strong growth was realized in APAC while EMEA experienced a decline.

EBIT

EBIT amounted to EUR 64 million, up 10% on 1H 2012/13, with 1H last year negatively affected by impairments of EUR 4 million.

The EBIT margin before impairments was 28.7%, up 0.3 percentage point on 1H 2012/13, despite the negative impact of 1.0 percentage point from the lower level of capitalized development costs. The increase was due mainly to very high utilization of production capacity.

In Q2, EBIT before impairments amounted to EUR 30 million, up 9% on 2012/13, with Q2 last year negatively affected by non-recurring costs related to the sales platform. The EBIT margin before impairments increased to 27.0% from 26.2% in 2012/13, despite the negative impact of 0.8 percentage point from the increased research & development activity and lower level of capitalization.

ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 31.7%, compared to 29.7% in 1H 2012/13. Invested capital excluding goodwill increased by EUR 14 million, or 3%, to EUR 410 million.

UPDATE ON 2013/14 PRIORITIES

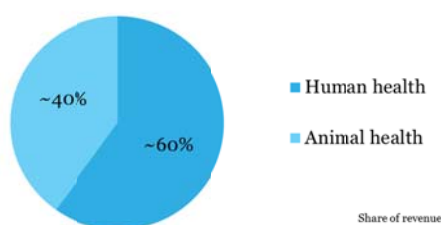
The expansion of fermentation capacity at the Copenhagen facility continued with installation in Q2. Production trials will be conducted during Q3 2013/14 with expected commercial production from Q4 2013/14.

Segment information

HEALTH & NUTRITION DIVISION

EUR million	Q2 2013/14	Q2 2012/13	1H 2013/14	1H 2012/13
Revenue	33.5	29.0	57.5	54.5
Organic growth	20%	17%	10%	13%
EBITDA	13.1	10.9	19.3	21.2
EBITDA margin	39.1%	37.6%	33.6%	38.9%
EBIT	11.1	5.2	15.3	13.7
EBIT margin	33.0%	17.9%	26.5%	25.1%
EBIT margin before impairments	33.6%	31.0%	26.9%	32.1%
ROIC excluding goodwill			28.3%	26.4%

REVENUE



Revenue increased by 6% to EUR 58 million, corresponding to organic growth of 10%. The organic growth was due mainly to strong growth in animal health products within the silage, swine and cattle segments. Human health products delivered solid organic growth.

The organic growth of 20% in Q2 was due mainly to strong growth in human health products, positively affected by timing of orders. Animal health products delivered solid organic growth while initial sales of cultures for crop protection contributed positively to the organic growth.

Quarterly growth in the division is significantly affected by timing of orders due to a consolidated customer base.

EBIT

EBIT amounted to EUR 15 million, up from EUR 14 million in 1H 2012/13, with 1H last year negatively affected by impairments of EUR 4 million. EBIT was negatively impacted by the increased research & development activity

and a lower level of capitalization, investments in strategic initiatives and exchange rate effects.

The EBIT margin before impairments was 26.9%, down from 32.1% in 1H 2012/13. The increased research & development activity and a lower level of capitalization accounted for 3.7 percentage points of the decrease.

In Q2, EBIT before impairments amounted to EUR 11 million, compared to EUR 9 million in 2012/13, with Q2 last year negatively affected by non-recurring costs related to the sales platform. EBIT margin before impairments was 33.6% compared to 31.0% last year, despite the negative impact of 3.3 percentage points from the increased research & development activity and lower level of capitalization. The increase was due mainly to higher sales volume.

ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 28.3%, compared to 26.4% in 1H 2012/13. Invested capital excluding goodwill increased by EUR 4 million, or 4%, to EUR 110 million.

UPDATE ON 2013/14 PRIORITIES

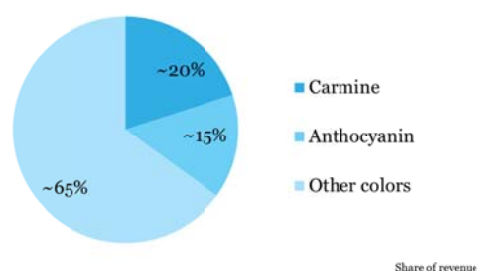
During Q2 work started to create dedicated innovation facilities for the microbiome initiative and in March 2014 a Scientific Advisory Board was established to support the development of the human health and microbiome initiatives.

Segment information

NATURAL COLORS DIVISION

EUR million	Q2 2013/14	Q2 2012/13	1H 2013/14	1H 2012/13
Revenue	37.1	40.2	73.9	80.8
Organic growth	-2%	0%	-3%	-5%
Organic growth excl. carmine price effect	0%	8%	0%	4%
EBITDA	5.3	5.3	12.0	11.4
EBITDA margin	14.2%	13.2%	16.2%	14.1%
EBIT	4.0	4.1	9.4	9.0
EBIT margin	10.8%	10.2%	12.7%	11.1%
ROIC			22.8%	22.6%

REVENUE



Revenue decreased by 9% to EUR 74 million, corresponding to unchanged organic revenue excluding carmine price effect (-3% including carmine price effect).

The loss of a customer in South America in Q4 2012/13 affected growth negatively by approximately 7 percentage -points. The remaining business in the Americas region showed solid growth driven by conversion to natural colors.

APAC showed good growth despite sales in China still being below ambition, while EMEA delivered modest growth.

In Q2 the revenue measured in local currencies and excluding carmine price effect was unchanged compared to last year. The lost customer affected growth negatively by approximately 8 percentage -points, whereas FruitMax®, color blends, beta carotene and carmine products experienced good growth.

EBIT

EBIT amounted to EUR 9.4 million, up from EUR 9.0 million in 1H 2012/13. The EBIT margin was 12.7%, compared to 11.1% in 1H 2012/13.

In Q2, EBIT amounted to EUR 4.0 million, down 2% on Q2 2012/13, with Q2 last year negatively affected by non-recurring costs related to the sales platform. The EBIT margin was 10.8%, compared to 10.2% in Q2 2012/13, despite increased research & development activity.

ROIC

The return on invested capital was 22.8%, compared to 22.6% in 1H 2012/13. Invested capital increased by EUR 5 million, or 5%, to EUR 91 million due mainly to investments in improved cost-in-use solutions and the FruitMax® (coloring foodstuff) platform.

UPDATE ON 2013/14 PRIORITIES

During 1H the Natural Colors Division focused on developing improved cost-in-use solutions as well as enhancing the FruitMax® (coloring foodstuff) platform.

OUTLOOK FOR 2013/14

The outlook for 2013/14 remains unchanged from the announcement on 15 January 2014.

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.

EXCHANGE RATE SENSITIVITY

Chr. Hansen is a global company serving more than 130 countries through own companies in 30 countries. Key exchange rate exposure relates to the USD and USD related currencies (incl. CNY) which accounts for more than 25% of revenue. Other key currencies are BRL, RUB, AUD, PLN, MXN, ARS and GBP each around 5% of revenue.

Due to a significant production set up in the US and the effect of EUR based pricing in certain countries the exchange rate impact on EBIT is significantly lower than on revenue.

Based on exchange rate levels at the beginning of April 2014, revenue for 2013/14 would be impacted negatively by approximately 5% compared to last year while the impact on EBIT would be negligible.

The use of currency hedging of balance sheet exposures and future cash flows is described in the Annual Report 2012/13 note 29, page 73.

STATUS OF SHARE BUY-BACK PROGRAM

On 15 January the Board of Directors decided to initiate a share buy-back program of up to EUR 80 million. The purpose of the share buy-back program is to adjust the capital structure by distributing excess capital to the shareholders.

In the period 15 January – 28 February 2014 a total of 554,608 shares have been acquired under the program at a total transaction value of EUR 16 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 28 February 2014. 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 28 February 2014 and of the results of the Group's operations and cash flow for the period 1 September 2013 to 28 February 2014.

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, 9 April 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 9 April 2014 at 10:00 am CET. The conference call can be accessed via the Company's website, www.chr-hansen.com.

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Financial calendar 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.

Income statement

EUR million	Q2 2013/14	Q2 2012/13	YTD 2013/14	YTD 2012/13
Revenue	181.5	174.4	352.8	352.9
Cost of sales	(86.4)	(85.5)	(168.0)	(170.8)
Gross profit	95.1	88.9	184.8	182.1
Research and development expenses	(12.1)	(17.1)	(22.5)	(25.4)
Sales and marketing expenses	(23.7)	(24.1)	(47.0)	(47.5)
Administrative expenses	(14.7)	(15.5)	(27.8)	(29.3)
Other operating income	0.4	0.5	0.7	0.8
Other operating expenses	-	(0.1)	(0.1)	(0.5)
Operating profit before special items	45.0	32.6	88.1	80.2
Special items	(3.4)	-	(4.0)	-
Operating profit (EBIT)	41.6	32.6	84.1	80.2
Net financial expenses	(4.5)	(4.1)	(7.1)	(7.8)
Profit before tax	37.1	28.5	77.1	72.4
Income taxes	(10.1)	(7.8)	(20.9)	(19.6)
Profit for the period	27.1	20.7	56.2	52.8
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	27.1	20.2	56.2	52.0
Non-controlling interests	-	0.5	-	0.8
	27.1	20.7	56.2	52.8
Earnings per share, EUR:				
Earnings per share, continuing operations	0.20	0.15	0.42	0.39
Earnings per share, continuing operations, diluted	0.20	0.15	0.42	0.39

Statement of comprehensive income

EUR million	Q2 2013/14	Q2 2012/13	YTD 2013/14	YTD 2012/13
Profit for the period	27.1	20.7	56.2	52.8
Currency translation of foreign Group companies	(5.0)	0.9	(8.0)	(4.1)
Cash flow hedges	0.8	1.0	0.5	1.5
Tax related to cash flow hedges	(0.2)	(0.3)	(0.1)	(0.4)
Other comprehensive income for the period	(4.4)	1.6	(7.6)	(3.0)
Total comprehensive income for the period	22.7	22.3	48.6	49.8
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	22.7	21.9	48.6	49.2
Non-controlling interests	-	0.4	-	0.6
	22.7	22.3	48.6	49.8

Balance sheet

EUR million	28 Feb 2014	28 Feb 2013	31 Aug 2013
Non-current assets			
Intangible assets			
Goodwill	602.6	617.6	609.4
Other intangible assets	142.7	153.0	150.0
Intangible assets in progress	36.2	32.5	32.8
	781.5	803.1	792.2
Property, plant and equipment			
Land and buildings	122.3	120.2	125.2
Plant and machinery	85.0	78.2	89.6
Other fixtures and equipment	10.7	10.0	9.9
Property, plant and equipment in progress	64.9	56.2	55.4
	282.9	264.6	280.1
Other non-current assets			
Deferred tax	9.7	6.9	9.1
	9.7	6.9	9.1
Total non-current assets	1,074.1	1,074.6	1,081.4
Current assets			
Inventories			
Raw materials and consumables	20.6	16.2	17.6
Work in progress	37.9	30.9	32.3
Finished goods and goods for resale	45.0	48.1	37.7
	103.5	95.2	87.6
Receivables			
Trade receivables	103.9	98.1	98.4
Tax receivables	4.7	4.5	4.9
Other receivables	10.4	16.5	10.2
Prepayments	7.3	6.7	6.8
	126.3	125.8	120.3
Cash and cash equivalents	54.5	35.6	77.5
Total current assets	284.3	256.6	285.4
Total assets	1,358.4	1,331.2	1,366.8

Balance sheet

EUR million	28 Feb 2014	28 Feb 2013	31 Aug 2013
Equity			
Share capital	180.3	180.5	180.3
Reserves	449.3	440.2	500.7
Non-controlling interests	-	5.6	-
Total equity	629.6	626.3	681.0
Liabilities			
Non-current liabilities			
Employee benefit obligations	5.6	4.9	5.1
Deferred tax	64.3	69.6	61.5
Provisions	1.8	1.9	2.0
Borrowings	487.7	451.3	416.2
Tax payables	16.5	14.5	19.5
Other non-current debt	1.0	1.4	1.4
	576.9	543.6	505.7
Current liabilities			
Provisions	0.3	0.3	0.3
Borrowings	12.4	30.4	12.8
Prepayments from customers	0.6	0.5	1.9
Trade payables	57.7	54.4	78.2
Tax payables	18.1	18.2	32.8
Other payables	62.8	57.5	54.1
	151.9	161.3	180.1
Total liabilities	728.8	704.9	685.8
Total equity and liabilities	1,358.4	1,331.2	1,366.8

Statement of changes in equity

1 September 2013 - 28 February 2014

Shareholders of Chr. Hansen Holding A/S						
EUR million	Share capital	Currency translation	Cash flow hedges	Retained earnings	Non-controlling interests	Total
1 September 2013	180.3	(19.7)	(3.0)	523.4	-	681.0
Change in accounting principles	-	-	-	(0.4)	-	(0.4)
Total comprehensive income for the period, cf. statement of comprehensive income	-	(8.0)	0.4	56.2	-	48.6
Purchase of treasury shares	-	-	-	(16.0)	-	(16.0)
Exercised share options	-	-	-	26.3	-	26.3
Share-based payment	-	-	-	1.7	-	1.7
Dividend	-	-	-	(111.6)	-	(111.6)
28 February 2014	180.3	(27.7)	(2.6)	479.6	-	629.6

1 September 2012 - 28 February 2013

Shareholders of Chr. Hansen Holding A/S						
EUR million	Share capital	Currency translation	Cash flow hedges	Retained earnings	Non-controlling interests	Total
1 September 2012	185.3	(2.5)	(5.6)	477.9	5.5	660.6
Total comprehensive income for the period, cf. statement of comprehensive income	(0.1)	(3.8)	1.1	52.0	0.6	49.8
Reduction of share capital	(4.7)	-	-	4.7	-	-
Purchase of treasury shares	-	-	-	(35.5)	-	(35.5)
Share-based payment	-	-	-	3.1	-	3.1
Dividend	-	-	-	(51.2)	(0.5)	(51.7)
28 February 2013	180.5	(6.3)	(4.5)	451.0	5.6	626.3

Statement of cash flows

EUR million	Q2 2013/14	Q2 2012/13	YTD 2013/14	YTD 2012/13
Operating profit	41.6	32.6	84.1	80.2
Non-cash adjustments	13.8	20.0	27.2	31.4
Change in working capital	(1.1)	1.3	(41.5)	(33.8)
Interest payments made	(4.1)	(2.8)	(6.1)	(5.8)
Taxes paid	(5.1)	(2.0)	(36.2)	(35.7)
Cash flow from operating activities	45.1	49.1	27.5	36.3
Investments in intangible assets	(2.6)	(4.1)	(7.0)	(9.9)
Investments in property, plant and equipment	(10.2)	(12.3)	(19.3)	(20.4)
Cash flow used for investing activities	(12.8)	(16.4)	(26.3)	(30.3)
Free cash flow	32.3	32.7	1.2	6.0
Borrowings	93.7	35.0	380.2	75.0
Repayment of long-term loans	(15.2)	(12.1)	(302.2)	(14.3)
Purchase of treasury shares	(13.8)	(7.6)	(13.8)	(37.9)
Exercise of options	1.0	-	26.3	-
Dividend paid	(111.6)	(51.2)	(111.6)	(51.2)
Non-controlling interests, dividends, etc.	-	-	(0.3)	(0.5)
Cash flow used for financing activities	(45.9)	(35.9)	(21.4)	(28.9)
Net cash flow for the period	(13.6)	(3.2)	(20.2)	(22.9)
Cash and cash equivalents at beginning of period	69.9	39.3	77.5	60.5
Unrealized exchange gains/(losses) included in cash and cash equivalents	(1.8)	(0.5)	(2.8)	(2.0)
Net cash flow for the period	(13.6)	(3.2)	(20.2)	(22.9)
Cash and cash equivalents at end of period	54.5	35.6	54.5	35.6

Segment information

EUR million	Q2 2013/14			
Income statement	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
External revenue	110.9	33.5	37.1	181.5
EUR growth	5%	16%	-8%	4%
Organic growth	12%	20%	-2%	10%
EBITDA	39.6	13.1	5.3	57.9
EBITDA margin	35.7%	39.1%	14.2%	31.9%
Depreciation, amortization and impairment losses	(9.6)	(2.0)	(1.3)	(12.9)
EBIT b.s.i.	29.9	11.1	4.0	45.0
EBIT margin b.s.i.	27.0%	33.0%	10.8%	24.8%

	YTD 2013/14			
Income statement	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
External revenue	221.4	57.5	73.9	352.8
EUR growth	2%	6%	-9%	0%
Organic growth	7%	10%	-3%	6%
EBITDA	82.4	19.3	12.0	113.7
EBITDA margin	37.2%	33.6%	16.2%	32.2%
Depreciation, amortization and impairment losses	(18.9)	(4.1)	(2.6)	(25.6)
EBIT b.s.i.	63.5	15.3	9.4	88.1
EBIT margin b.s.i.	28.7%	26.5%	12.7%	25.0%

Segment information

	Q2 2012/13			
Income statement	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
External revenue	105.2	29.0	40.2	174.4
EUR growth	8%	15%	-4%	6%
Organic growth	9%	17%	0%	8%
EBITDA	36.4	10.9	5.3	52.6
EBITDA margin	34.6%	37.6%	13.2%	30.2%
Depreciation, amortization and impairment losses	(13.1)	(5.7)	(1.2)	(20.0)
EBIT b.s.i.	23.3	5.2	4.1	32.6
EBIT margin b.s.i.	22.1%	17.9%	10.2%	18.7%

	YTD 2012/13			
Income statement	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
External revenue	217.6	54.5	80.8	352.9
EUR growth	10%	15%	-7%	6%
Organic growth	10%	13%	-5%	6%
EBITDA	79.1	21.2	11.4	111.7
EBITDA margin	36.4%	38.9%	14.1%	31.7%
Depreciation, amortization and impairment losses	(21.6)	(7.5)	(2.4)	(31.5)
EBIT b.s.i.	57.5	13.7	9.0	80.2
EBIT margin b.s.i.	26.4%	25.1%	11.1%	22.7%

Segment information

EUR million	28 Feb 2014			
	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
Assets				
Goodwill	526.7	75.9	-	602.6
Other intangible assets	123.4	40.1	15.4	178.9
Intangible assets	650.1	116.0	15.4	781.5
Property, plant and equipment	205.6	40.9	36.4	282.9
Total non-current assets excl. deferred tax	855.7	156.9	51.8	1,064.4
Inventories	53.2	16.0	34.3	103.5
Trade receivables	58.4	22.5	23.0	103.9
Trade payables	(30.7)	(9.2)	(17.8)	(57.7)
Net working capital	80.9	29.3	39.5	149.7
Assets not allocated				86.6
Group assets				1,358.4
Invested capital excluding goodwill	409.9	110.3	91.3	611.5
ROIC, excl. goodwill	31.7%	28.3%	22.8%	29.8%
Investment in non-current assets excluding deferred tax				
2013/14	20.1	4.0	2.2	26.3

	28 Feb 2013			
	Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
Assets				
Goodwill	540.9	76.7	-	617.6
Other intangible assets	123.9	47.7	13.9	185.5
Intangible assets	664.8	124.4	13.9	803.1
Property, plant and equipment	195.3	34.9	34.4	264.6
Total non-current assets excl. deferred tax	860.1	159.3	48.3	1,067.7
Inventories	47.1	14.0	34.1	95.2
Trade receivables	58.1	17.4	22.6	98.1
Trade payables	(28.0)	(7.8)	(18.6)	(54.4)
Net working capital	77.2	23.6	38.1	138.9
Assets not allocated				70.2
Group assets				1,331.2
Invested capital excluding goodwill	396.4	106.2	86.4	589.0
ROIC, excl. goodwill	29.7%	26.4%	22.6%	28.1%
Investment in non-current assets excluding deferred tax				
2012/13	20.8	5.6	3.9	30.3

Segment information

Geographical allocation EUR million	Q2 2013/14	Q2 2012/13	YTD 2013/14	YTD 2012/13
Revenue				
Europe, Middle East and Africa	90.6	84.7	176.7	170.3
Americas	66.1	67.6	128.1	136.8
Asia-Pacific	24.8	22.1	48.0	45.8
Revenue, total	181.5	174.4	352.8	352.9
Non-current assets excl. deferred tax				
Europe, Middle East and Africa			896.2	886.7
Americas			155.3	165.3
Asia-Pacific			12.9	15.7
Non-current assets, total			1,064.4	1,067.7