

2015/16 YTD IN BRIEF

Strong organic revenue growth of 13% in the first nine months of 2015/16: Food Cultures & Enzymes (13%), Health & Nutrition (2%) and Natural Colors (20%). EBIT before special items increased by 18% to EUR 189 million. In Q3, organic growth reached 12% and EBIT before special items increased by 11% to EUR 71 million.

EUR million	Q3 2015/16	Q3 2014/15	Growth	YTD 2015/16	YTD 2014/15	Growth
Revenue	249.8	228.1	10%	693.1	625.0	11%
EBIT before special items	71.0	63.8	11%	188.9	159.8	18%
Profit for the period	51.6	45.7	13%	127.9	111.0	15%
Free cash flow*	42.0	53.8	-22%	57.8	65.0	-11%
Organic growth	12%	7%		13%	9%	
Gross margin	53.3%	52.4%		52.8%	51.4%	
EBIT margin b.s.i.	28.4%	28.0%		27.2%	25.6%	
ROIC excl. goodwill				36.0%	33.8%	

* Before acquisitions, divestments and special items

“We continued to grow our business during Q3, with Food Cultures & Enzymes and Natural Colors showing strong organic revenue growth. Both Food Cultures & Enzymes and Natural Colors also delivered encouraging improvements in profitability. We experienced modest growth in Health & Nutrition, as the animal health business was negatively impacted by commodity prices for milk and meat remaining at extraordinarily low levels. Despite the current pressure on the agricultural sector, the long-term growth prospects for our animal health business remain very positive,” says CEO Cees de Jong.

“During the past three months, we have made good progress with integrating NPC, launched a second product for plant health with good first sales, and, within the human microbiome area, successfully completed a clinical study showing a positive physiological effect of the bacteria tested. Based on the results achieved, we have moved to the next stage in our clinical development plan. Finally, it is very encouraging to see a strong performance by our bioprotective solutions for dairy and other food categories.”

OUTLOOK FOR 2015/16

The outlook for 2015/16 is unchanged compared to announcement on 7 April 2016.

Organic revenue growth	5 July 2016 10-12%	7 April 2016 10-12%
Research & development expenditures incurred (% of revenue)	around 7%	around 7%
EBIT margin before special items	above 2014/15	above 2014/15
Free cash flow before acquisitions, divestments and special items	above 2014/15	above 2014/15

FINANCIAL HIGHLIGHTS AND KEY FIGURES

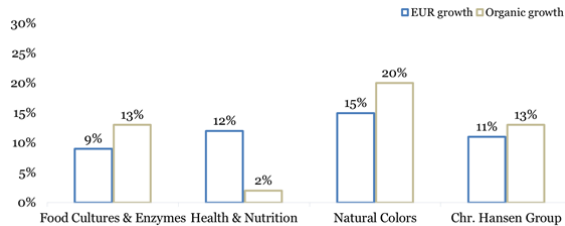
This unaudited interim report has been prepared in accordance with IAS 34 and additional Danish regulations. The interim report has been prepared in accordance with the accounting policies set out in the Annual Report for 2014/15.

EUR million	Q3 2015/16	Q3 2014/15	Growth	YTD 2015/16	YTD 2014/15	Growth
Income statement						
Revenue	249.8	228.1	10%	693.1	625.0	11%
Gross profit	133.2	119.6	11%	365.9	321.2	14%
EBITDA before special items	84.4	77.2	9%	228.0	200.4	14%
EBIT before special items	71.0	63.8	11%	188.9	159.8	18%
Special items	(1.1)	-	-	(7.9)	-	-
EBIT	69.9	63.8	10%	181.0	159.8	13%
Profit for the period	51.6	45.7	13%	127.9	111.0	15%
Financial position						
Total assets				1,661.5	1,442.3	15%
Equity				667.2	694.2	(4)%
Net working capital				195.0	172.5	13%
Net interest-bearing debt				665.9	437.6	52%
Cash flow						
Cash flow from operating activities	60.4	71.6	(16)%	115.0	110.6	4%
Cash flow used for op. investing activities	(19.5)	(17.8)	10%	(60.9)	(45.6)	34%
Acquisition of entities, net of cash acquired	-	-	-	(169.4)	-	-
Free cash flow	40.9	53.8	-	(115.3)	65.0	-
Earnings per share						
EPS, diluted	0.39	0.35	11%	0.97	0.85	14%
Key figures						
Organic growth, %	12	7		13	9	
Gross margin, %	53.3	52.4		52.8	51.4	
Operating expenses, %	24.9	24.5		25.5	25.8	
EBITDA margin before special items, %	33.8	33.9		32.9	32.1	
EBIT margin before special items, %	28.4	28.0		27.2	25.6	
EBIT margin, %	28.0	28.0		26.1	25.6	
ROIC excl. goodwill, %	37.5	39.0		36.0	33.8	
R&D, %	7.0	6.6		7.3	6.6	
Capital expenditure, %	7.8	7.8		8.8	7.3	
NWC, %				21.0	20.8	
Net debt to EBITDA				2.1x	1.6x	

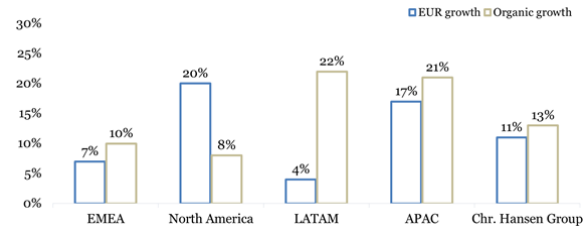
Organic growth: Increase in revenue adjusted for sales reductions, acquisitions and divestments, and measured in local currency.

YTD 2015/16 RESULTS

REVENUE GROWTH BY BUSINESS – YTD



REVENUE GROWTH BY REGION – YTD



MARKET DEVELOPMENT

During the first nine months of 2015/16, the end markets for fermented milk grew in line with previous years. The global market for cheese grew in line with 2015, which was slightly higher than in previous years, driven by high production volumes in the US and EU. In Q3, growth in US cheese production was in line with previous years.

The market for probiotic dietary supplements showed strong growth, largely due to higher penetration levels in the US. The market for microbial-based solutions for animal health was negatively impacted by commodity prices for milk and pork meat remaining at extraordinarily low levels, causing farmers to cut down on certain feed additives such as probiotics and silage inoculants.

Conversion to natural colors continued in all regions during the first nine months of 2015/16.

REVENUE

Revenue increased by 11% to EUR 693 million (9% excluding Nutrition Physiology Company (NPC)), corresponding to organic growth of 13%. A positive impact on revenue from the appreciation of the USD was more than offset by depreciating currencies in some countries in Eastern Europe, Latin America and Asia.

The organic growth of 13% comprised 9% from volume/mix effects and 4% from price increases in local currencies. The price increases were mainly achieved by using EUR-based pricing to protect EBIT against depreciating currencies and to reflect higher raw material prices in Natural Colors.

In Q3, revenue increased by 10% (6% excluding NPC), corresponding to organic growth of 12%. Revenue was negatively impacted by depreciation of the USD and depreciating currencies in certain countries in Eastern Europe, Latin America and Asia. The organic growth of 12% comprised 8% from volume/mix effects and 4% from price increases in local currencies.

Revenue	Q3	YTD
Organic growth (vol/mix)	8%	9%
Organic growth (price)	4%	4%
Organic growth	12%	13%
Currencies	(6)%	(4)%
NPC acquisition	4%	2%
EUR growth	10%	11%

REVENUE BY REGION

EMEA (Europe, Middle East and Africa)

Revenue increased by 7%, with organic growth of 10%. The organic growth was driven by strong growth in natural colors and cultures for fermented milk, cheese and meat. Probiotic cultures showed solid growth, while revenue from enzymes and human health was at the same level as in the first nine months of 2014/15, and revenue from animal health declined.

In Q3, revenue increased by 5%, with organic growth of 9%. Natural colors and cultures for fermented milk including probiotics, cheese, and meat delivered strong growth. Revenue from enzymes was at the same level as in Q3 2014/15, while revenue from human and animal health was down.

North America

Revenue increased by 20%, with organic growth of 8%. Human health, natural colors and cultures for cheese and meat delivered strong growth, while revenue from fermented milk and enzymes showed modest growth. Revenue from animal health and probiotics for fermented milk was below the first nine months of 2014/15.

In Q3, revenue increased by 27%, with organic growth of 14%. The organic growth was driven by strong growth in human health, natural colors and cultures for cheese and meat while revenue from fermented milk including probiotics showed modest growth. Revenue from enzymes and animal health was below Q3 2014/15.

LATAM

Revenue increased by 4%, with organic growth of 22%. The organic growth was driven by strong growth across all segments except for probiotic cultures for fermented milk and plant health.

In Q3, revenue was unchanged, with organic growth of 15%. The organic growth was driven by strong growth across all segments except for probiotic cultures for fermented milk and animal health which was below Q3 2014/15.

APAC (Asia-Pacific)

Revenue increased by 17%, with organic growth of 21%. The organic growth was driven primarily by strong growth in fermented milk including probiotics, natural colors and cheese. Growth was particularly strong in China.

In Q3, revenue increased by 8%, with organic growth of 16% driven by fermented milk, cheese, natural colors and enzymes, while revenue from human health was lower than last year. Growth continued to be strong in China.

GROSS PROFIT

Gross profit was EUR 366 million, up 14% on the first nine months of 2014/15. The gross margin increased by 1.4 percentage points to 52.8%. Efficiencies in culture production, including lower depreciation related to production equipment, were partly offset by US tariff costs for human health products.

In Q3, gross profit was EUR 133 million, up 11% on 2014/15. The gross margin increased by 0.9 percentage point to 53.3%. Operational efficiencies in culture production were partly offset by US tariff costs for human health products and higher raw material prices in Natural Colors.

OPERATING EXPENSES (% of revenue)

Operating expenses totaled EUR 177 million (25.5%), compared to EUR 161 million (25.8%) in the first nine months of 2014/15.

Research & development (R&D) expenses including amortization and depreciation amounted to EUR 45 million (6.5%), compared to EUR 39 million (6.2%) in the first nine months of 2014/15.

The net impact from capitalization of development costs was EUR 6 million (0.8%), compared to EUR 3 million (0.4%) in the first nine months of 2014/15. The increase was due to the acquisition of a bacterial strain collection from the Board of Dairy Innovation Australia Ltd (DIAL).

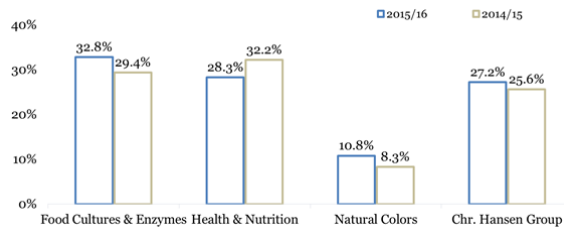
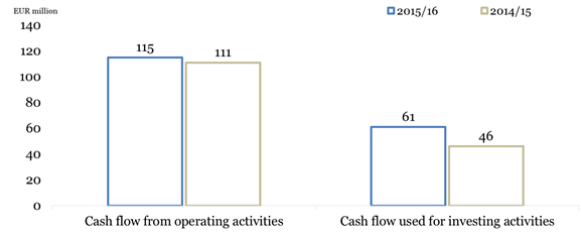
Total R&D expenditures incurred increased by 22% to EUR 51 million (7.3%), compared to EUR 42 million (6.6%) in the first nine months of 2014/15. The increase was due to the acquisition of DIAL and a higher activity level in the microbial-based businesses.

Sales & marketing expenses amounted to EUR 83 million (12.0%), compared to EUR 77 million (12.2%) in the first nine months of 2014/15.

Administrative expenses amounted to EUR 50 million (7.3%), compared to EUR 45 million (7.2%) in the first nine months of 2014/15.

Net other operating income/expenses was an income of EUR 1 million, compared to an expense of EUR 1 million in the first nine months of 2014/15.

In Q3, operating expenses were EUR 62 million (24.9%), compared to EUR 56 million (24.5%) in 2014/15. The increase was mainly due to higher R&D activity and sales & marketing expenses following the inclusion of NPC.

EBIT MARGIN BEFORE SPECIAL ITEMS – YTD**OPERATIONAL CASH FLOW – YTD****SPECIAL ITEMS**

Special items at EUR 8 million in 2015/16 concerned an accrual for US import tariff costs covering reclassification of certain human health products related to previous years and costs related to the acquisition and integration of NPC.

OPERATING PROFIT (EBIT)

EBIT before special items amounted to EUR 189 million, compared to EUR 160 million in the first nine months of 2014/15, an increase of 18%. The increase in EBIT was mainly due to higher sales volumes and operational efficiencies in Food Cultures & Enzymes and Natural Colors, partly offset by US tariff costs in human health and low sales activity in animal health.

The EBIT margin before special items was 27.2%, up from 25.6% in the first nine months of 2014/15, primarily due to production and scale efficiencies. The EBIT margin after special items was 26.1%.

In Q3, EBIT before special items amounted to EUR 71 million, compared to EUR 64 million in 2014/15. The EBIT margin before special items was 28.4%, compared to 28.0% in 2014/15. Production and scale efficiencies in Food Cultures & Enzymes and Natural Colors were partly offset by lower activity in animal health and the inclusion of NPC. The EBIT margin after special items was 28.0%.

NET FINANCIALS AND TAX

Net financial expenses amounted to EUR 11 million, compared to EUR 10 million in the first nine months of 2014/15. The net interest cost was EUR 9 million, unchanged from 2014/15. An increase due to higher debt from the acquisition of NPC was offset by lower interest rates.

The net impact from exchange rate adjustments was a negative EUR 2 million, compared to a negative EUR 1 million in the first nine months of 2014/15. The negative impact related mainly to unrealized losses from depreciating currencies in Argentina and Ukraine.

In Q3, the net impact from exchange rate adjustments was a positive EUR 2 million, primarily due to appreciation of the Danish krone and Argentine peso.

Income taxes were EUR 43 million, equivalent to an effective tax rate of 25%, compared to 26% in the first nine months of 2014/15, mainly due to a reduction in the corporate tax rate in Denmark from 23.5% to 22.0%.

PROFIT FOR THE PERIOD

Profit for the period increased by 15% to EUR 128 million from EUR 111 million in the first nine months of 2014/15. In Q3, profit increased by 13% to EUR 52 million.

ASSETS

At 31 May 2016, total assets amounted to EUR 1,662 million, compared to EUR 1,442 million a year earlier. The increase was mainly due to the acquisition of NPC.

Total non-current assets amounted to EUR 1,306 million, compared to EUR 1,116 million at 31 May 2015.

Intangible assets increased by EUR 155 million, while property, plant and equipment increased by EUR 36 million.

Total current assets amounted to EUR 355 million, compared to EUR 326 million at 31 May 2015.

Inventories increased by EUR 16 million, or 14%, and receivables by EUR 26 million, or 18%. Cash decreased by EUR 13 million to EUR 59 million.

NPC IMPACT

EUR million	2015/16
Intangible assets incl. goodwill	163
Property plant and equipment	3
Inventories	3
Trade receivables	2
Trade payables and other payables	(2)
Total effect	169

NET WORKING CAPITAL

Net working capital was EUR 195 million, or 21.0% of revenue, compared to EUR 173 million, or 20.8%, in the first nine months of 2014/15. The increase was mainly due to the acquisition of NPC.

EQUITY

Total equity amounted to EUR 667 million at 31 May 2016, compared to EUR 694 million a year earlier. An interim dividend for the financial year 2014/15 totaling EUR 115 million was paid out during Q3 2014/15 and an ordinary dividend for the financial year 2014/15 totaling EUR 82 million was paid out at the beginning of Q2 2015/16.

NET DEBT

Net interest-bearing debt amounted to EUR 666 million, or 2.1x EBITDA, compared to EUR 438 million, or 1.6x EBITDA, at 31 May 2015. The increase was mainly due to the acquisition of NPC.

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

The return on invested capital excluding goodwill was 36.0%, compared to 33.8% in the first nine months of 2014/15. Invested capital excluding goodwill increased to EUR 768 million, compared to EUR 657 million at 31 May 2015.

CASH FLOW

Cash flow from operating activities was EUR 115 million, compared to EUR 111 million in the first nine months of 2014/15. The increase was mainly due to the improved operating profit, partly offset by higher net working capital.

Cash flow used for operational investing activities was EUR 61 million, or 8.8% of revenue, compared to EUR 46 million, or 7.3% of revenue, in the first nine months of 2014/15. Major investments in the first nine months of 2015/16 included capacity expansion for cultures and laboratory facilities for the human microbiome initiative.

Development expenditures of EUR 10 million, or 1.5% of revenue, were capitalized, compared to EUR 7 million, or 1.1%, in the first nine months of 2014/15. The increase was primarily due to the acquisition of a bacterial strain collection from the Board of Dairy Innovation Australia Ltd.

Free cash flow before acquisitions was EUR 54 million, compared to EUR 65 million in the first nine months of 2014/15. The decrease was mainly due to a higher investment level driven by the Copenhagen capacity expansion.

Cash flow used for acquisitions was EUR 169 million and related to the acquisition of NPC in February 2016.

In Q3, cash flow from operating activities was EUR 60 million, down from EUR 72 million last year. The decrease was mainly due to changes in working capital.

Cash flow used for operational investing activities was EUR 20 million, compared to EUR 18 million last year.

Free cash flow was EUR 41 million, down from EUR 54 million last year.

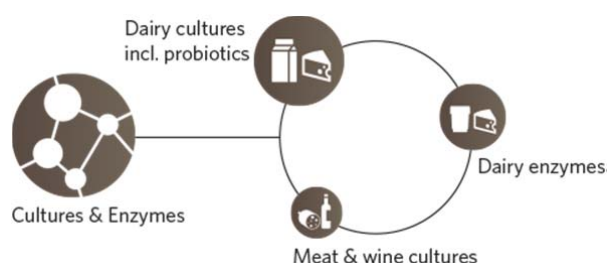
Segment information

60% of revenue

FOOD CULTURES & ENZYMES

EUR million	Q3 2015/16	Q3 2014/15	YTD 2015/16	YTD 2014/15
Revenue	144.0	136.0	411.8	376.7
Organic growth	13%	8%	13%	8%
EBITDA	58.9	54.6	161.6	140.0
EBITDA margin	40.9%	40.1%	39.3%	37.2%
EBIT	50.1	44.8	135.1	110.6
EBIT margin	34.8%	32.9%	32.8%	29.4%
ROIC excluding goodwill			41.6%	35.6%

REVENUE



Revenue increased by 9% to EUR 412 million, corresponding to organic growth of 13%. The organic growth comprised 9% from volume/mix and 4% from price increases in local currencies. The price increases were mainly achieved by using EUR-based pricing to protect EBIT against depreciating currencies.

The organic growth was primarily due to strong growth in cultures for fermented milk, cheese and meat, supported by very strong growth in bioprotective cultures across all three product categories. Probiotic cultures for fermented milk and enzymes showed good growth.

In Q3, organic growth was 13%. The organic growth comprised 10% from volume/mix and 3% from price increases in local currencies. Fermented milk, cheese and meat cultures delivered strong growth. Probiotics showed solid growth while growth in enzymes was modest.

EBIT

EBIT amounted to EUR 135 million, compared to EUR 111 million in the first nine months of 2014/15.

The EBIT margin was 32.8%, up 3.4 percentage points on the first nine months of 2014/15. The increase was due to operational efficiencies, including lower depreciation related to production facilities, product mix, and the first half of 2014/15 being negatively impacted by startup costs related to the new fermentation capacity for cultures.

In Q3, the EBIT margin increased by 1.9 percentage points compared to 2014/15. A positive impact from operational efficiencies, including lower depreciation and product mix was partly offset by higher research & development activity and a negative impact from depreciating currencies.

ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 41.6%, compared to 35.6% in the first nine months of 2014/15.

Invested capital excluding goodwill increased by EUR 31 million, or 7%, to EUR 458 million. The increase was primarily due to investments in production capacity.

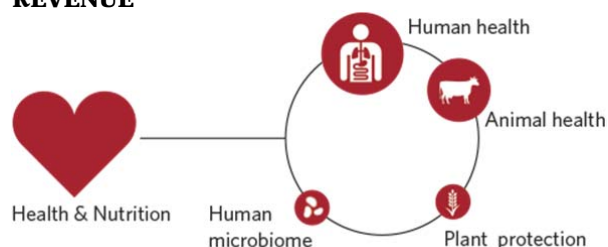
Segment information

19% of revenue

HEALTH & NUTRITION

EUR million	Q3 2015/16	Q3 2014/15	YTD 2015/16	YTD 2014/15
Revenue	52.4	43.1	133.7	119.5
Organic growth	3%	6%	2%	17%
EBITDA	17.4	16.3	45.9	45.3
EBITDA margin	33.3%	37.9%	34.3%	37.9%
EBIT	14.2	14.1	37.8	38.4
EBIT margin	27.2%	32.8%	28.3%	32.2%
ROIC excluding goodwill			29.5%	39.3%

REVENUE



Revenue increased by 12% to EUR 134 million (4% excluding NPC), corresponding to organic growth of 2%, due to volume/mix effects. Human health realized strong growth, while revenue from animal health was below the first nine months of 2014/15.

Organic growth in human health products was primarily driven by orders from a large customer within dietary supplements in North America.

Revenue from animal health was below the first nine months of 2014/15 due to a major customer's decision to insource the production of silage inoculants as well as challenging market conditions with very low milk and meat prices in EMEA and the US, causing farmers to cut down on feed additives such as probiotics and silage inoculants.

In Q3 revenue increased by 22% to EUR 52 million (1% excluding NPC), corresponding to organic growth of 3%. Strong growth in human health was partly due to timing of orders and offset by declining revenue in animal health due to the challenging market conditions. Plant health delivered first sales in the US of the VGR™ biostimulant for corn plants.

EBIT

EBIT amounted to EUR 38 million, down 2% on the first nine months of 2014/15. The EBIT margin was 28.3%, down 3.9 percentage points on 2014/15. The decrease was mainly due to US tariff costs in human health, higher research & development activities, lower sales in animal health and inclusion of NPC partly offset by a positive impact from the USD.

In Q3, the EBIT margin was 27.2%, compared to 32.8% in 2014/15. The decrease was mainly due to inclusion of NPC, higher US tariff costs and lower sales in animal health.

ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 29.5%, compared to 39.3% in the first nine months of 2014/15. Invested capital excluding goodwill increased by EUR 65 million, or 47%, to EUR 204 million, due to the acquisition of NPC.

NPC INTEGRATION

Integration of the company with Chr. Hansen's animal health organization is progressing as planned. In Q3, revenue amounted to approximately EUR 9 million.

HUMAN MICROBIOME

In Q3, a clinical study was successfully completed showing a positive physiological effect of the bacteria tested. Based on the results achieved, the clinical development has moved to the next stage and investments in this area are expected to increase in the coming years.

Segment information

21% of revenue

NATURAL COLORS

EUR million	Q3 2015/16	Q3 2014/15	YTD 2015/16	YTD 2014/15
Revenue	53.4	49.0	147.6	128.9
Organic growth	17%	6%	20%	7%
EBITDA	8.1	6.4	20.4	15.1
EBITDA margin	15.2%	13.0%	13.9%	11.7%
EBIT	6.6	4.9	16.0	10.7
EBIT margin	12.4%	10.0%	10.8%	8.3%
ROIC excluding goodwill			22.2%	16.5%

REVENUE



Revenue increased by 15% to EUR 148 million, corresponding to organic growth of 20%.

The organic growth comprised approximately 12% from volume/mix effects and 8% from price increases in local currencies. The price increases mainly reflected increased raw material prices and use of EUR-based pricing to protect EBIT against depreciating currencies.

The organic growth was primarily due to strong growth in the prepared food, confectionery & ice cream, and dairy & fruit preparations categories, while organic growth in the beverage category was modest.

All regions showed strong growth. Growth was especially strong in LATAM and APAC, driven by conversion, market share gains and new customer product launches, while conversion to natural colors in the US market also increased. The FruitMax® range of coloring foodstuffs delivered strong growth in the EMEA region.

In Q3, organic growth was 17%. The organic growth comprised approximately 7% from volume/mix effects and 10% from price increases in local currencies reflecting higher raw material prices. The organic growth was supported by strong growth across most food categories.

EBIT

EBIT amounted to EUR 16 million, compared to EUR 11 million in the first nine months of 2014/15. The EBIT margin was 10.8%, up 2.5 percentage points on 2014/15.

A positive impact from increased sales and ongoing optimization initiatives was partly offset by a negative impact from currencies.

In Q3, the EBIT margin increased by 2.4 percentage points compared to 2014/15, despite a continued negative impact from currencies. The increase was mainly due to the ongoing optimization initiatives.

ROIC

The return on invested capital was 22.2%, compared to 16.5% in the first nine months of 2014/15. Invested capital increased by EUR 14 million, or 16%, to EUR 106 million, due to higher inventory from increased raw material prices.

OUTLOOK 2015/16

ORGANIC GROWTH

Based on the results for the first nine months of the year the expectations for organic revenue growth are kept unchanged at 10-12% compared to announcement on 7 April 2016 (8-10% in the announcement on 21 October 2015).

Food Cultures & Enzymes is expected to deliver organic growth above the long-term ambition for the division (7-8%) positively impacted by EUR-based pricing.

Health & Nutrition is expected to deliver organic growth well below last year (13%). Due to the challenging market conditions in animal health and timing of orders in human health, organic growth in Health & Nutrition is expected to be very modest in Q4 2015/16.

Natural Colors is expected to deliver organic growth above last year (9%). Organic growth is expected to be positively impacted by a change in sales prices as a result of higher raw material prices.

RESEARCH & DEVELOPMENT

Research & development expenditures incurred as a percentage of revenue are expected to be around 7%.

EBIT MARGIN BEFORE SPECIAL ITEMS

The EBIT margin b.s.i. is expected to be above last year (27.1%), driven by scalability in Food Cultures & Enzymes and a general improvement in Natural Colors.

The EBIT margin in Health & Nutrition is expected to be below 2014/15 (33.3%), primarily due to increased investments in long-term growth opportunities and increased tariff costs.

FREE CASH FLOW

Free cash flow before acquisitions, divestments and special items is expected to be above last year (EUR 151 million), primarily due to an improvement in operating profit as a result of sales growth and a stronger EBIT margin.

ACQUISITION OF NPC

The outlook is not impacted by the acquisition. The acquisition has been funded through own cash holdings and current credit facilities. Consequently the Board of Directors does not expect to execute share buyback programs or pay out interim dividends during 2015/16.

Net interest-bearing debt is expected to be around 1.8x EBITDA by the end of the financial year 2015/16 when including the impact from the acquisition.

SPECIAL ITEMS

Approximately EUR 6 million in non-recurring costs related to the acquisition of NPC will be recognized as special items in 2015/16.

Based on the unfavorable tariff classification decision from the US customs authorities, an accrual of EUR 4 million related to previous years was recognized as special items in Q2 2015/16. Chr. Hansen has actively taken measures to protect the company against further costs related to previous years and is working with the authorities to conclude on any potential outstanding exposure.

EXCHANGE RATE SENSITIVITY

Chr. Hansen is a global company serving more than 140 countries through subsidiaries in 30 countries. The greatest exchange rate exposure relates to USD, which accounts for around 25% of revenue, while the exposure to other currencies including the GBP is modest.

The organic revenue growth rate is sensitive to changes in currencies where Chr. Hansen uses EUR-based pricing to protect EBIT against depreciating currencies. The EBIT margin is sensitive to changes in exchange rates and to the ability to increase sales prices to reflect changes in raw material prices for Natural Colors.

Significant production in the US and sourcing in USD means the exchange rate impact on EBIT is significantly lower than that on revenue.

The use of currency hedging of balance sheet exposures and future cash flows is described in note 4.3 in the Annual Report for 2014/15.

INCENTIVE PROGRAM

Chr. Hansen has granted a total of up to 36,322 restricted share units (RSUs) to certain key employees. The RSUs vest over a period of up to three years. The number of RSUs vesting and timing thereof is subject to specified KPIs and criteria supporting performance and retention, including financial performance indicators (EBIT). Upon vesting the RSUs may be exercised at DKK 1 per share in the first open trading window. The theoretical market value of the grant is EUR 0.7 million applying the principles described in the Group's annual report.

Statement of the Board of Directors and Executive Board

Today, the Board of Directors and Executive Board have considered and approved the interim report for Chr. Hansen Holding A/S for the period 1 September 2015 to 31 May 2016. 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 and 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 2014/15.

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 31 May 2016, and of the results of the Group's operations and cash flow for the period 1 September 2015 to 31 May 2016.

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, 5 July 2016

EXECUTIVE BOARD:

Cees de Jong
President and CEO

Knud Vindfeldt
COO and Deputy CEO

Søren Westh Lonning
CFO

BOARD OF DIRECTORS:

Ole Andersen
Chairman

Dominique Reiniche
Vice Chairman

Mark A. Wilson

Frédéric Stévenin

Tiina Mattila-Sandholm

Søren Carlsen

Kristian Villumsen

Per Poulsen

Mads Bennedsen

Svend Laulund

ADDITIONAL INFORMATION

Conference call

Chr. Hansen will host a conference call on 5 July 2016 at 10:00 am CET. The conference call can be accessed via the Company's website, www.chr-hansen.com.

Financial calendar 2015/16

26 October 2016	Annual Report 2015/16
29 November 2016	Annual General Meeting

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Company information

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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.

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 2014/15 financial year was EUR 859 million. The Company 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 Copenhagen. For further information, please visit www.chr-hansen.com.

Income statement

EUR million	Q3 2015/16	Q3 2014/15	YTD 2015/16	YTD 2014/15
Revenue	249.8	228.1	693.1	625.0
Cost of sales	(116.6)	(108.5)	(327.2)	(303.8)
Gross profit	133.2	119.6	365.9	321.2
Research and development expenses	(16.0)	(13.5)	(44.8)	(38.9)
Sales and marketing expenses	(30.2)	(25.6)	(83.1)	(76.5)
Administrative expenses	(16.3)	(15.8)	(50.3)	(45.3)
Other operating income	0.3	0.5	1.3	1.4
Other operating expenses	-	(1.5)	(0.1)	(2.1)
Operating profit before special items	71.0	63.8	188.9	159.8
Special items	(1.1)	-	(7.9)	-
Operating profit (EBIT)	69.9	63.8	181.0	159.8
Net financial expenses	(1.1)	(2.1)	(10.5)	(9.9)
Profit before tax	68.8	61.7	170.5	149.9
Income taxes	(17.2)	(16.1)	(42.6)	(39.0)
Profit for the period	51.6	45.7	127.9	111.0
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	51.6	45.7	127.9	111.0
Earnings per share, EUR:				
Earnings per share, continuing operations	0.40	0.35	0.98	0.85
Earnings per share, continuing operations, diluted	0.39	0.35	0.97	0.85

Statement of comprehensive income

EUR million	Q3 2015/16	Q3 2014/15	YTD 2015/16	YTD 2014/15
Profit for the period	51.6	45.7	127.9	111.0
Currency translation of foreign Group companies	3.6	0.3	1.0	0.1
Cash flow hedges	1.1	0.9	(0.6)	0.8
Tax related to cash flow hedges	(0.3)	(0.2)	0.1	(1.2)
Other comprehensive income for the period	4.4	1.0	0.5	(0.3)
Total comprehensive income for the period	56.0	46.7	128.4	110.7
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	56.0	46.7	128.4	110.7

Balance sheet

EUR million	31 May 2016	31 May 2015	31 Aug 2015
Non-current assets			
Intangible assets			
Goodwill	726.4	623.6	615.1
Other intangible assets	180.5	132.9	129.5
Intangible assets in progress	41.1	36.6	39.4
	948.0	793.1	784.0
Property, plant and equipment			
Land and buildings	131.4	133.6	135.3
Plant and machinery	136.0	107.2	136.3
Other fixtures and equipment	16.6	14.2	14.4
Property, plant and equipment in progress	67.2	60.2	38.9
	351.2	315.2	324.9
Other non-current assets			
Deferred tax	6.8	7.8	7.0
	6.8	7.8	7.0
Total non-current assets	1,306.0	1,116.1	1,115.9
Current assets			
Inventories			
Raw materials and consumables	21.2	18.3	21.0
Work in progress	46.3	42.7	40.4
Finished goods and goods for resale	58.6	49.2	46.9
	126.1	110.2	108.3
Receivables			
Trade receivables	140.3	125.7	123.1
Tax receivables	4.5	2.2	2.4
Other receivables	18.3	9.9	12.0
Prepayments	7.6	6.8	6.5
	170.7	144.6	144.0
Cash and cash equivalents	58.7	71.4	76.4
Total current assets	355.5	326.2	328.7
Total assets	1,661.5	1,442.3	1,444.6

Balance sheet

EUR million	31 May 2016	31 May 2015	31 Aug 2015
Equity			
Share capital	177.3	177.0	176.7
Reserves	489.9	517.2	424.1
Total equity	667.2	694.2	600.8
Liabilities			
Non-current liabilities			
Employee benefit obligations	6.5	6.1	6.3
Deferred tax	58.1	57.7	52.3
Provisions	7.2	2.6	2.6
Borrowings	576.9	478.5	536.3
Tax payables	19.5	19.5	19.5
Other non-current debt	0.6	0.6	0.6
	668.8	565.0	617.6
Current liabilities			
Borrowings	147.7	30.5	27.7
Prepayments from customers	0.6	0.6	0.6
Trade payables	71.4	63.4	93.3
Tax payables	23.0	17.9	38.6
Other payables	82.8	70.7	66.0
	325.5	183.1	226.2
Total liabilities	994.3	748.1	843.8
Total equity and liabilities	1,661.5	1,442.3	1,444.6

Statement of changes in equity

1 September 2015 - 31 May 2016

Shareholders of Chr. Hansen Holding A/S					
EUR million	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
1 September 2015	176.7	(33.4)	(3.2)	460.7	600.8
Total comprehensive income for the period, cf. statement of comprehensive income	0.6	0.4	(0.5)	127.9	128.4
Transactions with owners:					
Exercised share options	-	-	-	17.5	17.5
Share-based payment	-	-	-	2.6	2.6
Dividend	-	-	-	(82.1)	(82.1)
31 May 2016	177.3	(33.0)	(3.7)	526.6	667.2

1 September 2014 - 31 May 2015

Shareholders of Chr. Hansen Holding A/S					
EUR million	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
1 September 2014	180.5	(21.3)	(3.0)	500.6	656.8
Total comprehensive income for the period, cf. statement of comprehensive income	-	0.1	(0.4)	111.0	110.7
Transactions with owners:					
Reduction of share capital	(3.5)	-	-	3.5	-
Purchase of treasury shares	-	-	-	(18.3)	(18.3)
Exercised share options	-	-	-	8.0	8.0
Tax on exercised share options	-	-	-	1.3	1.3
Share-based payment	-	-	-	2.1	2.1
Dividend	-	-	-	(66.4)	(66.4)
31 May 2015	177.0	(21.2)	(3.4)	541.8	694.2

Statement of cash flows

EUR million	Q3 2015/16	Q3 2014/15	YTD 2015/16	YTD 2014/15
Operating profit	69.9	63.8	181.0	159.8
Non-cash adjustments	13.8	12.2	46.6	38.6
Change in working capital	(8.5)	8.7	(50.2)	(33.7)
Interest payments made	(2.4)	(1.6)	(7.7)	(6.5)
Taxes paid	(12.4)	(11.5)	(54.7)	(47.6)
Cash flow from operating activities	60.4	71.6	115.0	110.6
Investments in intangible assets	(4.3)	(4.2)	(14.1)	(10.6)
Investments in property, plant and equipment	(15.2)	(13.6)	(46.8)	(35.0)
Cash flow used for operational investing activities	(19.5)	(17.8)	(60.9)	(45.6)
Free operating cash flow	40.9	53.8	54.1	65.0
Acquisition of entities, net of cash acquired	-	-	(169.4)	-
Cash flow used for investing activities	(19.5)	(17.8)	(230.3)	(45.6)
Free cash flow	40.9	53.8	(115.3)	65.0
Borrowings	(33.2)	37.4	177.2	89.9
Repayment of long-term loans	(2.1)	(62.1)	(14.5)	(66.8)
Purchase of treasury shares	-	(11.0)	-	(18.3)
Exercise of options	4.3	-	17.5	8.0
Dividend paid	-	-	(82.1)	(66.4)
Non-controlling interests, dividends, etc.	-	-	-	(0.1)
Cash flow used for financing activities	(31.0)	(35.7)	98.1	(53.7)
Net cash flow for the period	9.9	18.1	(17.2)	11.3
Cash and cash equivalents at beginning of period	49.2	53.0	76.4	57.6
Unrealized exchange gains/(losses) included in cash and cash equivalents	(0.4)	0.3	(0.5)	2.5
Net cash flow for the period	9.9	18.1	(17.2)	11.3
Cash and cash equivalents at end of period	58.7	71.4	58.7	71.4

Segment information

EUR million	Q3 2015/16			
Income statement	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
Revenue	144.0	52.4	53.4	249.8
EUR growth	6%	22%	9%	10%
Organic growth	13%	3%	17%	12%
EBITDA	58.9	17.4	8.1	84.5
EBITDA margin	40.9%	33.3%	15.2%	33.8%
Depreciation, amortization and impairment losses	(8.8)	(3.2)	(1.5)	(13.5)
EBIT before special items	50.1	14.2	6.6	71.0
EBIT margin before special items	34.8%	27.2%	12.4%	28.4%

	YTD 2015/16			
Income statement	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
Revenue	411.8	133.7	147.6	693.1
EUR growth	9%	12%	15%	11%
Organic growth	13%	2%	20%	13%
EBITDA	161.6	45.9	20.4	227.9
EBITDA margin	39.3%	34.3%	13.9%	32.9%
Depreciation, amortization and impairment losses	(26.6)	(8.0)	(4.5)	(39.1)
EBIT before special items	135.1	37.8	16.0	188.9
EBIT margin before special items	32.8%	28.3%	10.8%	27.2%

Segment information

	Q3 2014/15			
Income statement	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
Revenue	136.0	43.1	49.0	228.1
EUR growth	15%	19%	12%	15%
Organic growth	8%	6%	6%	7%
EBITDA	54.6	16.3	6.4	77.3
EBITDA margin	40.1%	37.9%	13.0%	33.9%
Depreciation, amortization and impairment losses	(9.8)	(2.2)	(1.5)	(13.5)
EBIT before special items	44.8	14.1	4.9	63.8
EBIT margin before special items	32.9%	32.8%	10.0%	28.0%

	YTD 2014/15			
Income statement	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
Revenue	376.7	119.5	128.9	625.0
EUR growth	11%	28%	10%	13%
Organic growth	8%	17%	7%	9%
EBITDA	140.0	45.3	15.1	200.5
EBITDA margin	37.2%	37.9%	11.7%	32.1%
Depreciation, amortization and impairment losses	(29.4)	(6.9)	(4.4)	(40.6)
EBIT before special items	110.6	38.4	10.7	159.8
EBIT margin before special items	29.4%	32.2%	8.3%	25.6%

Segment information

EUR million	31 May 2016			
	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
Assets				
Goodwill	538.8	187.6	-	726.4
Other intangible assets	120.2	84.5	16.9	221.6
Intangible assets	659.0	272.1	16.9	948.0
Property, plant and equipment	234.2	76.9	40.1	351.2
Total non-current assets excl. deferred tax	893.2	349.0	57.0	1,299.2
Inventories	57.6	26.6	41.9	126.1
Trade receivables	79.7	29.3	31.3	140.3
Trade payables	(34.2)	(13.3)	(23.9)	(71.4)
Net working capital	103.1	42.6	49.3	195.0
Assets not allocated				95.9
Group assets				1,661.5
Invested capital excluding goodwill	457.5	204.0	106.3	767.8
ROIC excl. goodwill	41.6%	29.5%	22.2%	36.0%
Investments in non-current assets excl. deferred tax 2015/16	44.3	11.6	5.0	60.9

	31 May 2015			
Assets	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
Goodwill	546.2	77.4	-	623.6
Other intangible assets	115.9	38.0	15.6	169.5
Intangible assets	662.1	115.4	15.6	793.1
Property, plant and equipment	212.2	67.9	35.1	315.2
Total non-current assets excl. deferred tax	874.3	183.3	50.7	1,108.3
Inventories	55.3	20.7	34.2	110.2
Trade receivables	74.3	22.8	28.6	125.7
Trade payables	(31.4)	(10.4)	(21.6)	(63.4)
Net working capital	98.2	33.1	41.2	172.5
Assets not allocated				98.1
Group assets				1,442.3
Invested capital excluding goodwill	426.3	139.0	91.9	657.2
ROIC excl. goodwill	35.6%	39.3%	16.5%	33.8%
Investments in non-current assets excl. deferred tax 2014/15	26.7	15.3	3.6	45.6

Segment information – Geographical allocation

EUR million		Q3 2015/16				
	Europe, Middle East and Africa	North America	Latin America	Asia-Pacific	Group	
Revenue	115.0	68.9	29.5	36.4	249.8	
EUR growth	5%	27%	0%	8%	10%	
Organic growth	9%	14%	15%	16%	12%	
		YTD 2015/16				
	Europe, Middle East and Africa	North America	Latin America	Asia-Pacific	Group	
Revenue	315.7	182.5	92.2	102.6	693.1	
EUR growth	7%	20%	4%	17%	11%	
Organic growth	10%	8%	22%	21%	13%	
Non-current assets excluding deferred tax	1,091.6	162.8	31.6	13.2	1,299.2	
		Q3 2014/15				
	Europe, Middle East and Africa	North America	Latin America	Asia-Pacific	Group	
Revenue	110.0	54.4	30.0	33.7	228.1	
EUR growth	8%	27%	21%	15%	15%	
Organic growth	9%	0%	19%	1%	7%	
		YTD 2014/15				
	Europe, Middle East and Africa	North America	Latin America	Asia-Pacific	Group	
Revenue	296.3	152.6	88.6	87.5	625.0	
EUR growth	6%	28%	17%	13%	13%	
Organic growth	9%	9%	15%	5%	9%	
Non-current assets excluding deferred tax	910.7	147.4	36.3	13.9	1,108.3	

Acquisition of entities

Acquisition of entities

On 18 February 2016, Chr. Hansen acquired full ownership of Nutrition Physiology Holdings LLC and Guardian Food Tech. LLC, USA.

The acquisition expands Chr. Hansen's business within microbial solutions for animal health, particularly in the US beef cattle segment, and complements the Company's existing market position within dairy cattle, swine and poultry.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

EUR million

Purchase consideration:

Cash paid	169.6
Net assets acquired	60.9
Goodwill from acquisition	108.7

Goodwill represents competencies and synergies from innovation, optimization of sales and supply chain.

According to IFRS 3 the acquired assets are recognized at fair value in the opening balance based on market participants' use of assets, even if the acquirer does not intend to use them or does not intend to use them in a way that is similar to what would be expected.

Finalization of the purchase price allocation based on the fair value of identified assets, liabilities and contingent liabilities is still ongoing.

Fair value of net assets acquired:

Trademarks	6.3
Technology (patents and other rights)	38.3
Customer relations	9.7
Property, plant and equipment	2.5
Inventories	3.0
Trade receivables	2.5
Trade payables	(0.8)
Other receivables and payables, net	(0.8)
Cash	0.2
Net identifiable assets acquired	60.9