

CHR. HANSEN HOLDING A/S

STATEMENT OF RESULTS

2015/16

CHR. HANSEN - NATURE'S NO. 1

"2015/16 was overall a good year for Chr. Hansen. We reaffirmed the short- and long-term growth opportunities through our strategic review, and our financial performance was strong. Organic growth reached 12% and the EBIT margin before special items ended at 28.2%, up from 27.1% the year before. Finally, free cash flow before special items and acquisitions was EUR 175 million, an improvement of 16% despite our continued investments in future growth. So I can only be pleased with how we performed in 2015/16" says CEO Cees de Jong.

"Food Cultures & Enzymes and Natural Colors both delivered strong growth and significant improvements in profitability, which show the attractiveness of both businesses. In Health & Nutrition, organic growth and profitability were below our expectations, partly due to challenging market conditions in the agricultural sector. The long-term growth outlook for all market segments in Health & Nutrition remains very positive and we continue to build on our technology platform to capture these opportunities.

"Over the last 12 months, we have acquired two highly attractive assets that complement our existing business. However, our key focus is still securing organic growth and cash generation, and we have made good progress in our strategic projects across all businesses.

"We expect 2016/17 to be another good year for Chr. Hansen. Organic revenue growth is expected to be 8-10% and the EBIT margin before special items is expected to be slightly above the 28.2% achieved in 2015/16."

2015/16 IN BRIEF

Revenue of EUR 949 million, compared to EUR 859 million in 2014/15, corresponding to organic growth of 12%.

- Food Cultures & Enzymes 12% organic growth
- Health & Nutrition 2% organic growth
- Natural Colors 19% organic growth

EBIT before special items of EUR 268 million, compared to EUR 233 million in 2014/15. The EBIT margin before special items was 28.2%, compared to 27.1% in 2014/15.

Profit for the year of EUR 184 million, compared to EUR 163 million in 2014/15.

Free cash flow before special items and acquisitions of EUR 175 million, compared to EUR 151 million in 2014/15.

Q4 2015/16 IN BRIEF

Revenue of EUR 256 million, compared to EUR 234 million in Q4 2014/15, corresponding to organic growth of 9%.

- Food Cultures & Enzymes 11% organic growth
- Health & Nutrition 0% organic growth
- Natural Colors 16% organic growth

EBIT before special items of EUR 79 million, compared to EUR 73 million in Q4 2014/15. The EBIT margin before special items was 30.9%, compared to 31.1% in Q4 2014/15.

Profit for the period of EUR 56 million, compared to EUR 52 million in Q4 2014/15.

Free cash flow before special items and acquisitions of EUR 118 million, compared to EUR 86 million in Q4 2014/15.

DIVIDEND

An ordinary dividend for 2015/16 of EUR 0.70 (DKK 5.23) per share, or a total of EUR 92 million, is proposed. The proposed ordinary dividend is equivalent to 50% of the profit for the year. Despite the announced acquisition of LGG® and related business, the Board of Directors will consider the option of distributing excess cash during 2016/17, while maintaining financial leverage consistent with a solid investment-grade credit profile.

OUTLOOK FOR 2016/17

Organic revenue growth
EBIT margin before special items
Free cash flow before special items, acquisitions and divestments

8-10%
Slightly above the 28.2% achieved in 2015/16
Around the EUR 175 million achieved in 2015/16

CHR. HANSEN HOLDING A/S

FINANCIAL HIGHLIGHTS AND KEY FIGURES

EUR million	Q4 2015/16	Q4 2014/15	Full year 2015/16	Full year 2014/15
Income statement				
Revenue	255.9	233.6	948.9	858.6
Gross profit	139.6	125.2	505.4	446.4
EBITDA before special items	96.0	86.0	324.0	286.4
EBIT before special items	79.0	72.7	267.8	232.5
EBIT	74.6	72.7	255.6	232.5
Profit for the period	56.0	51.5	183.8	162.5
Financial position at 31 August				
Total assets			1,715.3	1,444.6
Invested capital			1,445.0	1,247.0
Net working capital			147.4	138.1
Equity			730.3	600.8
Net interest-bearing debt			547.9	487.6
Cash flow and investments				
Cash flow from operating activities	129.9	111.0	244.8	221.5
Cash flow used for investing activities	(14.1)	(24.9)	(244.4)	(70.4)
Free cash flow	115.8	86.1	0.4	151.1
Free cash flow before special items and acquisitions	117.5	86.1	175.2	151.1
Earnings per share				
EPS, diluted	0.43	0.39	1.40	1.23
Key ratios				
Organic growth, %	9	11	12	10
Gross margin, %	54.5	53.6	53.3	52.0
EBITDA margin before special items, %	37.4	36.8	34.1	33.4
EBIT margin before special items, %	30.9	31.1	28.2	27.1
EBIT margin, %	29.2	31.1	26.9	27.1
ROIC, %	19.9	18.9	19.9	18.9
ROIC excl. goodwill, %	42.5	45.1	39.7	37.6
R&D, %	6.6	5.6	7.1	6.4
Capital expenditures, %	6.7	10.6	8.2	8.2
NWC, %			15.5	16.1
Net debt to EBITDA before special items			1.7x	1.7x

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

CHR. HANSEN HOLDING A/S

2015/16 FULL YEAR RESULTS

REVENUE

Revenue increased by 11% to EUR 949 million (9% excluding NPC), corresponding to organic growth of 12%. A positive impact on revenue from the appreciation of the USD was more than offset by depreciating currencies in some countries in Eastern Europe and Latin America.

The organic growth of 12% comprised 8% 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 from depreciating currencies and to reflect higher raw material prices in Natural Colors.

REVENUE

2015/16

Organic growth (vol/mix)	8%
Organic growth (price)	4%
Organic growth	12%
Currencies	(3)%
NPC acquisition	2%
EUR growth	11%

REVENUE BY BUSINESS AREA

Food Cultures & Enzymes

Revenue increased by 9% to EUR 565 million, corresponding to organic growth of 12%. The organic growth comprised 9% from volume/mix and 3% from price increases in local currencies. The price increases were mainly achieved by using EUR-based pricing in certain countries to protect EBIT from depreciating currencies.

Organic growth was positively impacted by strong growth in fermented milk, meat and cheese. Probiotics showed solid growth, while organic growth from enzymes was good.

Health & Nutrition

Revenue increased by 12% to EUR 184 million (3% excluding NPC), corresponding to organic growth of 2%, due to volume/mix.

Organic growth was positively impacted by strong growth in human health and plant health, while organic growth from animal health was negative. The human microbiome initiative generated its first revenue.

Natural Colors

Revenue increased by 14% to EUR 200 million, corresponding to organic growth of 19%. The organic growth comprised approximately 9% from volume/mix and 10% from price increases in local currencies. The price increases mainly reflected increased raw material prices and use of EUR-based pricing to protect EBIT from depreciating currencies.

Organic growth was positively affected by strong growth in the prepared food, meat, dairy & fruit preparation and confectionery & ice cream categories, while the beverage category showed good growth.

REVENUE BY REGION

EMEA (Europe Middle East and Africa)

The EMEA region accounted for 46% of revenue, compared to 47% in 2014/15. Revenue increased by 6%, with organic growth of 9%. The organic growth was driven by strong growth in fermented milk, meat, cheese and natural colors. Probiotics showed solid growth and revenue from enzymes was in line with 2014/15. Revenue from human health and animal health was lower than in 2014/15.

North America

The North America region accounted for 26% of revenue, compared to 25% in 2014/15. Revenue increased by 17%, with organic growth of 7%. The organic growth was driven by strong growth in meat, cheese, human health and natural colors. Fermented milk showed modest growth, while revenue from enzymes was in line with 2014/15. Revenue from probiotics for fermented milk and animal health was below 2014/15.

LATAM (Latin America)

The LATAM region accounted for 13% of revenue, compared to 14% in 2014/15. Revenue increased by 3%, with organic growth of 17%. The organic growth was driven by strong growth in meat, fermented milk, cheese, enzymes and natural colors. Revenue from probiotics for fermented milk and animal health was below 2014/15.

APAC (Asia-Pacific)

The APAC region accounted for 15% of revenue, compared with 14% in 2014/15. Revenue increased by 17%, with organic growth of 24%, mainly driven by China. The organic growth was due to strong growth in fermented milk including probiotics, cheese, animal health and natural colors. Human health delivered solid growth, while enzymes showed modest growth.

GROSS PROFIT

Gross profit was EUR 505 million, up 13% on 2014/15. The gross margin increased by 1.3 percentage points to 53.3%. The increase was mainly driven by efficiencies in culture production, including lower depreciation related to production equipment.

OPERATING EXPENSES (% OF REVENUE)

Operating expenses totaled EUR 238 million (25.0%), compared to EUR 214 million (24.9%) in 2014/15.

Research & development (R&D) expenses, including amortization and depreciation, amounted to EUR 63 million (6.6%), compared to EUR 51 million (5.9%) in 2014/15. The increase was partly due to impairment of an obsolete technology platform.

The net impact from capitalization less amortization and impairment of development costs was EUR 4 million (0.5%), compared to EUR 4 million (0.5%) in 2014/15. Capitalization increased 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 23% to EUR 67 million (7.1%), compared to EUR 55 million (6.4%) in 2014/15. The increase was mainly due to a higher activity level in the microbial-based businesses including the acquisition from DIAL.

Sales & marketing expenses amounted to EUR 113 million (11.9%), compared to EUR 102 million (11.8%) in 2014/15.

Administrative expenses amounted to EUR 66 million (6.9%), compared to EUR 61 million (7.1%) in 2014/15.

Net other operating income/expenses was an income of EUR 4 million, compared to nil in 2014/15. The income was partly due to sale of property.

OPERATING PROFIT (EBIT) BEFORE SPECIAL ITEMS

EBIT before special items amounted to EUR 268 million, compared to EUR 233 million in 2014/15, an increase of 15%. The increase in EBIT was mainly due to higher sales volumes and operational efficiencies in Food Cultures & Enzymes and Natural Colors, partly offset by lower sales in animal health.

The EBIT margin before special items was 28.2%, up from 27.1% in 2014/15, primarily due to production and scale efficiencies.

In Food Cultures & Enzymes, EBIT amounted to EUR 194 million, compared to EUR 163 million in 2014/15. The EBIT margin was 34.3%, up 2.8 percentage points on 2014/15 due to operational efficiencies, including lower depreciation related to production facilities and product mix. The increase was partly offset by higher research & development costs.

In Health & Nutrition, EBIT amounted to EUR 52 million, compared to EUR 55 million in 2014/15. The EBIT margin was 28.3%, down 5.0 percentage points on 2014/15. The decrease was mainly due to lower sales in animal health, inclusion of NPC, higher US tariff costs for specific human health products, an impairment charge of EUR 2 million relating to an obsolete technology platform and higher investments in strategic initiatives.

In Natural Colors, EBIT amounted to EUR 22 million, compared to EUR 14 million in 2014/15. The EBIT margin was 10.9%, up 2.6 percentage points on 2014/15. The increase was primarily due to increased sales and ongoing operational optimization initiatives, partly offset by a negative impact from currencies.

SPECIAL ITEMS

Special items at EUR 12 million in 2015/16 mainly concerned costs related to the acquisition and integration of NPC and an accrual for US import tariff costs covering reclassification of certain human health and natural color products related to previous years.

OPERATING PROFIT (EBIT)

EBIT amounted to EUR 256 million, compared to EUR 233 million in 2014/15, an increase of 10%. The EBIT margin was 26.9%, compared to 27.1% in 2014/15.

NET FINANCIALS AND TAX

Net financial expenses amounted to EUR 16 million, compared to EUR 13 million in 2014/15. The net interest cost was EUR 12 million, unchanged from 2014/15. The 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 4 million, compared to a negative EUR 1 million in 2014/15. The negative impact related mainly to unrealized losses from the depreciation of the Argentine peso.

Income taxes were EUR 56 million, equivalent to an effective tax rate of 23.2%, compared to 26.0% in 2014/15. This was mainly due to a reduction in the corporate tax rate in Denmark from 23.5% to 22.0% and a reduction in tax-related risk following the positive outcome of tax audits in certain countries.

PROFIT FOR THE YEAR

Profit for the year increased by 13% to EUR 184 million from EUR 163 million in 2014/15.

ASSETS

At 31 August 2016, total assets amounted to EUR 1,715 million, compared to EUR 1,445 million a year earlier. The increase was mainly due to the acquisition of NPC.

Total non-current assets amounted to EUR 1,307 million, compared to EUR 1,116 million at 31 August 2015. Intangible assets increased by EUR 160 million, while property, plant and equipment increased by EUR 28 million.

Total current assets amounted to EUR 408 million, compared to EUR 329 million at 31 August 2015. Inventories increased by EUR 12 million, or 11%, and receivables by EUR 24 million, or 17%. Cash increased by EUR 43 million to EUR 120 million.

NPC IMPACT

	2015/16
EUR million	
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 147 million, or 15.5% of revenue, compared to EUR 138 million, or 16.1%, in 2014/15. The improvement relative to revenue was mainly due to a favorable development in trade payables.

EQUITY

Total equity amounted to EUR 730 million at 31 August 2016, compared to EUR 601 million a year earlier. An ordinary dividend for the financial year 2014/15 totaling EUR 82 million was paid in Q2 2015/16.

NET DEBT

Net interest-bearing debt amounted to EUR 548 million, or 1.7x EBITDA, compared to EUR 488 million, or 1.7x EBITDA, at 31 August 2015. The increase in net interest-bearing debt was mainly due to the acquisition of NPC.

RETURN ON INVESTED CAPITAL (ROIC)

The return on invested capital excluding goodwill was 39.7%, compared to 37.6% in 2014/15. Invested capital excluding goodwill increased to EUR 719 million, compared to EUR 632 million at 31 August 2015. The increase was mainly due to the acquisition of NPC and investments in production capacity.

The return on invested capital including goodwill was 19.9%, compared to 18.9% in 2014/15. Invested capital including goodwill increased to EUR 1,445 million, compared to EUR 1,247 million at 31 August 2015. Goodwill increased by EUR 111 million due to the acquisition of NPC.

CASH FLOW

Cash flow from operating activities was EUR 245 million, compared to EUR 222 million in 2014/15. The increase was due to the improved operating profit. Special items accounted for EUR 5 million in 2015/16.

Cash flow used for operational investing activities was EUR 75 million, or 7.9% of revenue, compared to EUR 70 million, or 8.2% of revenue, in 2014/15. Major investments in 2015/16 included capacity expansion for cultures and laboratory facilities for the human microbiome initiative. Cash flow was positively impacted by sale of a property in 2015/16.

Development expenditures of EUR 13 million, or 1.4% of revenue, were capitalized, compared to EUR 9 million, or 1.1%, in 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, divestments and special items was EUR 175 million, compared to EUR 151 million in 2014/15. The increase was mainly due to the improved operating profit.

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

CHR. HANSEN HOLDING A/S

Q4 2015/16 RESULTS

REVENUE

Revenue increased by 10% to EUR 256 million (8% excluding NPC), corresponding to organic growth of 9%. The organic growth comprised 6% from volume/mix effects and 3% from price increases in local currencies. The price increases were mainly achieved by using EUR-based pricing in certain countries to protect EBIT from depreciating currencies and to reflect higher raw material prices in Natural Colors.

REVENUE	Q4 2015/16
Organic growth (vol/mix)	6%
Organic growth (price)	3%
Organic growth	9%
Currencies	(1)%
NPC acquisition	2%
EUR growth	10%

REVENUE BY BUSINESS AREA

Food Cultures & Enzymes

Revenue increased by 8% to EUR 153 million, corresponding to organic growth of 11%. The organic growth comprised 8% from volume/mix and 3% from price increases in local currencies. The price increases were mainly achieved by using EUR-based pricing in certain countries to protect EBIT from depreciating currencies.

The organic growth was primarily driven by strong growth in fermented milk, probiotics and cultures for meat. Cultures for cheese delivered solid growth, while revenue from enzymes was around the same level as in Q4 2014/15. Bioprotective cultures continued to deliver very strong growth across fermented milk, meat and cheese.

Health & Nutrition

Revenue increased by 11% to EUR 50 million (unchanged from 2014/15 excluding NPC). Organic growth was nil. Plant health delivered strong growth, and the human microbiome initiative generated its first revenue. A negative impact from orders being brought forward into Q3 2015/16 resulted in revenue from human health staying at the same level as in Q4 2014/15. Organic growth in animal health was negative, mainly due to the dairy cattle segment. Revenue from NPC was in line with expectations.

Natural Colors

Revenue increased by 14% to EUR 52 million, corresponding to organic growth of 16%. The organic growth comprised

approximately 6% from volume/mix effects and 10% from price increases in local currencies. The price increases mainly reflected increased raw material prices, use of EUR-based pricing in certain countries to protect EBIT from depreciating currencies and general price increases.

The organic volume growth was primarily driven by strong growth in the annatto and coloring foodstuff categories, and growth was anchored across most industries.

REVENUE BY REGION

EMEA (Europe, Middle East and Africa)

Revenue increased by 6%, with organic growth of 8%, driven by strong growth in fermented milk including probiotics and natural colors. Cheese cultures and enzymes delivered good growth, while revenue from human and animal health was lower than in Q4 2014/15.

North America

Revenue increased by 11%, with organic growth of 3%, driven by strong growth in cheese, natural colors and plant health. Fermented milk including probiotics showed modest growth, while organic growth was negative in human health, animal health and enzymes. Revenue was positively impacted by the acquisition of NPC and the first revenue in the human microbiome initiative.

LATAM (Latin America)

Revenue decreased by 2%, with organic growth of 4%. The organic growth was driven by strong growth in natural colors, fermented milk and meat cultures. Revenue from animal health and cheese cultures was lower than in Q4 2014/15.

APAC (Asia-Pacific)

Revenue increased by 30%, with organic growth of 33%. The organic growth was driven primarily by strong growth in fermented milk including probiotics, cheese, human health and animal health. Growth in fermented milk including probiotics was mainly driven by strong growth in China.

GROSS PROFIT

Gross profit was EUR 140 million, up 12% on Q4 2014/15. The gross margin increased by 0.9 percentage point to 54.5%. The increase was mainly due to improved operating efficiencies, including lower depreciation related to production facilities in Food Cultures & Enzymes.

OPERATING EXPENSES (% OF REVENUE)

Operating expenses totaled EUR 61 million (23.7%), compared to EUR 53 million (22.5%) in Q4 2014/15.

Research & development (R&D) expenses including amortization and depreciation amounted to EUR 18 million (6.9%), compared to EUR 12 million (5.2%) in Q4 2014/15. The increase was mainly due to an impairment charge of EUR 2 million related to an obsolete technology platform.

Total R&D expenditures incurred amounted to EUR 16 million (6.6%), compared to EUR 13 million (5.6%) in Q4 2014/15. The increase was due to higher activity across the microbial platform.

Sales & marketing expenses amounted to EUR 30 million (11.6%), compared to EUR 25 million (10.8%) in Q4 2014/15. The increase was partly driven by the acquisition of NPC.

Administrative expenses amounted to EUR 16 million (6.1%), compared to EUR 16 million (6.8%) in Q4 2014/15.

Net other operating income/expenses was an income of EUR 2 million, compared to an income of EUR 1 million in Q4 2014/15.

OPERATING PROFIT (EBIT) BEFORE SPECIAL ITEMS

EBIT before special items amounted to EUR 79 million, compared to EUR 73 million in Q4 2014/15, an increase of 9%. The increase in EBIT was mainly due to higher sales volumes and operational efficiencies in Food Cultures & Enzymes and Natural Colors, partly offset by impairment costs and low sales activity in Health & Nutrition, and an unfavorable impact from currencies.

The EBIT margin before special items was 30.9%, down from 31.1% in Q4 2014/15.

In Food Cultures & Enzymes, EBIT amounted to EUR 59 million, compared to EUR 53 million in Q4 2014/15. The EBIT margin was 38.4%, up 1.4 percentage points on Q4 2014/15. The increase was primarily due to operational efficiencies, including lower depreciation related to production facilities. The increase was partly offset by higher research & development costs and an unfavorable impact from currencies.

In Health & Nutrition, EBIT amounted to EUR 14 million, compared to EUR 17 million in Q4 2014/15. The EBIT margin was 28.3%, down 8.0 percentage points on Q4 2014/15. The decrease was mainly due to an impairment charge of EUR 2 million related to an obsolete technology platform, lower sales activity, inclusion of NPC and higher US tariff costs for specific human health products.

In the Natural Colors Division, EBIT amounted to EUR 6 million, compared to EUR 4 million in Q4 2014/15. The EBIT margin was 11.2%, up 3.2 percentage points on Q4 2014/15. The increase was primarily due to increased sales and ongoing operational optimization initiatives, partly offset by an unfavorable impact from currencies.

SPECIAL ITEMS

Special items at EUR 4 million mainly concerned costs related to the acquisition and integration of NPC and an accrual for US import tariff costs covering reclassification of certain human health and natural color products related to previous years.

OPERATING PROFIT (EBIT)

EBIT amounted to EUR 75 million, compared to EUR 73 million in Q4 2014/15. The EBIT margin was 29.2%, compared to 31.1% in Q4 2014/15.

NET FINANCIALS AND TAX

Net financial expenses amounted to EUR 6 million, compared to EUR 3 million in Q4 2014/15. The increase related mainly to unrealized losses from the depreciation of the Argentine peso.

Income taxes were EUR 13 million, equivalent to an effective tax rate of 19%, compared to 26% in Q4 2014/15, mainly due to a reduction in the corporate tax rate in Denmark and a reduction in tax-related risk as a consequence of the positive outcome of tax audits in certain countries.

PROFIT FOR THE PERIOD

Profit for the period increased by 9% to EUR 56 million from EUR 52 million in Q4 2014/15.

SHAREHOLDER RETURN

Share price development

The share price developed positively in 2015/16. At the end of August 2016, the share traded at DKK 405, while the share price at 1 September 2015 was DKK 335, corresponding to an increase of DKK 70 per share.

Ordinary dividend 2014/15

An ordinary dividend for the 2014/15 financial year of EUR 0.63 (DKK 4.70) per share, or a total of EUR 82 million, was paid in December 2015.

Ordinary dividend 2015/16

An ordinary dividend for the 2015/16 financial year of EUR 0.70 (DKK 5.23) per share, or a total of EUR 92 million, is proposed. This is equivalent to 50% of the profit for the year.

CHR. HANSEN HOLDING A/S

QUARTERLY KEY FIGURES

EUR million	Q4	Q3	2015/16		Q4	Q3	Q2	2014/15
			Q2	Q1				Q1
Group								
Income statement								
Revenue	256	250	229	214	234	228	209	188
Gross profit	140	133	121	112	125	120	105	96
EBITDA before special items	96	84	77	67	86	77	66	57
Depreciation, amortization and impairment	(17)	(14)	(13)	(13)	(13)	(14)	(14)	(14)
EBIT before special items	79	71	64	54	73	64	53	44
EBIT	75	70	57	54	73	64	53	44
Net financial items	(6)	(1)	(7)	(2)	(3)	(2)	(5)	(3)
Profit before tax	69	69	50	52	70	62	48	40
Income taxes	(13)	(17)	(13)	(13)	(18)	(16)	(12)	(11)
Profit for the period	56	52	37	39	52	46	36	30
Cash flow								
Cash flow from operating activities	130	60	53	1	111	72	55	(16)
Cash flow used for investing activities	(14)	(20)	(24)	(18)	(25)	(18)	(14)	(14)
Free cash flow	116	41	(140)	(17)	86	54	42	(30)
Free cash flow before special items and acquisitions	118	42	33	(17)	86	54	42	(30)
Key ratios								
EPS, diluted	0.43	0.39	0.29	0.30	0.39	0.35	0.27	0.23
Organic growth, %	9	12	12	14	11	7	12	9
Gross margin, %	54.5	53.3	52.7	52.3	53.6	52.4	50.4	51.2
EBITDA margin before special items, %	37.5	33.8	33.6	31.1	36.8	33.9	31.7	30.3
EBIT margin before special items, %	30.9	28.4	27.9	25.2	31.1	28.0	25.2	23.1
EBIT margin, %	29.2	28.0	24.9	25.2	31.1	28.0	25.2	23.1
ROIC excl. goodwill, %	42.5	37.5	36.0	33.1	45.1	39.0	32.6	28.0
R&D, %	6.6	7.0	7.2	7.8	5.6	6.5	6.9	6.8
Capital expenditure, %	6.7	7.8	10.3	8.3	10.6	7.8	6.5	7.6
NWC, %	15.5	21.0	19.7	19.4	16.1	20.8	21.4	20.7
Net debt to EBITDA	1.7x	2.1x	2.3x	1.7x	1.7x	1.6x	1.8x	1.7x

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EUR million	Q4	Q3	2015/16		Q4	Q3	Q2	2014/15
			Q2	Q1				Q1
FOOD CULTURES & ENZYMES								
Income statement								
Revenue	153	144	135	133	142	136	123	118
EBITDA	68	59	52	50	62	55	44	42
Depr., amort. and impair.	(9)	(9)	(9)	(9)	(10)	(10)	(10)	(10)
EBIT	59	50	43	42	53	45	34	32
Key ratios								
EUR growth, %	8	6	10	13	14	15	11	7
Organic growth, %	11	13	13	14	12	8	9	7
EBITDA margin, %	44.1	40.9	38.8	37.9	43.6	40.1	35.5	35.5
EBIT margin, %	38.4	34.8	32.1	31.3	37.0	32.9	27.4	27.3
Invested capital excl. goodwill	432	458	440	425	408	426	419	413
ROIC excl. goodwill, %	52.9	44.7	40.1	40.0	50.4	42.4	32.4	31.6
HEALTH & NUTRITION								
Income statement								
Revenue	50	52	45	36	45	43	44	32
EBITDA	21	17	17	11	19	16	18	11
Depr., amort. and impair.	(7)	(3)	(3)	(2)	(2)	(2)	(2)	(3)
EBIT	14	14	15	9	17	14	16	9
Key ratios								
EUR growth, %	11	22	3	11	14	19	31	35
Organic growth, %	-	3	-	5	6	6	20	29
EBITDA margin, %	41.7	33.3	38.0	31.2	41.6	37.9	41.0	34.0
EBIT margin, %	28.3	27.2	32.5	24.7	36.3	32.8	35.9	26.3
Invested capital excl. goodwill	202	204	198	147	138	139	136	131
ROIC excl. goodwill, %	28.0	28.3	34.1	24.9	47.5	41.1	47.2	27.0
NATURAL COLORS								
Income statement								
Revenue	52	53	49	45	46	49	42	38
EBITDA	8	8	7	5	5	6	5	4
Depr., amort. and impair.	(2)	(2)	(2)	(2)	(1)	(2)	(2)	(2)
EBIT	6	7	6	4	4	5	3	3
Key ratios								
EUR growth, %	14	9	16	20	13	12	13	3
Organic growth, %	16	17	21	23	13	6	11	4
EBITDA margin, %	14.3	15.2	14.9	11.1	11.1	13.0	10.7	11.1
EBIT margin, %	11.2	12.4	11.9	7.8	8.0	10.0	7.3	7.3
Invested capital excl. goodwill	84	103	107	101	86	92	96	94
ROIC excl. goodwill, %	24.8	25.0	22.3	15.2	16.7	21.0	12.9	12.8

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OUTLOOK 2016/17

ORGANIC REVENUE GROWTH

For 2016/17, organic revenue growth is expected to be 8-10%.

The organic revenue growth in the second half of the year is expected to be higher than in the first half, mainly driven by new projects in animal health and Food Cultures & Enzymes, as well as timing of orders in human health.

All three business areas are expected to grow in line with the long-term ambitions.

EBIT MARGIN BEFORE SPECIAL ITEMS (B.S.I.)

The EBIT margin b.s.i. is expected to be slightly above the 28.2% achieved in 2015/16.

FREE CASH FLOW

Free cash flow before acquisitions, divestments and special items is expected to be around the EUR 175 million achieved in 2015/16.

An increase in the cash flow used for investing activities is expected to offset an improvement in the operational cash flow.

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 is modest.

The organic revenue growth is sensitive to exchange rate fluctuations in currencies where Chr. Hansen applies a EUR-based pricing model, and changes in raw material prices for natural colors.

The EBIT margin is also sensitive to exchange rate fluctuations and to changes in raw material prices for natural colors. Significant production in the US and sourcing in USD mean that 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 2015/16.

ACQUISITION OF THE LGG® STRAIN AND RELATED BUSINESS FROM VALIO OY

On 13 September 2016, Chr. Hansen signed an agreement with Valio Oy to acquire the LGG® strain, including trademarks and related business, for a cash consideration of EUR 73 million. The acquired business includes the LGG® trademarks and related royalties, a collection of around 3,200 strains and a small production site in Tikkurila, Finland, which currently produces the LGG® strain and a number of specialty strains for cheese, etc.

The acquisition is subject to customary closing conditions. Closing is expected during the fall of 2016.

The acquisition will be funded by Chr. Hansen's own cash and existing credit facilities.

Approximately EUR 2 million in non-recurring costs related to the transaction will be recognized as special items.

In 2015, the acquired business generated revenue of around EUR 9 million, including royalty payments from Chr. Hansen Holding A/S. The acquisition will contribute positively to Chr. Hansen's EBIT b.s.i. in 2016/17.

CHR. HANSEN HOLDING A/S

STATEMENT OF THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

Today, the Board of Directors and Executive Board considered and approved the audited Consolidated Financial Statements in the Annual Report of Chr. Hansen Holding A/S for the financial year ended 31 August 2016.

The Board of Directors and Executive Board also approved this unaudited Statement of Results containing financial information for Q4 2015/16 and condensed financial information for the financial year ended 31 August 2016.

The Consolidated Financial Statements in the Annual Report have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. In addition, the Annual Report has been presented in accordance with additional Danish disclosure requirements for listed companies. We consider the accounting policies applied to be appropriate and the accounting estimates reasonable, and in our opinion the Consolidated Financial Statements in the Annual Report give a true and fair view of the Group's assets, liabilities and financial position at 31 August 2016 and of the results of the Group's operations and cash flows.

This Statement of Results has been prepared in accordance with the accounting policies applied in the Consolidated Financial Statements for the financial year ended 31 August 2016 and additional Danish disclosure requirements for listed companies, and in our opinion the overall presentation of this Statement of Results is adequate.

We further consider that 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 year 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, 26 October 2016

EXECUTIVE BOARD

Cees De Jong
President and CEO

Knud Vindfeldt
COO and Vice CEO

Søren Westh Lonning
CFO

BOARD OF DIRECTORS

Ole Andersen
Chairman

Dominique Reiniche
Vice Chairman

Frédéric Stévenin

Mark Wilson

Tiina Mattila-Sandholm

Søren Carlsen

Kristian Villumsen

Per Poulsen

Svend Laulund

Mads Bennedsen

ADDITIONAL INFORMATION

CONFERENCE CALL

Chr. Hansen will host a conference call on 26 October 2016 at 10:00 am CET. The conference call can be accessed via the Company's website, www.chr-hansen.com.

For further information, please contact:

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Anders Mohr Christensen, Senior Director IR
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FINANCIAL CALENDAR 2016/17

29 November 2016	Annual General Meeting
11 January 2017	Interim Report Q1
6 April 2017	Interim Report Q2
29 June 2017	Interim Report Q3
25 October 2017	Annual Report 2016/17
28 November 2017	Annual General Meeting

COMPANY INFORMATION

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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.

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 2015/16 financial year was EUR 949 million. The Company has more than 2,700 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.