CHR. HANSEN

Improving food & health

ANNUAL REPORT 2014/15

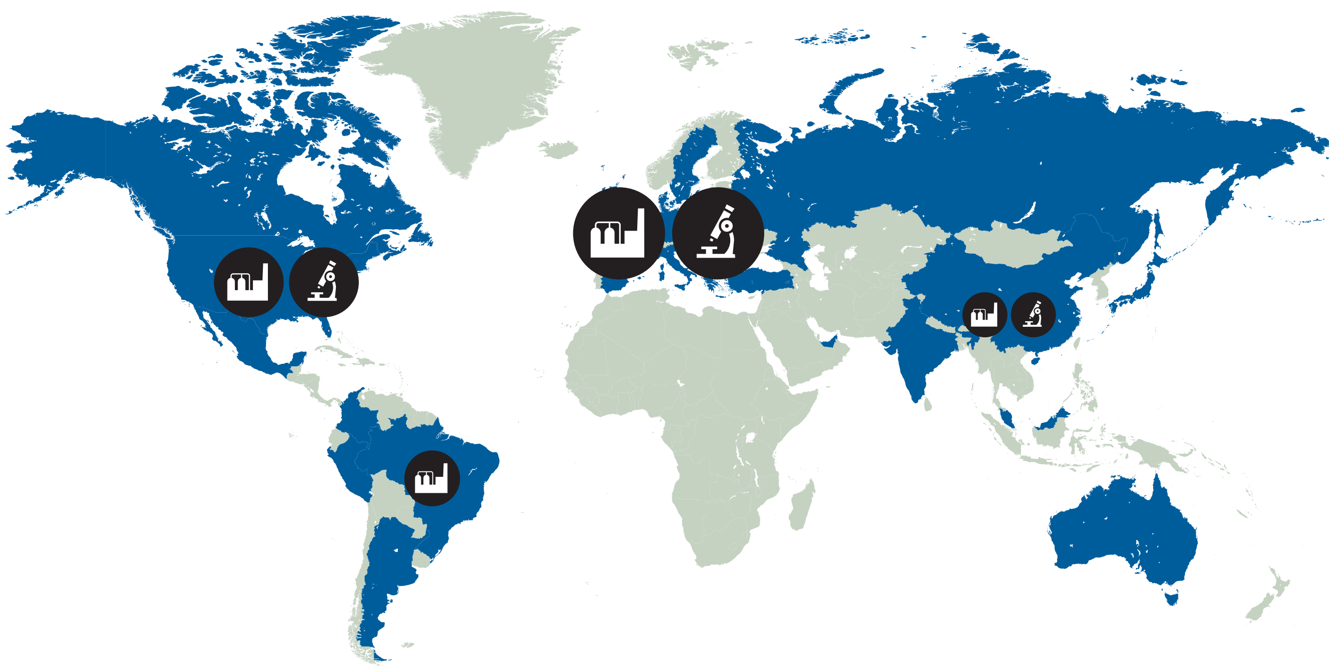
Contents

2014/15
IN BRIEF

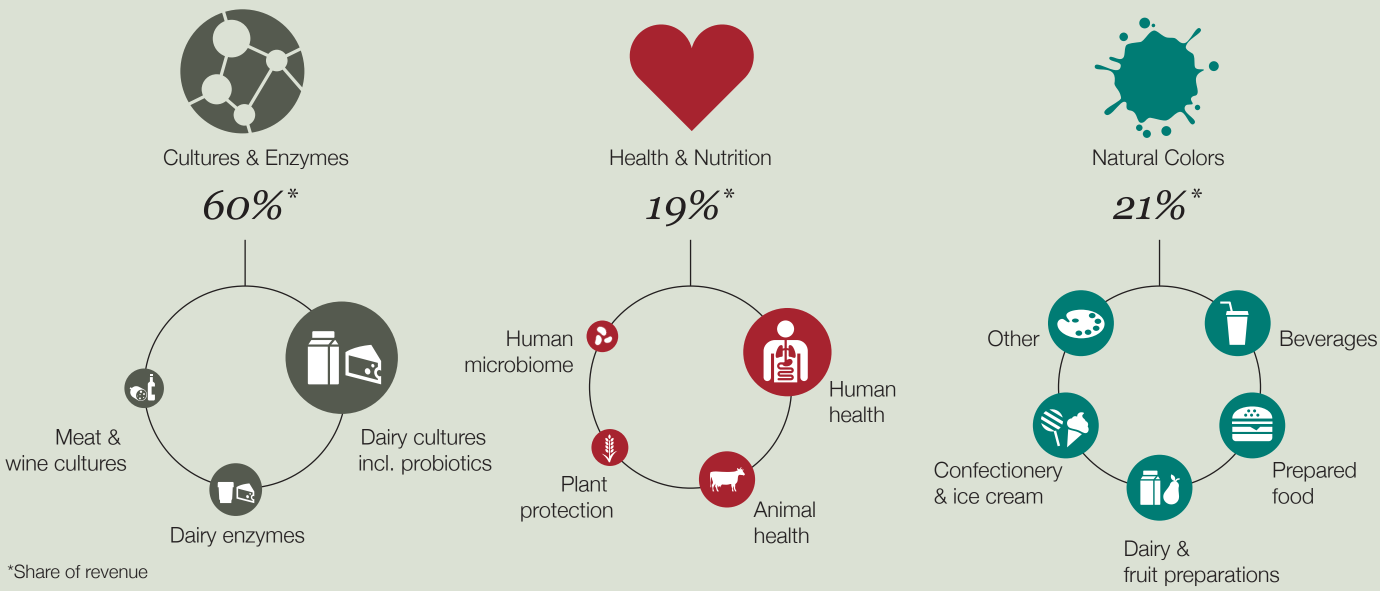
About Chr. Hansen

Chr. Hansen is a global bioscience company with leadership positions in a number of attractive niche markets, including cultures for the food & beverage, human health, animal health and plant protection industries, enzymes for the dairy industry and natural colors for the food & beverage industry. Chr. Hansen's solutions offer an attractive cost-to-value ratio for customers. Solutions are based on a strong research & development platform, core capabilities in large-scale fermentation of cultures and strong application know-how, ensuring successful integration with customers' products and processes.

2,600 EMPLOYEES IN 30 COUNTRIES



THREE DIVISIONS – MULTIPLE PRODUCT AREAS



*Share of revenue

Highlights

REVENUE

859 EURm

14%

Revenue amounted to EUR 859 million, up EUR 102 million or 14% on 2013/14.

ORGANIC GROWTH

10%

Organic growth came to 10%, compared to 8% in 2013/14.

OPERATING PROFIT

233 EURm

19%

Operating profit amounted to EUR 233 million, compared to EUR 195 million in 2013/14.

PROFIT FOR THE YEAR

163 EURm

23%

Profit for the year amounted to EUR 163 million, compared to EUR 132 million in 2013/14.

R&D EXPENDITURES INCURRED

55 EURm

6.4%

Total research & development expenditures incurred amounted to EUR 55 million, or 6.4% of revenue, compared to EUR 47 million, or 6.1% of revenue, in 2013/14.

FREE CASH FLOW

151 EURm

32%

Free cash flow came to EUR 151 million, compared to EUR 115 million in 2013/14.

STRATEGIC AND OPERATIONAL HIGHLIGHTS

Successful start-up and scale-up of new fermentation capacity both in Denmark and Germany with positive impact on profitability.

New go-to-market model in China with direct access to key customers, especially for dairy products, providing a stronger platform to capture attractive growth opportunities in a key market.

Ongoing efforts to further strengthen market leadership position in human and animal health by strengthening the product portfolio and collaborating with key customers.

Second season of revenue from biological plant protection. In addition, a significant number of field trials conducted to develop new biological plant protection solutions.

Consortium established with leading universities within anaerobic bacteria, and construction of pilot-scale pharma-grade facility initiated.

Major reorganization in the Natural Colors Division, including management change and integration of sales and application functions.

Key figures

EUR million	**2014/15**	2013/14	2012/13	2011/12	2010/11
Income statement					
Revenue	858.6	756.2	738.4	698.7	635.6
Gross profit	446.4	391.3	384.8	359.6	308.7
EBITDA before special items	286.4	256.6	249.0	235.5	201.7
EBIT before special items	232.5	204.8	192.5	185.0	159.2
EBIT	232.5	195.1	192.5	185.0	159.2
Net financial items	(12.8)	(13.8)	(15.8)	(12.7)	(10.9)
Profit from continuing operations	162.5	132.2	139.8	131.3	114.2
Profit from discontinued operations	-	-	-	-	4.4
Profit for the year	162.5	132.2	139.8	131.3	118.6
Average number of employees (FTEs)	2,573	2,510	2,510	2,425	2,411
Financial position at 31 August					
Total assets	1,444.6	1,374.9	1,366.8	1,342.9	1,352.7
Invested capital	1,247.0	1,213.8	1,180.1	1,174.3	1,145.5
Net working capital	138.1	129.8	107.8	98.8	97.5
Equity*	600.8	656.8	680.7	655.1	644.3
Net interest-bearing debt	487.6	403.5	351.5	363.9	347.5
Cash flow and investments					
Cash flow from operating activities	221.5	176.4	190.3	176.4	150.4
Cash flow used for investing activities	(70.4)	(61.8)	(70.3)	(63.1)	(25.8)
Free cash flow	151.1	114.6	120.0	113.3	124.6
Acquisition and disposal of property, plant and equipment, net	(55.0)	(49.6)	(52.0)	(40.0)	(21.9)
Earnings per share					
EPS, continuing operations, diluted	1.23	1.00	1.04	0.95	0.83
Key ratios					
Organic growth, %**	10	8	7	8	14
Organic growth excl. carmine price effect, %	10	8	9	11	10
Gross margin, %	52.0	51.7	52.1	51.5	48.6
EBITDA margin before special items, %	33.4	33.9	33.7	33.7	31.7
EBIT margin before special items, %	27.1	27.1	26.1	26.5	25.0
EBIT margin, %	27.1	25.8	26.1	26.5	25.0
ROIC, %	18.9	17.1	16.4	15.9	13.8
ROIC excl. goodwill, %	37.6	34.9	34.3	34.1	30.0
NWC, %	16.1	17.2	14.6	14.1	15.3
R&D, %	6.4	6.1	6.1	6.7	6.3
Capital expenditure, %	8.2	8.3	9.6	9.1	7.1
Cash conversion, %	72.5	67.0	67.9	72.4	73.7
Net debt to EBITDA before special items	1.7x	1.6x	1.4x	1.5x	1.7x

* Equity for 2012/13 has been restated to reflect changed accounting policy for employee benefit obligations.

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

Letter to shareholders

During 2014/15, the food & beverage end markets were impacted by developments such as trade restrictions, major currency fluctuations and slower growth in emerging markets.

As market leader in niche industries, offering strategically important solutions that create value for customers in either their products or their processes, Chr. Hansen nevertheless delivered strong results for the year.

PROGRESS ON NATURE'S NO. 1

The Nature's No. 1 strategy continues to guide the long-term direction of the Company, and we have seen good progress in our strategic initiatives – both in our established businesses and in our new initiatives within biological plant protection and the human microbiome.

We successfully increased the utilization of new fermentation capacity during the year, with a positive impact on profitability in the second half of the year. The facility in Copenhagen holds further potential for attractive investments in cost-efficient capacity expansion which will be pursued in the coming years.

A new go-to-market model has been established in China, which gives us direct access to the most important customers for dairy products. This setup provides a stronger platform for us to capture the attractive growth opportunities in one of our key markets, building on our strong customer insight and local technical competencies. To achieve this, we have invested in building a stronger local organization in China - an investment, from which we have already seen good results.

In human and animal health, progress has been made in expanding our market-leading position. In human health, we have continued to strengthen our relationships with major customers across the world, providing them with solutions based on strong clinical documentation, superior stability and innovative formulations.

Animal health also remains an attractive market, despite the insourcing of silage inoculant production by one of our major customers. We have progressed well in our efforts to expand the product portfolio to support future growth.

In addition, we have made good progress on our new initiatives. In biological plant protection we continued the implementation of Nemix C™ in the Brazilian sugarcane market and conducted a number of field trials to develop new plant protection solutions.

Within the human microbiome initiative, we established a consortium with leading universities in the field of anaerobic bacteria, and initiated the construction of a dedicated pilot-scale pharma-grade facility for the next-generation human health bacteria.

During the last couple of years, the performance of the Natural Colors Division has not met our long-term ambitions. To ensure future value creation, the division went through a major reorganization during 2014/15, including integration of the sales and application functions and strengthening of commercial management.

We are now almost halfway through our current strategic planning period, and we have initiated a review process to be conducted over the coming months in order to update and, if necessary, adjust the Nature's No. 1 strategy. We expect to announce the outcome of this process in the spring of 2016.

RESPONSIBILITY

At Chr. Hansen, we remain committed to conducting our business with the highest standards of integrity and to develop and protect the employees.

During 2014/15, we continued our behavior-based safety initiatives initially launched in 2012. For the fourth year in a row, we saw a measurable improvement in lost-time incidents, but we will continue to improve our systems, processes and culture until we reach zero accidents.

Following a decrease in our Environmental Performance indicators (EPIs) in 2013/14, we saw an improvement in our energy, CO_2 and water efficiency in 2014/15. With these improvements, our EPIs are back at the same level as in 2012/13, with further progress needed to reach our long-term targets for 2019/20.

SOLID PERFORMANCE IN 2014/15

The performance in 2014/15 was better than our initial expectations, and with organic growth of 10%, we delivered in the upper end of our Nature's No. 1 growth ambitions.

The Cultures & Enzymes Division and the Health & Nutrition Division delivered solid organic growth of 9% and 13% respectively.

The performance of the Natural Colors Division improved during the year, and with organic growth of 9% for the full year, the division also delivered in line with our long-term ambition.

The gross margin increased by 0.3 percentage point, primarily due to improved operating efficiency in the second half of the year and the stronger USD.

The EBIT margin was 27.1%, in line with 2013/14, once adjusted for special items in 2013/14. A positive impact from higher sales volume and the stronger USD was offset by increased research & development expenses related to biological plant protection and the human microbiome initiative.

Free cash flow came to EUR 151 million, a significant improvement on the EUR 115 million achieved in 2013/14.

CAPITAL STRUCTURE AND DIVIDEND

While we continue to invest in innovation and capacity to drive the future growth of the Company, our free cash flow generation remains strong and we remain committed to returning excess cash to shareholders.

In line with this, an interim dividend of EUR 0.88 (DKK 6.57) per share, or a total of EUR 115 million, was declared in July 2015. In addition to this, we propose an ordinary dividend of EUR 0.63 (DKK 4.70) per share, or a total of EUR 82 million.

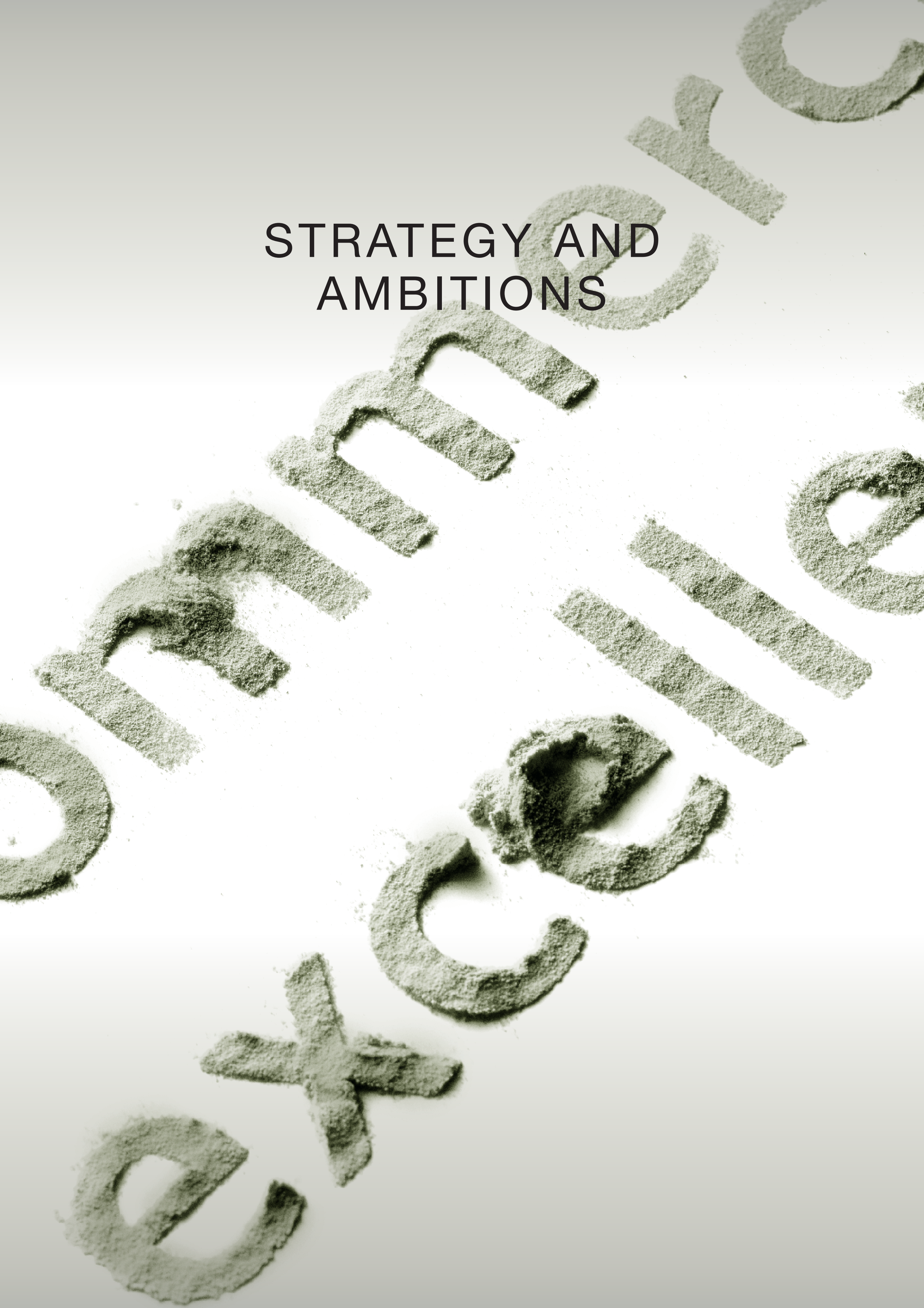
LOOKING AHEAD

2015/16 will undoubtedly also be a busy year as we continue to build the future of Chr. Hansen, not only in our established businesses, but also in our new initiatives. Our ambition is to deliver new and improved solutions that create value for our Company, our customers, consumers and our shareholders alike.

Ole Andersen
Chairman of the Board

Cees de Jong
President & CEO

STRATEGY AND AMBITIONS



Business model

A ROBUST BUSINESS MODEL

The Chr. Hansen business model builds on the Company's unique solutions and strong innovation platform, a centralized and scalable production setup and strong customer relationships in attractive markets with continued growth opportunities.

ATTRACTIVE MARKETS

Chr. Hansen holds leadership positions in a number of attractive niche markets, including cultures for the food & beverage, human health and animal health industries, enzymes for the dairy industry and natural colors for the food & beverage industry.

These established markets offer attractive growth opportunities for Chr. Hansen based on:

- growth in consumption of industrially produced food & beverages
- conversion from bulk starter to DVS® cultures in the dairy industry
- conversion from synthetic colors to natural solutions in food & beverages
- increasing demand for natural solutions to support health and wellness in humans
- growing demand for natural solutions to support productivity and health in livestock production
- increasing demand for natural solutions to substitute current chemical solutions in plant protection
- demand for innovative solutions for new products and processes

In addition to these established market opportunities, Chr. Hansen aims to utilize its core strengths within microbial solutions to pursue new growth markets by developing solutions for biological plant protection and exploring opportunities in the research & development of new microbial solutions for human health.

UNIQUE SOLUTIONS

Chr. Hansen's solutions offer an attractive cost-to-value ratio for customers, supporting both their need for process optimization to improve efficiency and the need for product innovation to meet global and local consumer demands for new, healthier and more natural products.

Chr. Hansen's solutions are often customized to meet customer demands and requirements such as local taste preferences and specific production setups at dairies and other food & beverage manufacturing facilities.

A STRONG INNOVATION PLATFORM

The majority of Chr. Hansen's innovations derive from a strong bioscience technology platform based on in-depth scientific knowledge and competencies.

Access to around 20,000 bacterial samples enables extensive screening and selection of the best available combinations of strains for new improved solutions.

Know-how in fundamental bioprocess engineering is used to develop products that optimize customers' production efficiency, with higher yields and improved stability.

Scientific knowledge of bacterial strain properties and technical application knowledge is used to develop healthy and tasty new product solutions such as low-fat yogurt and cheeses with a low salt content.

Many years of clinical trials have enabled Chr. Hansen to differentiate itself as a provider of some of the best-documented probiotic bacterial strains, such as BB-12®, LA-5® and L. casei 431®. In addition to this, Chr. Hansen's formulation expertise helps customers combine probiotics with other ingredients and deliver them in innovative dosage forms with documented stability.

In natural colors, Chr. Hansen combines an understanding of formulation techniques with technical insight into customers' processes and products to develop new natural color solutions such as coloring foodstuffs.

Approximately 400 employees are dedicated to research & development and technical application activities. In addition to this, Chr. Hansen actively partners with universities, researchers and companies on innovative projects in its specialist fields.

In 2014/15, EUR 55 million, or 6.4% of revenue, was spent on research & development activities. In addition to this, EUR 9 million, or 1.0% of revenue, was invested in R&D facilities, including construction of laboratories for the human microbiome initiative and biological plant protection.

A SCALABLE PRODUCTION PLATFORM

Chr. Hansen holds significant competencies in upscaling production of bacterial strains at an industrial level. Production is managed centrally to ensure optimization of production facilities by serving the world from a consolidated production setup. Cultures for the Cultures & Enzymes Division are produced at locations in Denmark, France and the US, while enzymes are produced in Denmark and Germany.

Significant investments have been made in recent years to expand the production facilities for cultures in Denmark to support growth and more efficient production, while enzyme production has been simplified by consolidating production and blending at fewer locations.

Production of cultures for the Health & Nutrition Division takes place at facilities in Denmark (human) and Germany (animal and plant protection).

Production for the Natural Colors Division takes place at facilities in Brazil, China, Denmark, Italy, Peru and the US.

This consolidated production platform, combined with attractive investment opportunities for growth and optimization, supports the Company's aim to improve profitability in the coming years. In 2014/15, 6.4% of revenue was invested in property, plant and equipment, including investment in R&D facilities.

Approximately 1,250 employees are dedicated to production activities.

STRONG CUSTOMER RELATIONSHIPS

Chr. Hansen has strong and long-term strategic relationships with many of its customers, building on more than 140 years of experience.

Chr. Hansen develops and maintains relationships with existing and new customers by servicing their needs directly with a superior customer experience, building on strong customer insight and local technical competencies.

In more than 140 countries, Chr. Hansen offers its customers solutions that are adapted to local preferences and can be applied under local conditions.

Customer relationships are managed locally through a direct Chr. Hansen presence in key markets, supported by a global network of application and development centers.

Chr. Hansen has a diverse customer base, serving large multinationals, regional and local customers, from farmers and dairies to other food & beverage manufacturers and pharmaceutical companies. In 2014/15, the top 25 customers accounted for approximately 29% of revenue. Sales & marketing expenses amounted to 11.8% of revenue. Approximately 640 employees are dedicated to sales & marketing activities.

RISK RELATED TO THE BUSINESS MODEL AND OPERATIONS

The most significant risks related to the business model, business operations and execution of the Nature's No. 1 strategy that have been identified are described in the section on risk management.

Strategy update

CHR. HANSEN - NATURE'S NO. 1

GROW THE BUSINESS OF TODAY – CREATE THE SOLUTIONS OF TOMORROW

To fully utilize the strength of the business model, including the attractive growth opportunities in both new and established markets, Chr. Hansen launched the Nature's No. 1 strategy in September 2013 covering a five-year period. The strategy is based on six main strategic themes addressing opportunities within each of the divisions and across the Chr. Hansen Group.

STRATEGY REVIEW

The Nature's No. 1 strategy has given Chr. Hansen direction for the past two years and will continue to do so in the coming years as the fundamentals behind the strategy remain intact. However, Management has initiated a review process to be conducted over the coming months in order to update and, if necessary, adjust the strategic direction based on a thorough review of capabilities and reassessment of relevant market opportunities.

1 FULLY LEVERAGING THE POTENTIAL OF THE CULTURES & ENZYMES DIVISION

		PROGRESS 2014/15
FOCUS AREAS	Focus on new innovation	Progress on new solutions for improved products and processes Extracting value from previous launches, e.g. CHY-MAX®M
	Securing undisputed leadership in selected emerging markets	Market position in China reinforced by establishing stronger and direct relationships with key Chinese dairies through a new go-to-market model Strong growth in APAC in 2014/15
	Developing customer-driven commercial excellence	New go-to-market model in China Rollout of sales excellence processes from EMEA to other regions
	Reaping further improvements in scalability	Operating efficiency improved by implementing new fermentation capacity in Copenhagen Benefits reaped from simplification of enzyme footprint
LONG TERM FINANCIAL AMBITIONS	Average annual organic growth of 7-8%	9% organic growth in 2014/15 9% average organic growth since 2012/13
	Increased EBIT margin over the period	31.5% EBIT margin in 2014/15, compared to 30.4% in 2012/13 (before impairments).

2 DEVELOPING THE MICROBIAL SOLUTIONS PLATFORM IN THE HEALTH & NUTRITION DIVISION

		PROGRESS 2014/15
FOCUS AREAS	Expand existing business in human health through differentiation	Production standards upgraded Introduction of new formats with unique stability
	Deepen market penetration in animal health through increased investments	Increased investments in expanding product portfolio Production capabilities strengthened
	Developing medium-term opportunities in plant protection	Continued implementation of Nemix C™ in the Brazilian sugarcane market Significant number of field trials conducted to develop new biological plant protection solutions
	Explore long-term opportunities for developing second-generation human health solutions	Establishment of research & development consortium, partnering with leading universities in the field of anaerobic bacteria Construction of new pilot-scale pharma-grade facility capable of handling anaerobic bacteria initiated
LONG TERM FINANCIAL AMBITIONS	Average annual organic growth above 10% from core business. Plant protection expected to add additional growth toward 2017/18	13% organic growth in 2014/15 14% average organic growth since 2012/13
	Due to increased investments in future growth opportunities, the EBIT margin is expected to be around 30% during the period	33.3% EBIT margin in 2014/15, compared to 34.6% in 2012/13 (before impairments).

3 CREATING FURTHER VALUE IN THE NATURAL COLORS DIVISION

		PROGRESS 2014/15
FOCUS AREAS	Improved cost-in-use solutions	Yield improvement program for key raw materials, including annatto, cochineal and carotenoids
	Address the significant potential in emerging markets	New go-to-market model in China
	Develop an enhanced product offering	Enhanced product offering within the FruitMax® range of coloring foodstuffs
	Transformational technology	Patents obtained on fermented carmine
LONG TERM FINANCIAL AMBITIONS	Annual organic growth around 10%	9% organic growth in 2014/15 5% average organic growth since 2012/13
	Increased EBIT margin over the period	8.3% EBIT margin in 2014/15, compared to 13.0% in 2012/13.

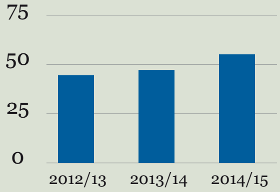
4 DRIVING A STEP CHANGE IN INNOVATION

Chr. Hansen will continue to increase absolute investments in research & development and selectively strengthen competencies to ensure a strong product pipeline across the divisions and prepare for the next generation of microbial solutions in plant protection and human health.

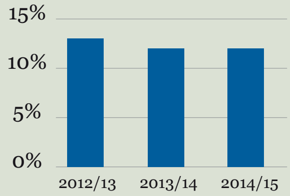
PROGRESS 2014/15

R&D EXPENSES

EUR million



PRODUCTS DEVELOPED WITHIN THE LAST THREE YEARS (share of revenue)

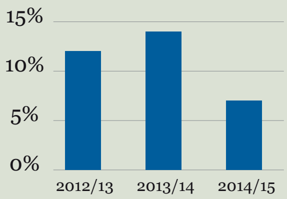


5 REINFORCING CHR. HANSEN'S POSITION IN EMERGING MARKETS

In order to fully capture the market potential in emerging markets, Chr. Hansen will focus on establishing a stronger presence in key markets through more direct relationships with customers in specific countries. This will be enabled by strengthening local organizations through improved application support and product development capabilities.

PROGRESS 2014/15

APAC ORGANIC GROWTH

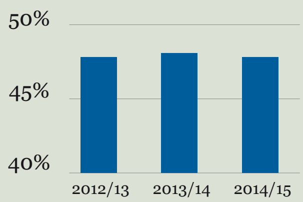


6 GENERATING THE FUEL FOR GROWTH

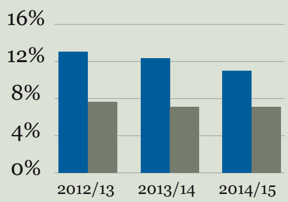
To fuel Chr. Hansen's strategic ambitions for organic growth in the short term and pave the way for capturing longer-term growth opportunities and at the same time deliver improved profitability, a strong focus on cost discipline as well as productivity and efficiency gains across the organization will be maintained.

PROGRESS 2014/15

COST OF SALES (share of revenue)



SALES & MARKETING
ADMINISTRATIVE EXPENSES
(share of revenue)



Long-term ambitions

FINANCIAL AMBITIONS THROUGH 2017/18

Organic revenue growth

Revenue for the Chr. Hansen Group is expected to grow organically by 7-10% per annum.

The Cultures & Enzymes Division is expected to deliver average annual organic growth of 7-8%.

The Health & Nutrition Division is expected to deliver average annual organic growth above 10%.

The Natural Colors Division is expected to deliver average annual organic growth around 10%.

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 before special items is expected to improve over the period compared to 2012/13 (27.2% before impairments). The improvement will be driven by continued focus on strong cost discipline as well as productivity and efficiency gains across the organization, while at the same time investing in innovation, emerging markets and exploration of new growth opportunities.

The EBIT margin in the Cultures & Enzymes Division and the Natural Colors Division is expected to increase over the period. The EBIT margin in the Health & Nutrition Division is expected to be around 30% during the period as a consequence of increased investment in future growth opportunities.

Free cash flow

Free cash flow is expected to increase over the period compared to 2012/13.

RESPONSIBILITY AMBITIONS FOR 2019/20

Based on a threefold ambition to improve food and health, reduce environmental footprint and develop and engage people and society, Chr. Hansen has introduced a number of operational targets to guide performance.

Recognizing that corporate social responsibility is a continuous improvement process rather than a static goal, Chr. Hansen assesses its ambition level and performance against targets on an ongoing basis to ensure alignment with the core business strategy and expectations of the Company’s key stakeholders.

The targets are:

- FSSC certification of all production sites by 2015/16
- Increase in water, energy and CO_2 consumption must not exceed 50% of growth in production volume by 2019/20 (compared to 2012/13)
- Employee satisfaction and motivation above industry benchmark in every survey
- Lost-time incidents below 3 per million working hours by 2015/16
- 80% of corporate management teams meeting diversity criteria by 2019/20
- Full implementation of responsible sourcing methodology by 2019/20

Outlook for 2015/16

ORGANIC GROWTH
Organic revenue growth for 2015/16 is expected to be 8-10%.

The Cultures & Enzymes Division is expected to deliver organic growth in line with the long-term ambitions for the division.

The Health & Nutrition Division is expected to deliver organic growth below last year (13% in 2014/15). The division will be negatively impacted, primarily in the first half of the year, by the decision of a major customer to insource silage inoculant production from Q3 2014/15.

The Natural Colors Division is expected to deliver organic growth above last year(9% in 2014/15). Organic growth is expected to be positively impacted by change in sales prices from increasing raw material prices.

RESEARCH & DEVELOPMENT
Research & development expenditures incurred as a percentage of revenue are expected to be 6.5 - 7.0%.

EBIT MARGIN BEFORE SPECIAL ITEMS
The EBIT margin before special items is expected to be above last year (27.1% in 2014/15).

The improvement is expected to be driven by scalability in the Cultures & Enzymes Division and a general improvement in the Natural Colors Division.

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

FREE CASH FLOW
Free cash flow before acquisitions, divestments and special items is expected to be above last year (EUR 151 million in 2014/15), primarily due to an improvement in operating profit as a result of sales growth and a stronger EBIT margin.

EXCHANGE RATE SENSITIVITY
Chr. Hansen is a global company serving more than 140 countries through subsidiaries in 30 countries. The greatest source of exchange rate exposure relates to USD which accounts for more than 25% of revenue. Other key currencies are RMB, BRL, RUB, AUD, PLN, MXN, ARS and GBP.

Due to a significant production setup in the US the exchange rate impact on EBIT is significantly lower than that on revenue.

Based on exchange rate levels at the beginning of October 2015, revenue for 2015/16 will be impacted negatively by approximately 1% compared to 2014/15, while the impact on EBIT will be smaller.

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.

The use of currency hedging of balance sheet exposures and future cash flows is described in note 4.3.

BUSINESS PERFORMANCE

Regions

With customers in more than 140 countries and offices in 30 countries across the world, Chr. Hansen has organized its sales operations in three regions:

- EMEA (Europe, Middle East and Africa)
- Americas (North and South America)
- APAC (Asia-Pacific)

EMEA

The EMEA region accounted for 47% of revenue, compared to 50% in 2013/14. Chr. Hansen has offices in 15 countries.

Dairy markets across the EMEA region were in turmoil during 2014/15. The continued restrictions on exports of certain food categories to Russia had a negative impact on a number of EU cheese manufacturers, which had to develop opportunities in new markets and focus on optimization of their own processes.

The EU milk quota system was abolished with effect from 1 April 2015. However, as a consequence of the Russian restrictions, lower Chinese demand for milk powder and a ramp-up of production during 2014, EU milk output did not then increase.

The natural colors market in EMEA performed well during 2014/15, with increased conversion from synthetic colors and increased demand for coloring foodstuff products.

Revenue increased by 6%, with organic growth of 9%. The organic growth was driven by strong growth in cheese, enzymes, meat, human health and natural colors. Fermented milk delivered solid growth, while revenue from probiotics for fermented milk was lower than in 2013/14. Animal health delivered modest growth.

Americas

The Americas region accounted for 39% of revenue, compared to 36% in 2013/14. Chr. Hansen has offices in eight countries.

The dairy markets in the Americas generally developed positively during 2014/15. The US cheese market experienced growth above historical levels, stimulated by increased inventory levels, consumer demand and an increase in exports. Growth in the US fermented milk market slowed, partly due to a stagnating market for Greek yogurt products. Latin America also experienced growth in the cheese markets. Across the region, probiotics were challenged by declining sales.

The US markets for probiotic dietary supplements and microbial-based solutions for animal health continued to grow, primarily driven by higher penetration levels. In human health, the increased penetration was driven partly by large retail chains deciding to include probiotics in their product ranges.

Conversion to natural colors in the US remained slow during most of the year, but a number of large food & beverage manufacturers have announced their intention to convert to natural ingredients.

HIGHLIGHTS

	EMEA	Americas	APAC
Organic growth	9%	12%	7%
Share of revenue	47%	39%	14%

Revenue increased by 23%, with organic growth of 12%. The organic growth was driven by strong growth in cheese, enzymes, human health and natural colors. Fermented milk delivered solid growth, while revenue from probiotics for fermented milk was lower than in 2013/14.

Animal health was negatively impacted by a major customer’s decision to insource the production of silage inoculants and delivered only modest growth.

APAC

The APAC region accounted for 14% of revenue, the same level as in 2013/14. Chr. Hansen has offices in seven countries.

During 2014/15, dairy markets across the region developed positively, whereas the market for natural colors was to some extent impacted by lower economic growth in some countries.

In China, the consolidation of the dairy industry continued. Major local dairies are rising in the global rankings and are increasingly diversifying from standard to premium products and expanding into new product categories.

In India, investments in production capacity for the processed-food supply chain increased. The market for industrialized dairy ingredients, however, remains small compared to local milk production.

To support the Nature's No. 1 strategy, local organizations in the region have been strengthened, especially in China to support the new go-to-market model with direct access to the most important customers for dairy products, but also in emerging ASEAN markets to help customers build new food categories.

Food legislation is maturing across the region, with increasing interest in supporting natural food ingredients.

Revenue increased by 15%, with organic growth of 7%. The organic growth was driven primarily by strong growth in cheese, fermented milk and human health. Probiotics for fermented milk showed good growth, while revenue from natural colors was lower than in 2013/14.

Growth in fermented milk including probiotics and human health was mainly driven by strong growth in China. Natural colors experienced declining revenue across the region, except for Australia and New Zealand, which experienced good growth from conversion.

Cultures & Enzymes Division

EUR million	**2014/15**	2013/14
Revenue	518.9	464.4
Organic growth	9%	8%
EBITDA	202.0	178.0
EBIT	163.2	140.1
EBIT margin	31.5%	30.2%
ROIC excluding goodwill	40.3%	34.6%

The Cultures & Enzymes Division supplies cultures, enzymes and probiotics for the food industry in general and the dairy industry in particular. Chr. Hansen's ingredients help determine the taste, nutritional value, health benefits and shelf life of a wide variety of end products. Chr. Hansen also assists customers in optimizing production processes, increasing yields and improving quality.

Chr. Hansen is the market leader in cultures and enzymes for the dairy market and has consistently outperformed end market growth.

The dairy market continues to hold attractive growth opportunities driven by fundamental category growth, not least in emerging markets, continued conversion, and consumer and customer needs for better functionality and yield.

FUNDAMENTAL GROWTH

According to the Company's own estimates and based on volume, the global market for fermented milk grew by around 4% in 2014/15, slightly below previous years, primarily due to a slowing market for Greek yogurt in the US.

The market for cheese is estimated to have increased by around 2%, slightly above previous years. The growth was driven primarily by the Americas and APAC regions, while growth in EMEA, especially in the EU, was modest.

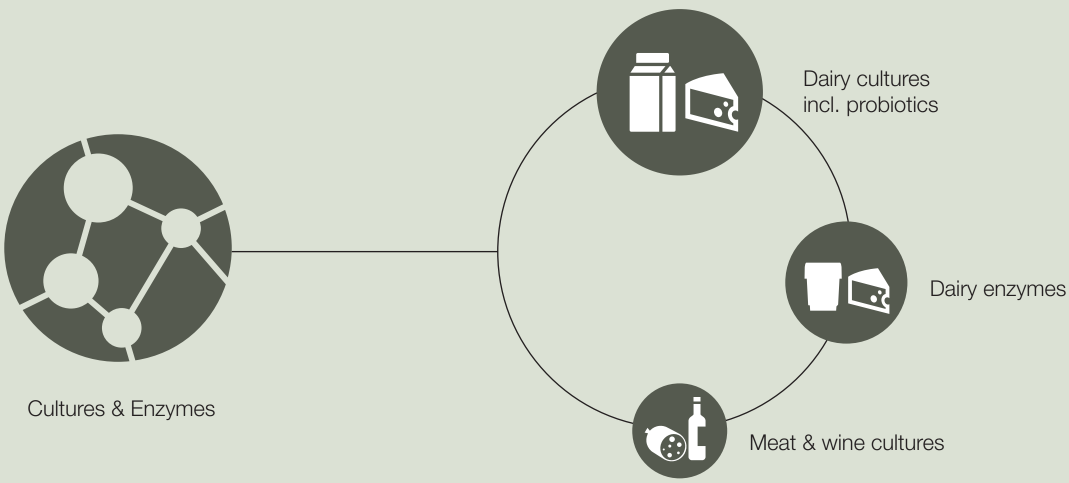
CONVERSION

Chr. Hansen estimates that, based on volume, 75-80% of the fermented milk market (excluding India) and 45-50% of the cheese market have converted from bulk starter to DVS® or similar technologies. The conversion rate for cheese and fermented milk increased slightly in 2014/15.

INNOVATION

Through innovation, Chr. Hansen creates value for its customers, primarily dairies, with solutions addressing end consumer needs or customers' needs to optimize production processes and distribution.

PRODUCT AREAS IN THE CULTURES & ENZYMES DIVISION



Chr. Hansen works on developing solutions to help customers meet consumer demands for low sugar, lactose, salt or fat; distinctive texture and flavors; “clean label” products; and adapting solutions to local taste preferences.

Optimization of production processes and distribution is addressed through innovative solutions that improve yield or efficiency in the customers' production process or in the distribution chain.

Chr. Hansen also continues to optimize its own production processes.

A number of new products were introduced in 2014/15, helping customers improve yield, launch innovative new products and convert to DVS® cultures.

PRODUCTION

During 2014/15, Chr. Hansen implemented new fermentation capacity in Copenhagen for cultures to support further sales growth and efficiency improvements. Utilization of the new capacity increased during the year with further upscaling of production of specific bacterial strains continuing into 2015/16.

Positive benefits were realized from the simplification of the enzyme production footprint by consolidating production and blending at fewer locations.

Investments were also made in, among others, a new warehousing facility in Denmark and packaging capacity for frozen cultures in the US.

REVENUE

Revenue increased by 12% to EUR 519 million, corresponding to organic growth of 9%. Organic growth was positively impacted by strong growth in cheese and enzymes. Fermented milk and meat showed solid growth, while organic revenue growth from probiotics was negative.

EBIT

EBIT amounted to EUR 163 million, compared to EUR 140 million in 2013/14. The EBIT margin was 31.5%, up 1.3 percentage points on 2013/14.

Improved operating efficiency from the new fermentation capacity and optimization of the enzyme production footprint, as well as favorable exchange rates, more than offset the startup costs related to the new capacity and an unfavorable product mix.

ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 40.3%, compared to 34.6% in 2013/14. Invested capital excluding goodwill decreased by EUR 11 million, or 3%, to EUR 408 million. An increase in invested capital from capacity expansions was more than offset by a reallocation of assets from the Cultures & Enzymes Division to the Health & Nutrition Division.

Health & Nutrition Division

EUR million	2014/15	2013/14
Revenue	164.8	133.5
Organic growth	13%	15%
EBITDA	64.2	52.6
EBIT	54.9	44.1
EBIT margin	33.3%	33.0%
ROIC excluding goodwill	42.2%	42.7%

Chr. Hansen is the leading producer of probiotics for human and animal health. The Health & Nutrition Division supplies products and solutions for the dietary supplement, over-the-counter pharmaceutical, infant formula, animal feed and plant protection industries.

The key offering is probiotic cultures with a documented health and/or efficiency effect. In addition to its existing businesses, Chr. Hansen is developing microbial solutions to address attractive new growth opportunities within plant protection (medium term) and exploring solutions for the human microbiome (longer term).

HUMAN HEALTH

The role of beneficial bacteria in human health is increasingly being acknowledged across the world, and Chr. Hansen is a global leader in the development and production of probiotics for dietary supplements and infant formula.

Chr. Hansen's market leadership is particularly strong in the segment representing the world's largest consumer health and pharmaceutical companies.

General market conditions for human probiotic dietary supplements remained favorable in 2014/15. Penetration of probiotic solutions in the overall dietary supplements market increased, primarily in North America where large retail chains have included probiotics in their product ranges.

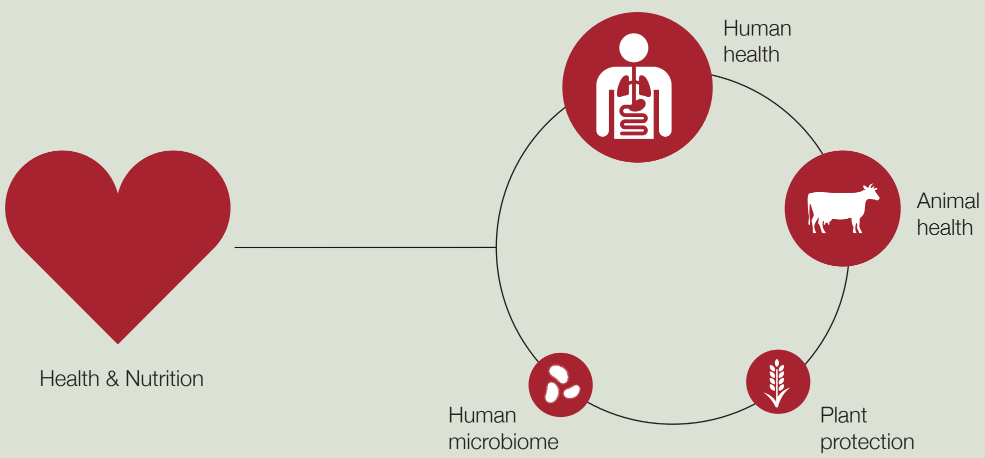
Chr. Hansen continuously invests in providing clinical evidence of the health benefits of probiotic strains, strengthening its GMP manufacturing competencies, and developing innovative formats and product combinations that ensure superior stability of the live bacteria in a range of settings.

HUMAN MICROBIOME

The global focus on the human microbiome continues to accelerate with increasing investments by academia, pharmaceutical and consumer health companies and smaller bioscience-based startup companies in exploring the positive effects on human health.

Based on its core competences within microbial research and production, Chr. Hansen is exploring opportunities related to the human microbiome. Chr. Hansen seeks to build relationships and

PRODUCT AREAS IN THE HEALTH & NUTRITION DIVISION



collaboration with the companies and research institutions that are most advanced in this area, some of which are already partners with Chr. Hansen within human health.

In 2014/15, Chr. Hansen established a research & development consortium, partnering with the universities of Aberdeen in Scotland and Groningen and Wageningen in the Netherlands to secure access to and commercialization of new anaerobic bacterial strains. Construction of a pilot-scale pharma-grade facility for next-generation human health bacteria was also initiated.

ANIMAL HEALTH

With a growing world population, there is an ever greater need to increase productivity in the agricultural industry. Farmers need to get more out of less, for example more piglets per sow, reduced mortality, more milk per dairy cow and more energy per ton of forage harvested, and at the same time reduce the use of antibiotic growth promoters. Chr. Hansen's probiotic concepts for animal feed support farmers in addressing these challenges.

In 2014/15, the market for animal probiotics in the livestock industry expanded again, primarily through increased penetration of probiotic solutions in the swine, poultry and dairy cattle segments. However, growth slowed significantly in the second half of 2014/15 as milk prices in several countries hit their lowest in a decade, affecting many dairy farmers' financial position negatively.

The growth outlook for probiotic solutions for poultry was boosted by the decision of several major US poultry companies to initiate a process to reduce their use of antibiotics in the coming years.

A number of existing and new competitors stepped up their activity levels in animal probiotics during 2014/15.

Chr. Hansen increased its focus on the development of new solutions and concepts to meet the demand for natural alternatives to antibiotic growth promoters.

PLANT PROTECTION

Plant and crop producers also need to improve productivity and find more sustainable solutions to replace the use of chemical products.

In 2014/15, the overall market for chemical and biological plant protection was challenging, due partly to weather conditions. The market for biological solutions did, however, still increase, but remains a small part of the total market.

Chr. Hansen and FMC Corporation continued the implementation of Nemix C™ in the Brazilian sugarcane market with positive feedback from customer field trials. In addition to this, a significant number of field trials were conducted to develop new biological plant protection solutions, especially within biostimulants.

REVENUE

Revenue increased by 23% to EUR 165 million, corresponding to organic growth of 13%. Human health and plant protection realized strong growth, while animal health delivered modest growth. Revenue was positively impacted by the stronger USD.

Organic growth in human health products was primarily driven by dietary supplements in the Americas and EMEA regions and by cultures for infant formulas in the APAC region.

Organic growth in animal health products was negatively impacted by a major customer's decision to insource the production of silage inoculants, whereas continued penetration of the poultry segment impacted growth positively.

EBIT

EBIT amounted to EUR 55 million, compared to EUR 44 million in 2013/14. The EBIT margin was 33.3%, up 0.3 percentage point on 2013/14.

The positive impact from higher sales volume and the stronger USD was partly offset by increased research & development expenses related to biological plant protection and the human microbiome initiative, and by an unfavorable product mix within human health products.

ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 42.2%, compared to 42.7% in 2013/14. Invested capital excluding goodwill increased by EUR 37 million, or 37%, to EUR 138 million. The increase was driven by a reallocation of assets from the Cultures & Enzymes Division to the Health & Nutrition Division.

Natural Colors Division

EUR million	2014/15	2012/13
Revenue	174.9	158.3
Organic growth	9%	1%
EBITDA	20.2	26.1
EBIT	14.4	20.6
EBIT margin	8.3%	13.0%
ROIC	17.4%	26.2%

The Natural Colors Division supplies natural color solutions for the food industry, in particular the beverage, confectionery, ice cream, dairy, fruit preparation and prepared food segments. The colors are extracted from natural sources, such as berries, roots and seeds, and Chr. Hansen masters a number of encapsulation techniques that help stabilize the appearance of colors in various food applications.

In recent years, consumer demand for more natural products has increased. Chr. Hansen is well positioned to capture these opportunities by providing improved cost-in-use solutions, addressing the significant potential in emerging markets and developing an enhanced product offering. In addition, work continues on new transformational technology, such as a fermented carmine solution.

CONVERSION

The increased consumer demand for natural and "clean label" products, combined with stricter regulation of the use of synthetic solutions in food and beverages, especially in the EU, has led to a conversion from synthetic colors to natural solutions.

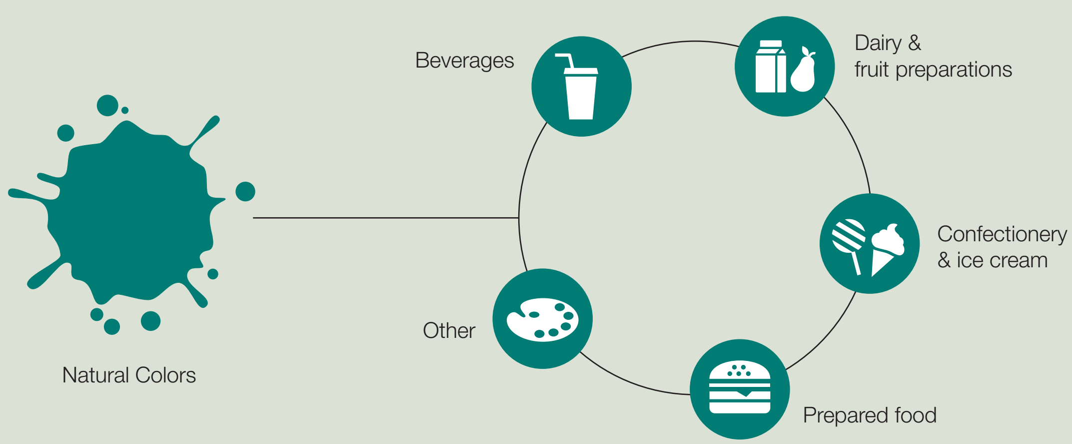
In 2014/15, the conversion to natural colors continued in Latin America and APAC, while the European market experienced increasing penetration of more advanced natural color solutions. Conversion in the US remained slow, but major US food & beverage manufacturers continue to announce their intention to convert to natural ingredients, including colors, over the coming years.

SOURCING

Chr. Hansen sources a wide range of natural raw materials through a global sourcing network. During the year, Chr. Hansen continued its efforts to pass on expertise to selected raw material suppliers to improve standards and farm yields.

As a significant part of the raw materials, including carmine, annatto and turmeric, are fully or partly sourced in USD, developments in the USD exchange rate affected costs related to sourcing negatively in 2014/15.

PRODUCT AREAS IN THE NATURAL COLORS DIVISION



INNOVATION

Chr. Hansen created value for its customers in 2014/15 through innovative solutions to increase the stability and cost-in-use of natural colors, including new additions to the FruitMax® range of coloring foodstuffs, including:

- FruitMax® Huckleberry Red as an alternative to Red 40 (Allura Red) in the US beverage industry
- FruitMax® Papaya powder for "clean label" bakery and prepared food products
- New customized WhiteWhey™ solutions

ORGANIZATIONAL CHANGE

To strengthen commercial focus and prepare for future growth, the Natural Colors Division went through a major reorganization during 2014/15, including a management change and integration of the sales and application functions.

REVENUE

Revenue increased by 10% to EUR 175 million, corresponding to organic growth of 9%, primarily due to strong growth in the prepared food, confectionery, dairy and meat categories, while revenue from the beverage category was at the same level as in 2013/14.

The Americas region showed strong growth, primarily driven by Latin America, while conversion to natural colors in the US market remained slow throughout the year.

The EMEA region showed solid growth, partly driven by anthocyanin and natural carotene products as well as increased penetration of the FruitMax® range of coloring foodstuffs.

Revenue across the APAC region was lower than in 2013/14, except in Australia and New Zealand, which experienced good growth from conversion.

EBIT

EBIT amounted to EUR 14 million, compared to EUR 21 million in 2013/14. The EBIT margin was 8.3%, down 4.7 percentage points on 2013/14.

The decrease was primarily due to increased raw material costs as a result of the stronger USD, a negative effect from the reorganization, including one-off costs related to the management change, and increased freight costs.

ROIC

The return on invested capital was 17.4%, compared to 26.2% in 2013/14. Invested capital increased by EUR 2 million, or 3%, to EUR 86 million.

Financial review

REVENUE

Revenue increased by 14% to EUR 859 million, corresponding to organic growth of 10%. Revenue was impacted positively by approximately 5% by changes in exchange rates, primarily by the appreciation of USD. The use of EUR-based pricing in certain countries led to price increases in local currencies, impacting organic growth positively by around 1 percentage point.

GROSS PROFIT

Gross profit was EUR 446 million, up 14% on 2013/14. The gross margin increased by 0.3 percentage point to 52.0%. Improved operating efficiency and a positive impact from a stronger USD were partly offset by an unfavorable product mix, startup costs related to new fermentation capacity in the Cultures & Enzymes Division during the first half of 2014/15, and higher raw material prices in the Natural Colors Division.

OPERATING EXPENSES (% OF REVENUE)

Operating expenses totaled EUR 214 million (24.9%), compared to EUR 187 million (24.7%) in 2013/14.

Research & development (R&D) expenses including amortization and depreciation amounted to EUR 51 million (5.9%), compared to EUR 43 million (5.7%) in 2013/14.

The net impact from capitalization less amortization of development costs was EUR 4 million (0.5%) in 2014/15, compared to EUR 3 million (0.4%) in 2013/14.

Total R&D expenditures incurred increased by 19% to EUR 55 million (6.4%), compared to EUR 47 million (6.1%) in 2013/14. The increase was mainly due to increased activity within biological plant protection and the human microbiome initiative. The increase relative to revenue was held back by an increase in revenue due to the appreciation of USD, whereas most research & development costs are in EUR.

Sales & marketing expenses amounted to EUR 102 million (11.8%), compared to EUR 93 million (12.3%) in 2013/14. Expenses relative to revenue were reduced mainly through scale efficiencies.

Administrative expenses amounted to EUR 61 million (7.1%), compared to EUR 54 million (7.1%) in 2013/14. The increase was partly due to costs related to the reorganization of natural colors activities.

Net other operating income/expenses was nil, compared to income of EUR 3 million in 2013/14. The change was primarily due to the reorganization of natural colors activities and a gain from divestment of property in 2013/14.

SPECIAL ITEMS

There were no special items in 2014/15, compared to a negative EUR 10 million in 2013/14.

OPERATING PROFIT (EBIT)

EBIT amounted to EUR 233 million, compared to EUR 195 million in 2013/14. The EBIT margin was 27.1%, compared to 27.1% before special items (25.8% after special items) in 2013/14. A positive impact from higher sales volume, a stronger USD and improved operating efficiency in the Cultures & Enzymes Division was offset by increased research & development expenses, an unfavorable product mix, higher raw material costs for natural colors, and costs related to the reorganization of natural colors activities.

NET FINANCIALS AND TAX

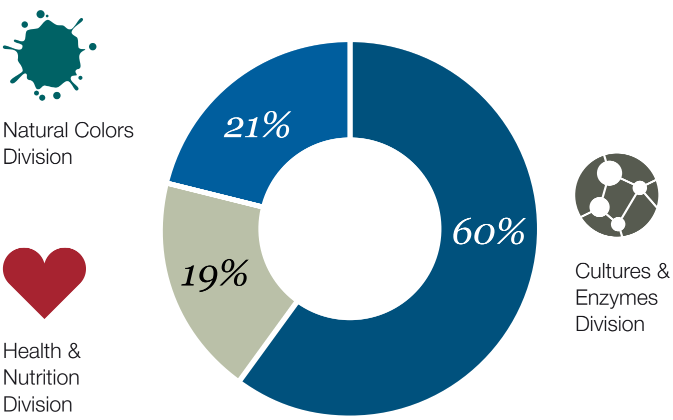
Net financial expenses amounted to EUR 13 million, compared to EUR 14 million in 2013/14. The decrease was primarily due to lower interest rates. Income taxes were EUR 57 million, equivalent to an effective tax rate of 26%, compared to 27% in 2013/14, mainly due to a reduction in the corporate tax rate in Denmark.

PROFIT FOR THE YEAR

Profit for the year increased by 23% to EUR 163 million from EUR 132 million in 2013/14.Earnings per share, diluted, from continuing operations increased by 23% to EUR 1.23 from EUR 1.00 in 2013/14.

DIVISIONAL SPLIT

Revenue



ASSETS
At 31 August 2015, total assets amounted to EUR 1,445 million, compared to EUR 1,375 million a year earlier.

Total non-current assets amounted to EUR 1,116 million, compared to EUR 1,090 million at 31 August 2014.

Intangible assets amounted to EUR 784 million, unchanged from a year earlier.

Property, plant and equipment increased by EUR 25 million to EUR 325 million, primarily driven by investments in freeze-drying, warehousing, packaging and fermentation capacity for cultures as well as laboratory facilities for plant protection and the human microbiome initiative.

Total current assets amounted to EUR 329 million, compared to EUR 285 million at 31 August 2014. Inventories increased by EUR 9 million, or 9%, while receivables increased by EUR 17 million, or 13%, driven by higher sales and a stronger USD. Cash increased by EUR 19 million to EUR 76 million.

NET WORKING CAPITAL
Net working capital was EUR 138 million, or 16.1% of revenue, compared to EUR 130 million, or 17.2%, in 2013/14.

EQUITY
Total equity amounted to EUR 601 million at 31 August 2015, compared to EUR 657 million a year earlier. Dividends for the financial year 2013/14 totaling EUR 66 million were paid out in Q2 2014/15, while an interim dividend totaling EUR 115 million related to the financial year 2014/15 was paid out in Q4 2014/15.

NET DEBT
Net interest-bearing debt amounted to EUR 488 million, or 1.7x EBITDA, compared to EUR 404 million, or 1.6x EBITDA, at 31 August 2014. The increase was due to dividend payouts.

RETURN ON INVESTED CAPITAL (ROIC) EXCLUDING GOODWILL
The return on invested capital excluding goodwill was 37.6%, compared to 34.9% in 2013/14. Invested capital excluding goodwill increased to EUR 632 million from EUR 604 million at 31 August 2014, due to capacity expansions and higher net working capital.

CASH FLOW
Cash flow from operating activities was EUR 222 million, compared to EUR 176 million in 2013/14. The increase was mainly due to the improved operating profit.

Cash flow used for investing activities was EUR 70 million, or 8.2% of revenue, compared to EUR 62 million, or 8.2% of revenue, in 2013/14. Major investments in 2014/15 included freeze-drying, warehousing, packaging and fermentation capacity for cultures as well as laboratory facilities for plant protection and the human microbiome initiative.

Development expenditures of EUR 10 million, or 1.2% of revenue, were capitalized during 2014/15, compared to EUR 9 million, or 1.2%, in 2013/14.

Free cash flow was EUR 151 million, up from EUR 115 million in 2013/14, primarily due to an improved cash flow from operating activities.

Quarterly key figures

EUR million	2014/15				2013/14			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Group								
Income statement								
Revenue	234	228	209	188	205	198	182	171
Gross profit	125	120	105	96	107	100	95	90
EBITDA before special items	86	77	66	57	75	68	58	56
Depreciation, amortization and impairment	(13)	(14)	(14)	(14)	(14)	(13)	(13)	(13)
EBIT before special items	73	64	53	44	62	55	45	43
EBIT	73	64	53	44	57	54	42	43
Net financial expenses	(3)	(2)	(5)	(3)	(4)	(3)	(5)	(3)
Profit before tax	70	62	48	40	53	51	37	40
Income taxes	(18)	(16)	(12)	(11)	(15)	(14)	(10)	(11)
Profit for the period	52	46	36	30	38	37	27	29
Cash flow								
Cash flow from operating activities	111	72	55	(16)	94	55	45	(18)
Cash flow used for investing activities	(25)	(18)	(14)	(14)	(21)	(14)	(13)	(14)
Free cash flow	86	54	42	(30)	73	41	32	(31)
Key ratios								
EPS, diluted	0.39	0.35	0.27	0.23	0.30	0.28	0.20	0.22
Organic growth, %	11	7	12	9	8	10	10	1
Gross margin, %	53.6	52.4	50.4	51.2	51.7	50.5	52.4	52.4
EBITDA margin before special items, %	36.8	33.9	31.7	30.3	36.6	34.2	31.9	32.5
EBIT margin before special items, %	31.1	28.0	25.2	23.1	30.0	27.8	24.8	25.2
EBIT margin, %	31.1	28.0	25.2	23.1	27.6	27.4	22.9	24.9
ROIC excl. goodwill, %	45.1	39.0	32.6	28.0	40.4	35.8	30.4	29.5
R&D, %	5.6	6.5	6.9	6.8	4.9	5.9	7.2	6.7
Capital expenditure, %	10.6	7.8	6.5	7.6	10.9	7.2	7.1	7.9
NWC, %	16.1	20.8	21.4	20.7	17.2	20.7	20.3	18.8
Net debt to EBITDA	1.7x	1.6x	1.8x	1.7x	1.6x	1.7x	1.8x	1.4x

Quarterly key figures by division

EUR million	2014/15				2013/14			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Cultures & Enzymes Division								
Income statement								
Revenue	142	136	123	118	125	118	111	111
EBITDA	62	55	44	42	52	44	40	43
Depreciation, amortization and impairment	(10)	(10)	(10)	(10)	(10)	(9)	(10)	(9)
EBIT	53	45	34	32	42	35	30	34
Key ratios								
EUR growth, %	14	15	11	7	5	3	5	(2)
Organic growth, %	12	8	9	7	8	10	12	4
EBITDA margin, %	43.6	40.1	35.5	35.5	41.7	37.0	35.7	38.7
EBIT margin, %	37.0	32.9	27.4	27.3	33.9	29.1	27.0	30.4
Invested capital excluding goodwill	408	426	419	413	419	425	410	408
ROIC excl. goodwill, %	50.4	42.4	32.4	31.6	40.0	32.9	29.8	33.6
Health & Nutrition Division								
Income statement								
Revenue	45	43	44	32	40	36	36	24
EBITDA	19	16	18	11	17	16	13	6
Depreciation, amortization and impairment	(2)	(2)	(2)	(3)	(2)	(2)	(2)	(2)
EBIT	17	14	16	9	15	14	11	4
Key ratios								
EUR growth, %	14	19	31	35	17	13	16	(6)
Organic growth, %	6	6	20	29	18	19	20	(1)
EBITDA margin, %	41.6	37.9	41.0	34.0	43.1	44.4	39.1	26.0
EBIT margin, %	36.3	32.8	35.9	26.3	37.4	38.6	33.0	17.5
Invested capital excluding goodwill	138	139	136	131	101	102	110	105
ROIC excl. goodwill, %	47.5	41.1	47.2	27.0	58.5	53.0	41.3	16.0
Natural Colors Division								
Income statement								
Revenue	46	49	42	38	41	44	37	37
EBITDA	5	6	5	4	6	8	5	7
Depreciation, amortization and impairment	(1)	(2)	(2)	(2)	(2)	(1)	(1)	(1)
EBIT	4	5	3	3	5	7	4	5
Key ratios								
EUR growth, %	13	12	13	3	(2)	(2)	(8)	(10)
Organic growth, %	13	6	11	4	1	6	(2)	(4)
EBITDA margin, %	11.1	13.0	10.7	11.1	14.9	18.4	14.2	18.2
EBIT margin, %	8.0	10.0	7.3	7.3	11.2	15.2	10.8	14.6
Invested capital excluding goodwill	86	92	96	94	84	90	91	87
ROIC excl. goodwill, %	16.7	21.0	12.9	12.8	21.1	26.1	22.8	26.7

RISK MANAGEMENT

Risk management

RISK MANAGEMENT

Risk management is an integrated part of doing business at Chr. Hansen. Risks relate to future events or developments that can have an influence on the Company achieving its targets.

Relevant risks are identified, monitored and reported to the Executive Board and the Board of Directors through an Enterprise Risk Management process following an annual cycle. Furthermore, the identified risks are presented to and discussed by Management on a quarterly basis. The purpose of this process is to identify risks as early as possible and enable Management to proactively adapt business processes and controls to meet, manage or mitigate these risks.

Identified risks are evaluated based on their possible safety, business or financial impact and the likelihood of the risk materializing. Clear roles and responsibilities are assigned for major risks, and mitigation initiatives are identified, prioritized and launched. The most significant risks identified and reported to the Board of Directors are described below, including measures taken to mitigate these.

Chr. Hansen continues to work on identifying and evaluating relevant risks, and the list does not include all risks that could ultimately affect the Company.

PRODUCTION

Chr. Hansen has five main production sites: two in Denmark and one each in France, Germany and the US. These sites represent the core of Chr. Hansen's business, and each site carefully monitors product safety and delivery performance to manage all potential risks. This consolidation of production allows capacity to be optimized in order to reduce production costs. To minimize the risk of production breakdowns or failures, Chr. Hansen has implemented a risk prevention program where regular audits are conducted, which ensures preventive maintenance and replacements. The Company also maintains idle capacity for key processes. As production processes are optimized and automated, dependence on robust IT systems and infrastructure increases. Chr. Hansen continues to reduce complexity in IT systems and conduct regular restore tests.

With this concentrated production setup, there is a risk of a production breakdown interrupting the Company's operations and leading to a loss of income in both the short term and the longer term due to long lead times on the replacement of key equipment. The causes might be contamination of production equipment, key equipment breakdown, fire, terrorism and natural disasters.

The risk and effect of a production breakdown are mitigated through maintenance, insurance, fire safety measures, behavior-based training, continuous improvements to operational processes and business continuity plans including alternative production possibilities.

Developments in 2014/15

Chr. Hansen continued to invest in optimizing production processes and removing bottlenecks before they occur. Implementation and upscaling of production in the new fermentation capacity installed in 2013/14 was ongoing during 2014/15. Other large projects include a new freeze-dryer installed in the Roskilde plant for human health products.

Energy, water and CO_2 emission efficiency per unit produced increased by 5%, 4% and 13% respectively. With these improvements the EPI levels are back to the same level as the base year 2012/13, and further improvements will be needed to reach the targets for 2019/20.

With the new capacity up and running and other mitigation activities carried out, the risk of production disruptions is considered to have been reduced.

PRODUCT SAFETY

The majority of Chr. Hansen's products are sold to the food & beverage, human health, animal health and plant protection industries. Most products are components in customers' end products that are consumed as food, beverages or dietary supplements.

To ensure the highest product safety, Chr. Hansen has an extensive quality assurance and food safety program covering the entire value chain, from the sourcing of raw materials until the finished products are delivered to customers. The risk assessment performed in the food safety program includes an evaluation of the use of our products in customers' end products. Chr. Hansen's food safety program is certified according to internationally recognized food safety standards. All production sites are FSSC 22000 certified, and central product development functions are certified according to ISO 22000.

Developments in 2014/15
By the end of August 2015, all 14 production sites had achieved FSSC 22000 certification, including China which received certification in 2014/15.

There were four product retrievals during the year, of which one had potential food safety implications while the remainder related to product performance. With increased efforts, including a comprehensive project to do with allergens, the risk of product safety incidents is considered to have been reduced.

DOCUMENTATION
Chr. Hansen has some of the best-documented probiotic strains on the market. However, governments and agencies, especially the European Food Safety Authority (EFSA), have introduced more stringent rules and regulations for the documentation of health claims for food-related products. Chr. Hansen works continuously on improving the documentation of health claims related to the probiotic strains as well as responding to changing documentation demands from authorities.

Developments in 2014/15
The sale of probiotics for fermented milk products in the EU has continued to decline as a consequence of a lack of EU-approved probiotic health claims. It is likely that there will be a continued decline in the EU markets. Also in the US and Australia there has been a decline in the sale of probiotics for fermented milk. Chr. Hansen continues to discuss with agencies and governments the possibility of marketing well-documented health claims. The risk related to existing documentation is considered to be unchanged.

BUSINESS ENVIRONMENT
Chr. Hansen is a global company with a vision to improve food and health around the world. With offices in 30 countries and sales to more than 140 countries, Chr. Hansen is from time to time affected by geopolitical uncertainties and unrest. As a supplier of ingredients mainly to the food industry, Chr. Hansen is rarely directly affected by trade restrictions. Customers of Chr. Hansen are more likely to be affected by trade restrictions, and that could potentially have an adverse effect on the Company's sales. In those instances where the Company's products are or will be affected by sanctions, Chr. Hansen acts in full compliance with these sanctions.

Political and economic unrest in countries and regions where Chr. Hansen operates or plans to operate is constantly monitored and taken into account when making strategic decisions.

Developments in 2014/15
Geopolitical tensions have continued in 2015, and trade restrictions have affected trade, especially between the EU and Russia. The industry as a whole has been affected by the trade restrictions, which have led to a changed flow of products that Chr. Hansen has mitigated by leveraging its strong global market position. While the Company has not yet been directly impacted by these restrictions, such barriers to international trade may have a negative effect on opportunities for further organic growth. Political and economic unrest in certain countries has led to increased focus in these areas to protect both the business and staff. Risk related to the business environment is considered to have increased.

TAXES AND TRANSFER PRICING
Chr. Hansen is a global business that operates in multiple jurisdictions with different tax rules and regulations. It is the Company's intention always to fulfill the tax requirements in all countries where business is conducted. Chr. Hansen constantly works on creating tax awareness in the organization and has defined clear roles and responsibilities between line management, local finance and the Group Tax function. However, tax and transfer pricing disputes do arise from time to time as cross-border transactions receive increasing attention from local tax authorities.

Group Tax ensures compliance with the Group's tax position. In cooperation with tax advisors, requests from local tax authorities are met, and a positive dialogue with local tax authorities is pursued in order to prevent disputes. The Group Tax function constantly strives to support the business activities worldwide in the best possible way.

Developments in 2014/15
Chr. Hansen ensured that its transfer pricing documentation is compliant with the new OECD transfer pricing guidelines and requirements. Chr. Hansen's overall transfer pricing setup has been confirmed by international tax audits, including one concluded in 2014/15. Please refer to note 2.8 to the Consolidated Financial Statements for further information on taxes. The risk related to taxes and transfer pricing is considered to be unchanged.

INTELLECTUAL PROPERTY RIGHTS

A strong and protected technology platform is important for Chr. Hansen. Focus on protecting intellectual property has increased significantly in the industries in which Chr. Hansen operates. The Company has a proactive patent strategy and protects new knowledge created to support and protect its business. Chr. Hansen has more than 1,500 patents granted or pending.

Developments in 2014/15

Chr. Hansen filed 30 new patent applications in 2014/15, around the same level as in 2013/14. The applications were in areas such as fermentation of carmine, probiotic formulations, bioprotection and new enzyme variants. With these filings, the risk related to intellectual property rights is considered to be unchanged.

HEALTH, SAFETY AND SECURITY

Chr. Hansen is committed to continuously improving both the physical and psychological working environment for its employees. The Company has implemented several initiatives to underline the importance of a safe working environment. Monitoring and follow-up of incidents have been strengthened from departmental level to the Executive Board. All major sites have implemented or are in the process of implementing measures to increase awareness of safe behavior and site security. There is also focus on behavior in relation to IT security due to the increased risk of cybercrime.

Developments in 2014/15

The lost-time incident frequency decreased from 4 per million working hours in 2013/14 to 3 in 2014/15. A project to increase the security level at all major sites has been initiated, and findings will be implemented during 2015/16. With continued focus and efforts to train employees in behavior-based safety and security, the risk of health, safety and security incidents is considered to be unchanged.

HUMAN CAPITAL

Attracting and retaining the best employees and new talents remain crucial if Chr. Hansen is to continue to excel. Human knowledge is critical to Chr. Hansen's business, and there is a strong focus on continuously building and expanding the knowledge base by actively developing employees' key skills. The Company employs a large number of scientists and other experts in their fields. Developing their skills and knowledge is an important part of building competencies globally. It is, however, equally essential to integrate these highly qualified employees into the day-to-day business and help them become better at converting their expertise into business value. In order to retain key personnel, a number of tools are utilized, including suitable incentive systems, education and succession planning. One priority is the next-in-line talent for top management positions.

Developments in 2014/15

The average number of training days per employee was 3.4 in 2014/15, compared to 3.1 in 2013/14. Employee turnover was 12%, compared to 11% in 2013/14; 8 percentage points of this was voluntary, and this is considered to be an acceptable level. Work is ongoing to further enhance talent development and leadership training. The risk related to attracting and retaining the best employees and new talents is considered to be unchanged.

FINANCIAL RISK

As an international business, Chr. Hansen is exposed to a number of financial risks relating to currency and interest rate fluctuations, funding, liquidity, credit and counterparty risks. Please refer to note 4.2 to the Consolidated Financial Statements for further information on these risks.

LEGAL RISK

Chr. Hansen is from time to time party to legal proceedings arising in the ordinary course of its business. The legal department is focused on analyzing possible risks in a timely manner and mitigating them in an appropriate way using both internal and, if needed, external capabilities. Despite the focus from Chr. Hansen on these matters, the outcome of legal proceedings cannot be predicted with certainty. Please refer to note 3.8 to the Consolidated Financial Statements for further information on legal proceedings.

GOVERNANCE

Corporate governance

The Board of Directors of Chr. Hansen Holding A/S remains committed to following the Danish Recommendations on Corporate Governance as adopted on 1 June 2013 by Nasdaq Copenhagen in its Rules for Issuers of Shares, and complied with the recommendations in all respects in 2014/15.

Chr. Hansen is committed to being accountable to all relevant stakeholders. The Company has developed a set of policies and positions aligned with international conventions, treaties and standards. As part of this, Chr. Hansen continues to support the United Nations Global Compact's 10 principles in the areas of human rights, labor, the environment and anticorruption.

KEY DEVELOPMENTS IN 2014/15

Diversity

Since the development of a diversity strategy and diversity targets in 2012, Chr. Hansen has seen measurable improvements in both gender and nationality diversity. During 2014/15, Chr. Hansen's corporate management teams became more diverse for the fourth consecutive year, with 27 out of 35 teams now including both genders and more than one nationality. Likewise, the Board of Directors added one woman and one non-local during 2014/15 in line with the target for 2016/17 to have at least two women and one non-local on the Board of Directors. With the achievement of the target for women on the Board of Directors, the Board has set a new goal of minimum three women by latest 2019/20.

Business ethics

Chr. Hansen continued its anticorruption training program, with 245 new employees undergoing the program during 2014/15. To date, more than 1,200 people have completed the training program, which is a core component of Chr. Hansen's anticorruption awareness efforts.

Chr. Hansen has implemented a whistleblower system, which provides a means of reporting possible violations of laws and/or Group policies. Since its implementation in October 2013, six complaints have been registered through the whistleblower system, of which four were registered in 2014/15. In addition to this, four complaints were received outside the system. All complaints have been investigated, and corrective action taken in six cases where the claim was substantiated.

Chr. Hansen continuously encourages employees and external stakeholders such as suppliers and customers to use the system. As an example, use and awareness of the system will be included in the biannual employee survey from 2015/16.

Annual Board of Directors review

The Chairman of the Board of Directors is responsible for conducting an annual review of the Board's performance, addressing the effectiveness of the Board, the processes supporting its work, individual members' contributions and the Chairman's performance.

In 2014/15, the evaluation was conducted by the individual directors and the executives anonymously completing a comprehensive online questionnaire which was then summarized by an external consultant.

The results of the assessment process were presented to the Board of Directors in September 2015 by the Chairman. The report describes a number of areas in which the Board is both effective and very well-functioning and gives an overall impression of a high-performing board of directors. Almost all areas for improvement which were identified in last year's assessment have been complied with. This year, too, the assessment identified some minor areas in which improvements will be considered.

The Chairman will hold individual meetings with the other directors to review their performance.

Similar evaluations of their effectiveness have been undertaken by the Audit Committee, the Nomination Committee and the Remuneration Committee.

REMUNERATION

The remuneration of the Executive Board and Board of Directors at Chr. Hansen shall contribute to the Company being able to attract and retain highly qualified members for both its Executive Board and Board of Directors as well as promoting the creation of shareholder value and further support the Company's short- and long-term objectives.

The following section describes the most important parts of Chr. Hansen's remuneration of the Executive Board and Board of Directors.

Executive Board

Members of the Executive Board receive an agreed base salary, which is subject to annual reassessment, and are granted certain benefits such as company car, insurance, newspaper, free telephone and internet access.

Pension contributions amount to 20% of the base salary.

The Executive Board and other key employees are further offered incentive-based remuneration in accordance with the Board of Directors' overall guidelines for incentive-based remuneration as approved by the Company's Annual General Meeting.

Board of Directors

The remuneration of members of the Board of Directors comprises a fixed annual base fee and fixed annual supplementary fees for the Chairman, Vice Chairman, and members and chairmen of permanent committees. Members of the Board of Directors do not receive any incentive-based remuneration.

Assessment of the remuneration

The remuneration of the Executive Board and Board of Directors and is assessed annually. The Board of Directors decides on the remuneration of the Executive Board and other key employees based on a recommendation from the Board's Remuneration Committee.

FURTHER INFORMATION

Section 107b of the Danish Financial Statements Act requires the Board of Directors of Chr. Hansen Holding A/S to prepare a statement on corporate governance for the 2014/15 financial year. This statement forms part of Management's Review and can be viewed at www.chr-hansen.com/investors/governance/corporate-governance.

For a full report on corporate social responsibility as required by sections 99a and 99b of the Danish Financial Statements Act, please refer to Chr. Hansen's Communication on Progress to the UN Global Compact, available at www.chr-hansen.com/responsibility/reporting-and-disclosure.

For more information on remuneration, please refer to Chr. Hansen's Remuneration Policy as approved by the Annual General Meeting on 29 November 2011 and Overall Guidelines for Incentive-based Remuneration as approved by the Annual General Meeting on 27 November 2014. The remuneration policy and guidelines, Chr. Hansen Articles of Association, and other policies and positions are available at www.chr-hansen.com/investors/governance/policies-and-charters.

For specific information on the remuneration of the Executive Board and Board of Directors in 2014/15, please refer to notes 2.3 and 5.1.

Management

BOARD OF DIRECTORS

OLE ANDERSEN
Professional board member
Born 1956. Independent
Chairman since 2010. Re-elected 2014, term expires 2015
Chairman of the Remuneration and Nomination Committees
Member of the Audit Committee

Other board positions:
Chairman: Danske Bank A/S, Bang & Olufsen A/S and one group company
Member: Nomination Committee of NASDAQ OMX Nordic Ltd., Danish Committee on Corporate Governance
Senior Advisor: EQT Partners
Adjunct professor: CBS (Copenhagen Business School)

Skills:
Professional experience in managing and developing large international companies. Extensive board experience, including from listed companies. Financial and accounting expertise.

FRÉDÉRIC STÉVENIN
Partner at PAI Partners
Born 1966. Independent
Vice chairman
Member since 2005. Re-elected 2014, term expires 2015
Member of the Audit and Nomination Committees

Other board positions:
Chairman of the Supervisory Board of Cerba European Lab and member of the Board of Directors/Manager of two group companies
Member of the Board of Directors of Kaufman & Broad SA and Chairman of the Board of Directors and Managing Director of one group company
Chairman/member of the Board of Directors of Domus Vi and two group companies
Member of the Supervisory Board of Labeyrie and Chairman/member of the Board of Directors of two group companies
Member: Marcolin SpA and two group companies, two R&R Ice Cream group companies, PAI Partners SAS and PAI Partners UK Ltd., SaintPey Holding
Manager: Alta Rocca Investissements and G.A.V.U. Gestion Sprl.

Skills:
Professional experience in investing in large international companies. Financial and accounting expertise. Extensive board experience, including from listed companies.

MARK A. WILSON
Born 1952. Independent
Member since 2010. Re-elected 2014, term expires 2015
Chairman of the Audit Committee
Member of the Remuneration Committee

Skills:
International CEO/MD with over 40 years in fast-moving consumer goods companies and service/B2B industries in Asian, South American, UK, Irish and international markets. Financial and accounting experience.

SØREN CARLSEN
Born 1952. Independent
Member since 2012. Re-elected 2014, term expires 2015
Chairman of the Scientific Committee

Other board positions:
Member: PreSeed Innovation (previously DTU Symbion Innovation), Biosyntia A/S

Skills:
Extensive international experience, knowledge and skills within research & development and investments in biotechnology.

DOMINIQUE REINICHE
Born 1955. Independent
Member since 2013. Re-elected 2014, term expires 2015
Member of the Nomination and Remuneration Committees

Other board positions:
Board member of PayPal Luxembourg, member of the Governance and Remuneration Committee
AXA Global Insurance Group, member of the Compensation & Governance Committee
Supervisory Board member and member of the Audit; Finance and Nomination; Governance & Remuneration Committees: Peugeot S.A. (PSA Peugeot Citroën)

Skills:
Professional experience from positions in the food, beverage and hygiene/beauty care industries at Procter & Gamble and Kraft Jacobs Suchard (now Mondelez International). 22 years of senior leadership positions at French and then European level within The Coca-Cola Company and Coca-Cola Enterprises.

TIINA MATILLA-SANDHOLM
Executive Vice President, Chief Scientific Officer and member of the Board of Executives of Valio Oy, Finland
Born 1958. Independent
Elected 2014, term expires 2015
Member of the Scientific Committee

Other board positions:
Chairman: Nutrition Foundation
Member: Natural Resources Institute (LUKE)

Skills:
Scientific knowledge and competencies as well as extensive managerial and commercial experience from research institutes and a leading dairy group company.

KRISTIAN VILLUMSEN
Executive Vice President of Chronic Care at Coloplast A/S
Born 1970. Independent
Elected 2014, term expires 2015
Member of the Audit Committee

Skills:
Extensive knowledge of the medico and life science industry as well as solid international and managerial experience of both European and emerging markets.

SVEND LAULUND
Manager. External Affairs, Chr. Hansen A/S
Born 1954
Employee representative
Member since 2006. Re-elected 2013, term expires 2017

Other board positions:
Member: Scandinavian Property Investment 11

MADS BENNEDSEN
Senior Research Scientist, Chr. Hansen A/S
Born 1964
Employee representative
Member since 2013, term expires 2017

PER POULSEN
Senior Technology Specialist, Chr. Hansen A/S
Born 1966
Employee representative
Member since 2013, term expires 2017

EXECUTIVE BOARD
CEES DE JONG
President & Chief Executive Officer, Chr. Hansen Holding A/S
Born 1961

Education:
Master of Business Administration from Rotterdam School of Management, Erasmus University, Netherlands
Doctor of Medicine, Erasmus University, Netherlands
Joined Chr. Hansen in 2013

Board positions:
Member: Supervisory Board of Protein Sciences Corporation (USA)

SØREN WESTH LONNING
Chief Financial Officer, Chr. Hansen Holding A/S
Born 1977

Education:
M.Sc. in Finance and Accounting (cand.merc.fir.) from Copenhagen Business School 2002
Joined Chr. Hansen in 2007

Board positions:
CEO and sole shareholder of MNGT4 SWL ApS

KNUD VINDFELDT
Executive Vice President, Cultures & Enzymes Division, Chr. Hansen Holding A/S
Born 1963

Education:
Master of Dairy Science
Bachelor of International Business
Joined Chr. Hansen in 1991

Shareholder information

Chr. Hansen Holding A/S is listed on Nasdaq Copenhagen and aims to provide long-term returns to shareholders through increases in share price and dividend payouts.

TOTAL SHAREHOLDER RETURN 2014/15

The share price developed positively in 2014/15. At the end of August 2015, the share traded at DKK 335, while the share price at 1 September 2014 was DKK 231, corresponding to an increase of DKK 104 per share.

During the year, an ordinary dividend for the 2013/14 financial year of DKK 3.77 per share and an interim dividend related to the 2014/15 financial year of DKK 6.57 per share were paid.

The total shareholder return for 2014/15 equaled DKK 115 or 50% per share.

Chr. Hansen is included in a number of share indexes, including the Nasdaq C20CAP index, and measures itself against a predefined group of companies.The Nasdaq C20CAP index returned 22%, while the predefined peer group returned 14% including dividends.

CAPITAL STRUCTURE

The Board of Directors regularly assesses whether the capital structure of Chr. Hansen is in shareholders' best interests.

The Board of Directors is committed to maintaining financial leverage consistent with a solid investment-grade credit profile while returning excess cash to shareholders through ordinary dividends and through either interim dividends or share buy-back programs, in accordance with the Company's capital allocation priorities.

Dividends

The Company's policy for ordinary dividends is a payout ratio of 30-50% of net profit. In addition to this, the Annual General Meeting has authorized the Board of Directors to distribute interim dividends.

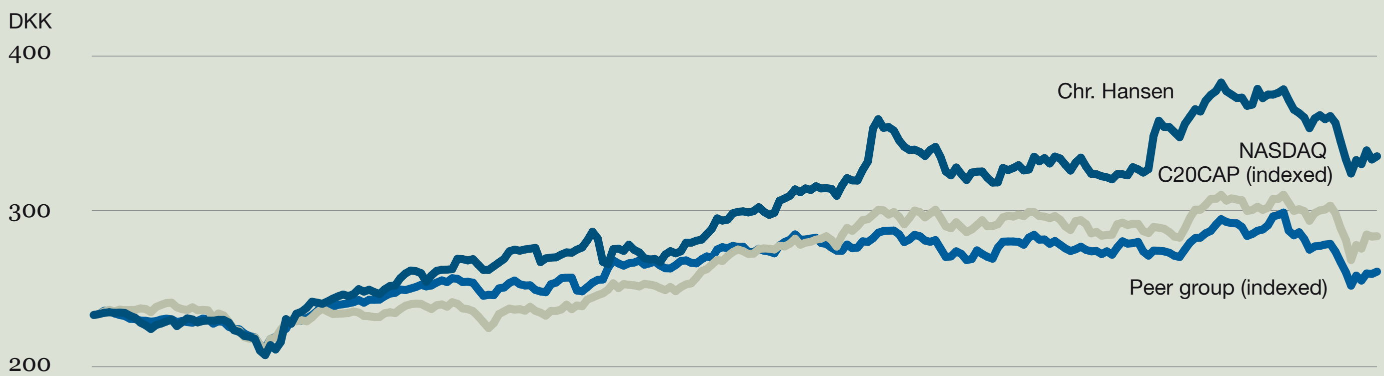
The dividends proposed depend on the Board's assessment of factors such as business development, growth strategy and financing needs, and there can be no assurance that in any given year an ordinary or interim dividend will be proposed or declared.

The Board of Directors proposes that the Annual General Meeting approves an ordinary dividend for 2014/15 of EUR 0.63 (DKK 4.70) per share, or a total of EUR 82 million. The proposed ordinary dividend is equivalent to 50% of the profit for the year.

The Board of Directors believes that the proposed dividend best serves the interests of shareholders. The capital and share

SHARE PERFORMANCE

September 2014 – August 2015



structure will be assessed regularly to determine whether it remains in shareholders' best interests.

Changes to share capital
On 5 January 2015, the Company's share capital was reduced by 2,647,480 shares acquired under a share buy-back program to redistribute excess cash of EUR 80 million to shareholders. Following the reduction, the share capital has a nominal value of DKK 1,318,524,960 (previously DKK 1,344,999,760).

Authorizations of the Board of Directors
The Board of Directors has been authorized by the Annual General Meeting up to and including 26 November 2017 to:

- Increase the share capital in one or more stages, with pre-emptive rights for existing shareholders, by up to a total nominal value of DKK 131,852,496 (previously DKK 134,499,976). The capital increase shall be effected by payment in cash.
- Increase the share capital in one or more stages, without pre-emptive rights for existing shareholders, by up to a total nominal value of DKK 131,852,496 (previously DKK 134,499,976), provided that the increase takes place at market price. The capital increase may be effected by payment in cash or by contribution of assets other than cash.
- Have the Company acquire up to 13,185,249 (previously 13,449,997) own shares, provided that the Company's holding of treasury shares at no time exceeds 10% of the Company's share capital. The consideration payable for the shares may not deviate by more than 10% from the share price listed on Nasdaq Copenhagen at the time of acquisition.
- Distribute extraordinary dividends in accordance with the rules and limitations set out in the Danish Companies Act.

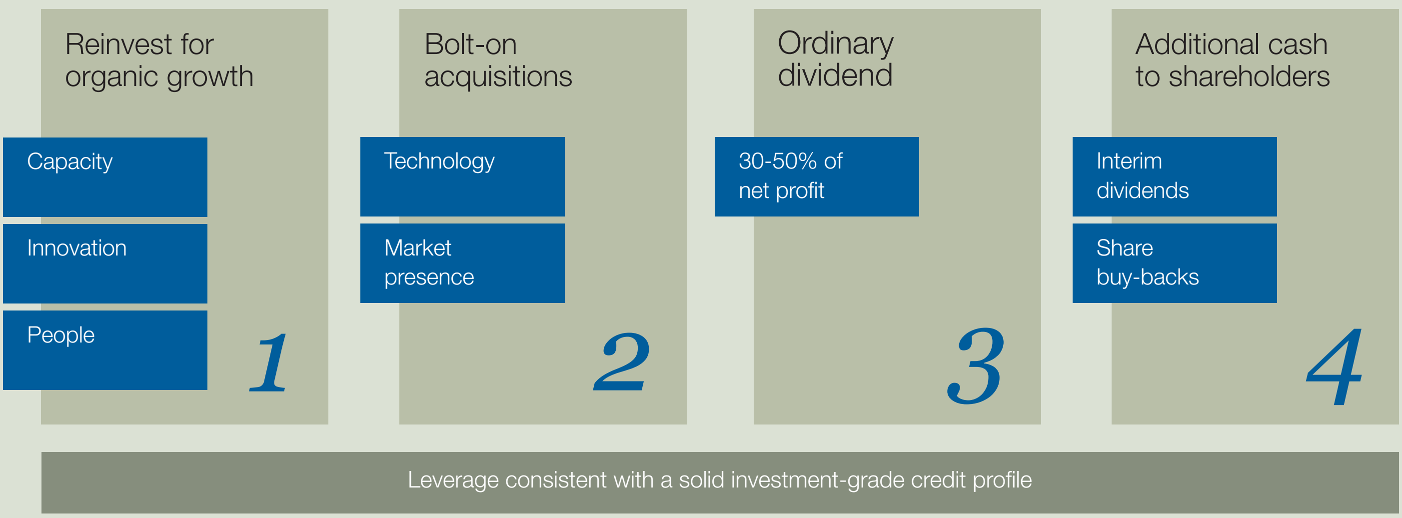
SHAREHOLDERS
At the end of August 2015, Chr. Hansen had around 21,600 institutional and private shareholders. At 31 August 2015, three shareholders held more than 5% of the shares each:

- Novo A/S (Denmark) 25.7%
- Capital Group Companies Inc. (US) 8.6%
- APG Asset Management N.V. (Netherlands) 5.1%

Other institutional investors, primarily from the UK and the US, held around 50%, while retail investors held around 5%. Chr. Hansen held 1.2% in order to meet certain obligations to deliver shares under management incentive programs.

American Depositary Receipt program
Chr. Hansen has a sponsored Level 1 American Depositary Receipt (ADR) program with Bank of New York Mellon acting as depositary bank. An ADR is a USD-denominated negotiable certificate that represents ownership of shares in a non-US company, facilitating the purchase, holding and sale of non-US

CAPITAL ALLOCATION PRIORITY



securities by US investors. At the end of 2014/15, 2.3% of the share capital was held through the ADR program.

The sole activity of the listed company Chr. Hansen Holding A/S is the general management and central administration of shareholdings in companies in the Chr. Hansen Group.

ANALYST COVERAGE

The Company is currently covered by more than 20 analysts, including major international investment banks. A list of analysts covering Chr. Hansen can be found at www.chr-hansen.com/investors/share-info/analysts.

INVESTOR RELATIONS ACTIVITIES

Chr. Hansen seeks to ensure that relevant, accurate and timely information is made available to the capital markets to serve as a basis for regular trading and fair pricing of the Company's shares. In providing this information, Chr. Hansen aims to ensure that it is perceived as a visible, accessible, reliable and professional company by the investor community, and that the Company is regarded as one of the best among its peers in this area. This is to be achieved while complying with the rules and legislation for listed companies on Nasdaq Copenhagen and Chr. Hansen's communication policy.

In 2014/15, Chr. Hansen held more than 350 meetings with investors and analysts, including road shows to Copenhagen, London, New York, Boston, Chicago, San Francisco, Los Angeles, Columbus, Denver, Santa Fe, Toronto, Montreal, Paris, Frankfurt, Munich, Geneva, Zürich, Amsterdam, Brussels, Luxembourg, Stockholm and Helsinki, and participated in a number of conferences held by various brokers.

INVESTOR RELATIONS WEBSITE

The Company's investor relations site contains both historical and current information about the Company, including company announcements, investor presentations, teleconferences, a financial calendar and annual reports.
See www.chr-hansen.com/investors.

CONTACT

The Investor Relations department handles the daily contact with analysts and investors.

Senior Director	IR Manager
Anders Mohr Christensen	Anders Enevoldsen
Tel: +45 4574 7618	Tel: +45 4574 7630
dkamc@chr-hansen.com	dkanen@chr-hansen.com

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Thursday, 26 November 2015 in Chr. Hansen's headquarters at Bøge Allé 10-12, 2970 Hørsholm, Denmark, at 4 p.m. CET.

SHARE DATA

Share capital, DKK	1,318,524,960
Number of shares	131,852,496 of DKK 10
Outstanding shares	130,260,454 of DKK 10
Classes of shares	1
Voting and ownership restrictions	None
Stock exchange	Nasdaq Copenhagen A/S
ISIN code	DK0060227585
Ticker symbol	CHR
Share price at year-end	DKK 335
Interim dividend per share (paid July 2015)	DKK 6.57
Proposed dividend per share	DKK 4.70

In the event of change of control, the members of the Executive Board do not receive any additional compensation.

FINANCIAL CALENDAR

Annual General Meetings	
26 November 2015	Annual General Meeting 2014/15
29 November 2016	Annual General Meeting 2015/16
Statements of Results 2015/16	
14 January 2016	Interim Report Q1
7 April 2016	Interim Report Q2
5 July 2016	Interim Report Q3
26 October 2016	Annual Report 2015/16

MAIN COMPANY ANNOUNCEMENTS 2014/15

1 December 2014	New long-term incentive program
30 January 2015	Total number of voting rights and share capital in Chr. Hansen Holding A/S
4 March 2015	CFO to leave Chr. Hansen Holding A/S
14 April 2015	Major shareholder announcement APG Asset Management N.V.
5 May 2015	New EVP, Natural Colors Division
25 June 2015	Major shareholder announcement WCM Investment Management
7 July 2015	New CFO appointed
20 August 2015	Major shareholder announcement WCM Investment Management

Management's statement on the Annual Report

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Chr. Hansen Holding A/S for the financial year 1 September 2014 to 31 August 2015.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 August 2015 of the Group and the Parent Company and of the results of the Group's and Parent Company's operations and cash flows for 2014/15.

In our opinion, Management's Review includes a true and fair account of developments in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hørsholm, 21 October 2015

Executive Board

Cees De Jong
President and CEO

Søren Westh Lonning
CFO

Knud Vindfeldt
Executive Vice President

Board of Directors

Ole Andersen
Chairman

Frédéric Stévenin
Vice Chairman

Mark A. Wilson

Tiina Mattila-Sandholm

Søren Carlsen

Dominiqe Reiniche

Kristian Villumsen

Per Poulsen

Svend Laulund

Mads Bennedsen

Independent auditor's report

To the Shareholders of Chr. Hansen Holding A/S

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Chr. Hansen Holding A/S for the financial year 1 September 2014 to 31 August 2015, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as for the Parent Company.

The Consolidated Financial Statements and the Parent Company Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 August 2015 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 September 2014 to 31 August 2015 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Copenhagen, 21 October 2015

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Kim Füchsel	**Rasmus Friis Jørgensen**
State Authorized	State Authorized
Public Accountant	Public Accountant

FINANCIAL STATEMENTS GROUP

Financial Statements — Group

Notes

Income statement
1 September - 31 August

EUR million	Note	**2014/15**	2013/14
Revenue	2.1	858.6	756.2
Cost of sales	2.2, 2.3	(412.2)	(364.9)
Gross profit		**446.4**	**391.3**
Research and development expenses	2.2, 2.3	(51.0)	(43.2)
Sales and marketing expenses	2.2, 2.3	(101.7)	(92.7)
Administrative expenses	2.2, 2.3, 2.4	(61.3)	(53.9)
Other operating income		2.7	3.6
Other operating expenses		(2.6)	(0.3)
Operating profit before special items		**232.5**	**204.8**
Special items	2.5	-	(9.7)
Operating profit (EBIT)		**232.5**	**195.1**
Financial income	2.6	47.1	20.8
Financial expenses	2.7	(59.9)	(34.6)
Profit before tax		**219.7**	**181.3**
Income taxes	2.8	(57.2)	(49.1)
Profit for the year		**162.5**	**132.2**
Attributable to:			
Shareholders of Chr. Hansen Holding A/S		162.5	132.2
Earnings per share (EUR)	2.9	1.24	1.00
Earnings per share, diluted (EUR)	2.9	1.23	1.00

Statement of comprehensive income

EUR million	Note	2014/15	2013/14
Profit for the year		**162.5**	**132.2**
Items that will not be reclassified subsequently to the income statement:			
Remeasurements of defined benefit plans		(0.1)	(0.5)
Items that will be reclassified subsequently to the income statement when specific conditions are met:			
Currency translation of foreign Group companies		(12.4)	(1.5)
Deferred gains/(losses) on cash flow hedges arising during the year		(1.8)	(3.1)
Gains/(losses) on cash flow hedges expiring during the year		2.9	3.1
Tax related to cash flow hedges		(1.3)	-
Other comprehensive income for the year		**(12.7)**	**(2.0)**
Total comprehensive income for the year		**149.8**	**130.2**
Attributable to:			
Shareholders of Chr. Hansen Holding A/S		**149.8**	**130.2**

Balance sheet at 31 August

EUR million

ASSETS	Note	2015	2014
Non-current assets			
Intangible assets			
Goodwill	3.1	615.1	609.8
Other intangible assets	3.2	129.5	137.1
Intangible assets in progress	3.2	39.4	37.2
Total intangible assets		**784.0**	**784.1**
Property, plant and equipment			
Land and buildings	3.3	135.3	125.4
Plant and machinery	3.3	136.3	83.5
Other fixtures and equipment	3.3	14.4	14.0
Property, plant and equipment in progress	3.3	38.9	77.0
Total property, plant and equipment		**324.9**	**299.9**
Other non-current assets			
Deferred tax	2.8	7.0	6.3
Total other non-current assets		**7.0**	**6.3**
Total non-current assets		**1,115.9**	**1,090.3**
Current assets			
Inventories			
Raw materials and consumables		21.0	19.2
Work in progress		40.4	35.5
Finished goods and goods for resale		46.9	45.0
Total inventories	3.4	**108.3**	**99.7**
Receivables			
Trade receivables	3.5	123.1	111.5
Tax receivables		2.4	1.9
Other receivables		12.0	8.2
Prepayments		6.5	5.7
Total receivables		**144.0**	**127.3**
Cash and cash equivalents		**76.4**	**57.6**
Total current assets		**328.7**	**284.6**
Total assets		**1,444.6**	**1,374.9**

Balance sheet at 31 August

EUR million

EQUITY AND LIABILITIES	Note	2015	2014
Equity			
Share capital	4.1	176.7	180.5
Reserves		424.1	476.3
Total equity		**600.8**	**656.8**
Liabilities			
Non-current liabilities			
Employee benefit obligations	3.6	6.3	6.0
Deferred tax	2.8	52.3	52.7
Provisions	3.7	2.6	2.5
Borrowings	4.2	536.3	449.2
Tax payables		19.5	19.5
Other non-current debt		0.6	1.4
Total non-current liabilities		**617.6**	**531.3**
Current liabilities			
Borrowings	4.2	27.7	11.9
Prepayments from customers		0.6	1.0
Trade payables		93.3	81.4
Tax payables		38.6	29.8
Other payables		66.0	62.7
Total current liabilities		**226.2**	**186.8**
Total liabilities		**843.8**	**718.1**
Total equity and liabilities		**1,444.6**	**1,374.9**

Commitments and contingent liabilities	3.8
Derivative financial instruments	4.3
Related parties	5.3
Events after the balance sheet date	5.4
List of Group companies at 31 August 2015	5.5

Statement of changes in equity

EUR million	Note	Shareholders of Chr. Hansen Holding A/S				
		Share capital	**Currency translation**	**Cash flow hedges**	**Retained earnings**	**Total**
Equity at 1 September 2014		**180.5**	**(21.3)**	**(3.0)**	**500.6**	**656.8**
Total comprehensive income for the year, cf. statement of comprehensive income		(0.3)	(12.1)	(0.2)	162.4	149.8
Transactions with owners:						
Reduction of share capital		(3.5)			3.5	-
Purchase of treasury shares		-	-	-	(38.0)	(38.0)
Exercised share options		-	-	-	8.0	8.0
Share-based payment	5.1	-	-	-	3.3	3.3
Tax related to share-based payment		-	-	-	2.3	2.3
Dividend		-	-	-	(181.4)	(181.4)
Equity at 31 August 2015		**176.7**	**(33.4)**	**(3.2)**	**460.7**	**600.8**

During the year, an ordinary dividend for the financial year 2013/14 of DKK 3.77 per share and an interim dividend related to the financial year 2014/15 of DKK 6.57 per share were paid.

A dividend of EUR 0.63 (DKK 4.70) per share, corresponding to EUR 82.0 million, is proposed for 2014/15.

EUR million	Note	Shareholders of Chr. Hansen Holding A/S				
		Share capital	**Currency translation**	**Cash flow hedges**	**Retained earnings**	**Total**
Equity at 1 September 2013		**180.3**	**(19.6)**	**(3.0)**	**523.0**	**680.7**
Total comprehensive income for the year, cf. statement of comprehensive income		0.2	(1.7)	-	131.7	130.2
Transactions with owners:						
Purchase of treasury shares *		-	-	-	(80.0)	(80.0)
Exercised share options		-	-	-	27.7	27.7
Share-based payment	5.1	-	-	-	3.6	3.6
Tax related to share-based payment		-	-	-	6.2	6.2
Dividend		-	-	-	(111.6)	(111.6)
Equity at 31 August 2014		**180.5**	**(21.3)**	**(3.0)**	**500.6**	**656.8**

* 80.0 million relates to the share buy-back program.

Cash flow statement
1 September - 31 August

EUR million	Note	**2014/15**	2013/14
Operating profit		**232.5**	**195.1**
Non-cash adjustments	5.2	57.7	53.9
Change in working capital		(8.1)	(11.8)
Interest payments received		0.8	0.9
Interest payments made		(11.4)	(12.5)
Taxes paid		(50.0)	(49.2)
Cash flow from operating activities		**221.5**	**176.4**
Investments in intangible assets		(15.4)	(12.2)
Investments in property, plant and equipment		(55.1)	(50.6)
Sale of property, plant and equipment		0.1	1.0
Cash flow used for investing activities		**(70.4)**	**(61.8)**
Free cash flow		**151.1**	**114.6**
Borrowings		90.6	405.2
Repayment of long-term loans		(8.8)	(375.0)
Exercise of options		8.0	27.7
Purchase of treasury shares, net		(38.0)	(80.0)
Dividends paid		(181.4)	(111.6)
Non-controlling interests, dividends, etc.		(2.1)	(0.3)
Cash flow used for financing activities		**(131.7)**	**(134.0)**
Net cash flow for the year		**19.4**	**(19.4)**
Cash and cash equivalents at 1 September		57.6	77.5
Unrealized exchange gains/(losses) included in cash and cash equivalents		(0.6)	(0.5)
Net cash flow for the year		19.4	(19.4)
Cash and cash equivalents at 31 August		**76.4**	**57.6**

1.1 General accounting policies

ACCOUNTING POLICIES

BASIS OF PREPARATION

The Consolidated Financial Statements for the Chr. Hansen Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class D.

GENERAL INFORMATION ON RECOGNITION AND MEASUREMENT

The Consolidated Financial Statements have been prepared under the historical cost method, except for the measurement of certain financial instruments at fair value.

The accounting policies set out below have been applied consistently in respect of the financial year 2014/15 and the comparative figures. The accounting policies are unchanged from 2013/14 except for the implementation of new and amended IFRS/IAS standards as stated below.

NEW AND AMENDED STANDARDS

Chr. Hansen has adopted all new or amended accounting standards and interpretations (IFRSs) issued by the IASB and endorsed by the European Union effective for the accounting year 2014/15.

Amendments to IAS 32 "Financial Instruments: Presentation" clarify the offsetting requirements for amounts presented in the balance sheet. The amendments determine that the right to set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendments also cover settlement mechanisms.

Amendments to IAS 39 "Financial instruments: Recognition and Measurement" address novation of derivatives and continuation of hedge accounting. The amendments require that hedge accounting is continued when a derivative is novated to a central counterparty as a result of laws and regulations.

The application of these new IFRSs has not had any material impact on the Consolidated Financial Statements for 2014/15, and we do not anticipate any significant impact on future periods from the adoption of these new IFRSs.

The IASB has issued a number of new or amended standards and interpretations effective for financial years beginning after 1 September 2014. Some of these have not yet been endorsed by the EU. Most relevant to the Group is the following:

- IFRS 9 "Financial Instruments" reducing the number of asset classes for financial assets to two: amortized cost and fair value. The standard incorporates new requirements for accounting for financial liabilities. The standard will be effective for financial years beginning on or after 1 January 2018.
- IFRS 15 "Revenue Recognition" clarifying the principles for recognizing revenue from contracts with customers. The effective date for this standard has tentatively been deferred by one year so that it will be effective for financial years beginning on or after 1 January 2018.

None of the new or amended standards and interpretations are expected to have a material effect on the Group's reporting. The Group expects to adopt the standards and interpretations when they become effective.

PRESENTATION OF ACCOUNTING POLICIES

Where possible the accounting policies for an accounting area are presented in the individual notes for that area. Accounting policies not directly related to an area covered by a note are presented below.

DEFINING MATERIALITY

The Consolidated Financial Statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. When aggregated, the transactions are presented in classes of similar items in the Consolidated Financial Statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the Consolidated Financial Statements or in the notes. There are substantial disclosure requirements throughout IFRS. Management provides specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or not applicable.

1.1 General accounting policies

TRANSLATION FROM FUNCTIONAL CURRENCY TO PRESENTATION CURRENCY

Items in the financial statements of each of the reporting companies of the Group are measured in the currency of the primary economic environment in which the company operates (the functional currency).

Assets, liabilities and equity items are translated from each reporting company's functional currency to EUR at the balance sheet date. The income statements are translated from the functional currency into the presentation currency based on the average exchange rate for the individual months. Differences arising on the translation of the equity at the beginning of the period and translation of the income statement from the average rates to the exchange rate at the balance sheet date are recognized in other comprehensive income and presented as a separate reserve in equity.

The functional currency of the Parent Company is the Danish krone (DKK). However, due to the Group's international relations, the Consolidated Financial Statements are presented in euros (EUR).

BASIS OF CONSOLIDATION

The Consolidated Financial Statements cover Chr. Hansen Holding A/S (the Parent Company) and entities over which the Parent Company has a controlling influence. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Gains or losses on the disposal or winding up of Group companies, joint ventures and associates are stated as the difference between the sales amount and the carrying amount of net assets including goodwill at the date of disposal or winding up, foreign exchange adjustments recognized directly in equity plus costs to sell or winding up expenses.

Gains or losses on disposal or winding up of subsidiaries are recognized in the income statement under special items, while gains or losses on disposal or winding up of associates are recognized under financial income and expenses.

TRANSLATION OF TRANSACTIONS AND AMOUNTS

Transactions in foreign currencies are initially translated into the functional currency at the exchange rates at the transaction date.

Exchange adjustments arising due to differences between the transaction date rates and the rates at the payment date are recognized in financial income or financial expenses in the income statement. Receivables, payables and other monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising due to differences between the rates at the balance sheet date and the transaction date rates are recognized in financial income or financial expenses in the income statement.

REVENUE

Revenue is recognized in the income statement if the risk has been transferred to the purchaser at the balance sheet date, the income can be measured reliably, and expenses incurred or expected to be incurred in connection with the transaction can be measured reliably. Revenue is measured at the fair value of the consideration received excluding VAT and less commission and discounts granted in connection with the sales.

Royalty and license fees are recognized when earned according to the terms of the license agreements.

COST OF SALES

Cost of sales comprises the cost of products sold. Cost comprises the purchase price of raw materials, consumables and goods for resale, direct labor costs and a share of indirect production costs, including costs of operation and depreciation of production facilities as well as operation, administration and management of factories.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses comprise income that is not related to the principal activities. This includes income from government grants, rental income and gains and losses on the disposal of intangible assets and property, plant and equipment and other income of a secondary nature in relation to the main activities of the Group.

1.2 Summary of key accounting estimates

KEY ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing the Consolidated Financial Statements, Management makes various accounting estimates and assumptions which form the basis of presentation, recognition and measurement of the Group's assets and liabilities. The most significant accounting estimates and judgments are presented below.

In applying the Group's accounting policies, Management makes judgments which may significantly influence the amounts recognized in the Consolidated Financial Statements. Determining the carrying amount of some assets and liabilities requires judgments, estimates and assumptions concerning future events.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

Assumptions about the future and estimation uncertainty on the balance sheet date are described in the notes where there is a significant risk of changes that could result in material adjustments to the carrying amounts of assets or liabilities within the next financial year.

Management considers the key accounting estimates and assumptions used in the preparation of the Consolidated Financial Statements to relate to the following:

- Segment information (note 2.1)
- Tax assets and liabilities (note 2.8)
- Goodwill (note 3.1)
- Development projects (note 3.2)
- Inventories (note 3.4)

Please refer to the specific notes for further information on the key accounting estimates and assumptions applied.

2.1 Segment information

ACCOUNTING POLICIES

Segment information is given on the three divisions of the Group: Cultures & Enzymes, Health & Nutrition and Natural Colors. The information is based on the management structure and internal management reporting to the Executive Board and constitutes our reportable segments. The identification of the segments on which to report did not include aggregation of operating segments.

The accounting policies regarding recognition and measurement used in the segment information are identical to the ones used in the Consolidated Financial Statements.

The geographic distribution of revenue is based on customers' location.

KEY ACCOUNTING ESTIMATES AND JUDGMENTS

When presenting segment information from the income statement and balance sheet, disclosed amounts are split according to internal management information. Some costs, assets and liabilities are not directly attributable to the three divisions and have to be distributed according to allocation keys used in internal management reporting. These allocation keys are reassessed at least annually based on planned activity in the three divisions and are subject to Management's judgment.

Segment information

The reportable segments are based on the segmentation in the internal financial reporting received by Senior Management. The reportable segments are divisions offering customers different products and services.

The Cultures & Enzymes Division produces and sells innovative cultures, enzymes and probiotic products that help determine the taste, flavor, color, texture, safety, preservation, nutritional value and health benefits of a variety of consumer products in the food industry, especially in the dairy industry.

The Health & Nutrition Division produces and sells products for the dietary supplement, over-the-counter pharmaceutical, infant formula, animal feed and plant protection industries.

The Natural Colors Division supplies natural color solutions to the food & beverage industry.

2.1 Segment information

EUR million				2014/15
	Cultures & Enzymes	**Health & Nutrition**	**Natural Colors**	**Group**
Income statement				
External revenue	518.9	164.8	174.9	858.6
EUR growth	*12%*	*23%*	*10%*	*14%*
Organic growth	*9%*	*13%*	*9%*	*10%*
EBITDA	202.0	64.2	20.2	286.4
EBITDA margin	*38.9%*	*39.0%*	*11.5%*	*33.4%*
Depreciation, amortization and impairment losses	(38.8)	(9.3)	(5.8)	(53.9)
EBIT before special items	163.2	54.9	14.4	232.5
EBIT margin before special items	*31.5%*	*33.3%*	*8.3%*	*27.1%*
Assets				
Goodwill	538.3	76.8	-	615.1
Other intangible assets, including intangible assets in progress	115.1	38.1	15.7	168.9
Intangible assets	**653.4**	**114.9**	**15.7**	**784.0**
Property, plant and equipment	215.6	71.0	38.3	324.9
Total non-current assets excluding deferred tax	**869.0**	**185.9**	**54.0**	**1,108.9**
Inventories	52.2	19.7	36.4	108.3
Trade receivables	71.9	25.5	25.7	123.1
Trade payables	(47.0)	(16.2)	(30.1)	(93.3)
Net working capital	**77.1**	**29.0**	**32.0**	**138.1**
Assets not allocated				104.3
Group assets				**1,444.6**
Invested capital excluding goodwill	**407.8**	**138.1**	**86.0**	**631.9**
ROIC excluding goodwill	40.3%	42.2%	17.4%	37.6%
Investments in non-current assets excluding deferred tax	43.8	20.5	6.2	70.5

2.1 Segment information

EUR million				2013/14
	Cultures & Enzymes	**Health & Nutrition**	**Natural Colors**	**Group**
Income statement				
External revenue	464.4	133.5	158.3	756.2
EUR growth	*3%*	*11%*	*(5)%*	*2%*
Organic growth	*8%*	*15%*	*1%*	*8%*
EBITDA	178.0	52.6	26.1	256.6
EBITDA margin	*38.3%*	*39.4%*	*16.5%*	*33.9%*
Depreciation, amortization and impairment losses	(37.9)	(8.5)	(5.5)	(51.9)
EBIT before special items	140.1	44.1	20.6	204.8
EBIT margin before special items	*30.2%*	*33.0%*	*13.0%*	*27.1%*
Assets				
Goodwill	533.4	76.4	-	609.8
Other intangible assets, including intangible assets in progress	119.6	39.1	15.6	174.3
Intangible assets	**653.0**	**115.5**	**15.6**	**784.1**
Property, plant and equipment	225.2	36.5	38.2	299.9
Total non-current assets excluding deferred tax	**878.2**	**152.0**	**53.8**	**1,084.0**
Inventories	51.1	16.1	32.5	99.7
Trade receivables	65.6	23.2	22.7	111.5
Trade payables	(42.5)	(13.8)	(25.1)	(81.4)
Net working capital	**74.2**	**25.5**	**30.1**	**129.8**
Assets not allocated				79.7
Group assets				**1,374.9**
Invested capital excluding goodwill	**419.0**	**101.1**	**83.9**	**604.0**
ROIC excluding goodwill	34.6%	42.7%	26.2%	34.9%
Investments in non-current assets excluding deferred tax	47.4	8.9	6.5	62.8

2.1 Segment information

EUR million	2014/15		2013/14	
Geographic allocation				
Revenue				
EMEA*	405.9	47%	382.3	50%
Americas**	333.1	39%	269.8	36%
APAC	119.6	14%	104.1	14%
Total revenue	**858.6**	**100%**	**756.2**	**100%**
Non-current assets excluding deferred tax				
EMEA	916.9	83%	907.2	84%
Americas	179.3	16%	162.4	15%
APAC	12.7	1%	14.4	1%
Total non-current assets excl. deferred tax	**1,108.9**	**100%**	**1,084.0**	**100%**

* Includes Denmark, which accounts for 1% of total revenue (1% in 2013/14).

** Includes the US, which accounts for 23% of total revenue (22% in 2013/14).

2.2 Depreciation, amortization and impairment losses

ACCOUNTING POLICIES

The accounting policies for depreciation, amortization and impairment losses are specified in notes 3.1, 3.2 and 3.3.

EUR million	2014/15	2013/14
Depreciation		
Property, plant and equipment		
Cost of sales	(26.9)	(24.9)
Research and development expenses	(2.8)	(2.4)
Sales and marketing expenses	(0.7)	(0.7)
Administrative expenses	(3.1)	(3.0)
Total	**(33.5)**	**(31.0)**
Amortization and impairment losses		
Intangible assets		
Cost of sales	(4.0)	(3.7)
Research and development expenses	(5.9)	(5.6)
Sales and marketing expenses	(9.0)	(10.2)
Administrative expenses	(1.5)	(1.4)
Total	**(20.4)**	**(20.9)**
Total depreciation, amortization and impairment losses	**(53.9)**	**(51.9)**

2.3 Staff expenses

EUR million	**2014/15**	2013/14
Wages and salaries, etc.	(165.0)	(152.6)
Pension expenses - defined contribution plans	(13.2)	(11.7)
Pension expenses - defined benefit plans (note 3.6)	(0.4)	(0.4)
Social security, etc.	(20.0)	(18.2)
Total	**(198.6)**	**(182.9)**
Average number of employees (FTEs)	**2,573**	**2,510**

Remuneration of the Board of Directors and Executive Board

Total fees to key management personnel, who comprise the Board of Directors and Executive Board, amounted to EUR 4.3 million in 2014/15 and EUR 4.3 million in 2013/14.

Board of Directors

Total fees to the Board of Directors amounted to EUR 0.8 million in 2014/15 and EUR 0.7 million in 2013/14.

EUR million **2014/15**

Executive Board		**Salary**	**Bonus 1)**	**Pension**	**Other**	**Share-based payment 2)**	**Total**
Cees de Jong		0.78	0.35	0.06	-	0.47	1.66
Søren Westh Lonning	3)	0.02	-	0.01	-	0.01	0.04
Knud Vindfeldt		0.44	0.19	0.09	-	0.33	1.05
Klaus Pedersen	4)	0.39	0.19	0.08	-	0.11	0.77
Total		**1.63**	**0.73**	**0.24**	**-**	**0.92**	**3.52**

EUR million 2013/14

Executive Board	**Salary**	**Bonus 1)**	**Pension**	**Other**	**Share-based payment 2)**	**Total**
Cees de Jong	0.78	0.11	-	-	0.35	1.24
Klaus Pedersen	0.44	0.16	0.08	0.01	0.42	1.11
Knud Vindfeldt	0.46	0.16	0.09	-	0.57	1.28
Total	**1.68**	**0.43**	**0.17**	**0.01**	**1.34**	**3.63**

1) The amounts express the actual cash bonus payments during the year.
2) The amounts are based on the principles set out in note 5.1.
3) Member of the Executive Board since 1 August 2015.
4) Member of the Executive Board until 1 August 2015.

Members of the Executive Board receive a fixed salary, pension and bonus based on corporate and individual KPIs, the size of which is subject to certain financial and non-financial targets being met. In the event that a member is dismissed, the ordinary salary is paid for a 18-month notice period. In the event of change of control, the members of the Executive Board do not receive any additional compensation.

2.3 Staff expenses

EUR million

Fees to the Board of Directors	Joined the Board	Left the Board	2014/15	2013/14
Ole Andersen (Chairman)	February 2010		0.18	0.18
Frédéric Stévenin (Vice Chairman)	November 2006		0.09	0.07
Søren Carlsen	November 2012		0.08	0.07
Tiina Mattila-Sandholm	November 2014		0.05	-
Dominique Reiniche	November 2013		0.07	0.05
Kristian Villumsen	November 2014		0.05	-
Mark Anthony Wilson	October 2010		0.11	0.10
Mads Bennedsen	November 2013		0.05	0.04
Svend Laulund	January 2006		0.05	0.05
Per Poulsen	November 2013		0.05	0.04
Didier Fernand Debrosse	November 2011	November 2013	-	0.02
Henrik Poulsen	March 2010	November 2014	0.02	0.09
Jannik Vindeløv	August 2013	November 2013	-	0.02
Total			**0.80**	**0.73**

Shares

The Executive Board's and the Board of Directors' shares in Chr. Hansen Holding A/S:

Number of shares	Beginning of the year	Bought during the year	Sold during the year	End of the year
Ole Andersen (Chairman)	16,666	-	-	16,666
Frédéric Stévenin (Vice Chairman)	11,111	-	-	11,111
Søren Carlsen	1,904	396	-	2,300
Tiina Mattila-Sandholm	-	1,040	-	1,040
Dominique Reiniche	-	1,462	-	1,462
Kristian Villumsen	-	1,500	-	1,500
Mark Anthony Wilson	3,000	-	-	3,000
Mads Bennedsen	-	-	-	-
Svend Laulund	1,666	-	-	1,666
Per Poulsen	150	-	-	150
Total	**34,497**	**4,398**	**-**	**38,895**
Cees de Jong	6,000	6,000	-	12,000
Søren Westh Lonning	-	-	-	-
Knud Vindfeldt	26,020	131,210	(149,130)	8,100
Total	**32,020**	**137,210**	**(149,130)**	**20,100**

Each director elected by the General Meeting must, no later than 12 months after appointment to the Board of Directors, purchase shares in the Company corresponding to an amount of at least one year's base fee. The director must maintain a shareholding corresponding to at least one year's base fee for as long as the director is a member of the Company's Board of Directors.

The Executive Board has undertaken to maintain ownership of shares in Chr. Hansen, either directly or indirectly as specified in note 5.1, with a minimum value corresponding to six months of the executive officer's gross base salary.

2.4 Fees to auditors

EUR million	2014/15	2013/14
PricewaterhouseCoopers		
Statutory audit	(0.6)	(0.6)
Audit-related services	(0.4)	(0.3)
Tax advisory services	(0.5)	(0.3)
Other services	(0.1)	(0.1)
Total	**(1.6)**	**(1.3)**

2.5 Special items

ACCOUNTING POLICIES

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

EUR million	2014/15	2013/14
Increasing scalability in production through consolidation of enzyme and color plants	-	(5.0)
Optimization of organizational structure	-	(4.1)
Optimized tax and legal setup	-	(0.6)
Total	**-**	**(9.7)**

The special items for 2013/14 comprise 58% staff expenses, 39% other external costs and 3% write-downs.

2.6 Financial income

ACCOUNTING POLICIES

Financial income and expenses comprise interest receivable and interest payable, commission, the interest component of payments under finance leases, surcharges and refunds under Denmark's on-account tax scheme, and value adjustments of financial fixed assets, derivative financial instruments and items denominated in a foreign currency.

EUR million	**2014/15**	2013/14
Interest income	0.8	0.9
Foreign exchange gains	43.4	16.1
Foreign exchange gains on derivatives	2.9	3.8
Total	**47.1**	**20.8**

2.7 Financial expenses

ACCOUNTING POLICIES

See note 2.6 above.

EUR million	**2014/15**	2013/14
Interest expenses	(7.9)	(9.1)
Borrowing costs related to construction of assets	0.5	0.7
Foreign exchange losses	(35.0)	(16.9)
Foreign exchange losses on derivatives	(12.6)	(4.2)
Losses on derivatives transferred from other comprehensive income	(2.9)	(3.1)
Other financial expenses including amortized costs	(2.0)	(2.0)
Total	**(59.9)**	**(34.6)**

Effective interest expenses amounted to EUR 10.8 million (EUR 12.2 million in 2013/14).
The capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 1.88% (2.25% in 2013/14).

2.8 Income taxes and deferred tax

ACCOUNTING POLICIES

Current tax liabilities and receivables are recognized in the balance sheet at the amounts calculated on the taxable income for the year adjusted for tax on taxable incomes for prior years and for taxes paid on account.

Deferred tax is measured using the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Apart from assets acquired as part of business combinations, deferred tax is not recognized in respect of temporary differences concerning goodwill, office premises and other items where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the tax base may be performed according to different tax rules, deferred tax is measured on the basis of Management's intended use of the asset or settlement of the liability.

KEY ACCOUNTING ESTIMATES AND JUDGMENTS

Tax and transfer pricing disputes arise from time to time as cross-border transactions receive increasing attention from local tax authorities. The Group recognizes tax assets and liabilities in order to always fulfill tax requirements in all the countries where business is conducted. Management assesses tax assets and liabilities at least annually based on dialogue with local tax authorities, tax advisors, business plans and knowledge of the business.

EUR million	2014/15	2013/14
Income taxes		
Current tax on profit for the year	(56.1)	(50.0)
Change in deferred tax concerning profit for the year	2.7	6.6
Tax on profit for the year	**(53.4)**	**(43.4)**
Adjustments concerning previous years	(3.8)	(5.7)
Tax in the income statement	**(57.2)**	**(49.1)**
Tax on other comprehensive income	**(1.3)**	-

	2014/15		2013/14	
Reconciliation of tax rate				
Danish tax rate	23.5%	(51.6)	24.5%	(44.3)
Deviation of non-Danish Group companies compared to Danish tax rate	1.1%	(2.4)	1.3%	(2.4)
Non-taxable income and non-deductible expenses	(0.7)%	1.4	(1.1)%	2.0
Adjustments concerning previous years	1.7%	(3.8)	1.7%	(3.1)
Other taxes	0.4%	(0.8)	0.7%	(1.3)
Efective tax rate	**26.0%**		**27.1%**	
Tax on profit for the year		**(57.2)**		**(49.1)**

2.8 Income taxes and deferred tax

EUR million	**2015**	2014
Deferred tax		
Deferred tax at 1 September	46.4	52.4
Currency translation	0.4	0.4
Change in deferred tax - recognized in the income statement	(2.7)	(6.6)
Change in deferred tax - recognized through equity	1.2	0.2
Deferred tax at 31 August	**45.3**	**46.4**
Deferred tax assets	(7.0)	(6.3)
Deferred tax liabilities	52.3	52.7
Deferred tax at 31 August	**45.3**	**46.4**
Specification of deferred tax		
Intangible assets	37.4	39.2
Property, plant and equipment	13.7	11.5
Non-current assets	0.7	1.8
Loss carryforwards	(2.2)	(2.3)
Liabilities	(4.3)	(3.8)
Total deferred tax at 31 August	**45.3**	**46.4**
Amounts due after 12 months, estimated	**43.9**	**46.4**
Tax loss carryforwards		
Total tax loss carryforwards	13.7	14.5
Tax losses expected to be utilized	8.1	7.6
Deferred tax assets from tax losses recognized in the balance sheet	**2.2**	**2.3**

2.9 Earnings per share

EUR million	2014/15	2013/14
Profit from continuing operations	162.5	132.2
Profit for the year attributable to shareholders of Chr. Hansen Holding A/S	**162.5**	**132.2**
Average number of shares	132,759,167	134,499,976
Average number of treasury shares	(2,063,598)	(2,426,980)
Average number of shares excluding treasury shares	**130,695,569**	**132,072,996**
Average dilution effect of share options	983,950	447,109
Average number of shares, diluted	**131,679,519**	**132,520,105**
Earnings per share (EUR)	**1.24**	**1.00**
Earnings per share, diluted (EUR)	**1.23**	**1.00**

3.1 Goodwill

ACCOUNTING POLICIES

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired company.

The carrying amount of goodwill is allocated to the Group's cash-generating units, which are the operating segments at the acquisition date.

KEY ACCOUNTING ESTIMATES AND JUDGMENTS

Goodwill is tested annually for impairment, whereby an estimate is made to determine whether parts of the entity (cash-generating units) related to the goodwill will be able to generate sufficient future positive net cash flows to support the value of goodwill, trademarks with an indefinite useful life and other net assets of the entity in question.

The estimate of future free net cash flows is based on budgets and business plans for the coming five years and on projections for subsequent years. Budgets and business plans are based on specific future business initiatives for which the risks relating to key parameters have been assessed and recognized in estimated future free cash flows. Projections for years following the five-year period are based on general expectations and risks. Key parameters are revenue development, profit margins, proposed capital expenditure and growth expectations.

The discount rate used to calculate recoverable amounts is the weighted average cost of capital before tax.

EUR million	**2015**	2014
Cost at 1 September	609.8	609.4
Currency translation	5.3	0.4
Cost at 31 August	**615.1**	**609.8**

The carrying amount of goodwill has been allocated to the cash-generating units identified according to the operating segments as follows:

Cultures & Enzymes Division	538.3	533.4
Health & Nutrition Division	76.8	76.4
Total	**615.1**	**609.8**

3.1 Goodwill

At 31 August 2015, Management performed an impairment test of the carrying amount of goodwill. No basis for impairment was found. In the impairment tests, the carrying amount of the assets is compared to the discounted value of future cash flows. The future cash flows are based on budgets and Management's estimates of the expected development in the next five years. Revenue, EBIT, working capital, discount rate and growth assumptions constitute the most material parameters in the calculations.

At 31 August 2015, an average growth rate of 7% in the five-year period for revenue in the Culture & Enzymes Division has been applied and an increased EBIT margin over the period reaping further improvements in scalability is expected. In the Health & Nutrition Division, an average growth rate of 10% in the five-year period for revenue has been applied based on increased market share/penetration. The growth rates are based on previous year's performance and market surveys. In applying the growth rates in revenue a conservative approach has been taken using the lower range in the long-term financial ambitions set out in Nature's No. 1. Overall an expected improvement in the EBIT margin in the five-year period of more than 1 percentage point has been applied and working capital is assumed to constitute 14-17% of revenue for both divisions. A pre-tax discount rate of 10% has been applied in the impairment test for both divisions.

At 31 August 2014, an average growth rate of 8% in the five-year period for revenue in the Cultures & Enzymes Division, an average growth rate of 10% in the five-year period for revenue in the Health & Nutrition Division and an expected overall improvement in the EBIT margin in the five-year period of more than 1 percentage point for both divisions were applied. Working capital was assumed to constitute 15-16% of revenue for both divisions. A pre-tax discount rate of 9% was applied in the impairment test for both divisions.

3.2 Other intangible assets

ACCOUNTING POLICIES

Research expenses are recognized in the income statement as they are incurred. Development costs are recognized as intangible assets if the costs are expected to generate future economic benefits.

Costs for development and implementation of substantial software and IT systems are capitalized and amortized over their expected useful lives.

Trademarks, patents and customer lists acquired are recognized at cost and amortized over their expected useful lives.

Other intangible assets are measured at cost less accumulated amortization and impairment losses.

Borrowing costs in respect of construction of assets are capitalized when it takes more than a year for them to be ready for use.

Amortization is carried out systematically over the expected useful lives of the assets:

- Customer lists: 7 years
- Patents, trademarks and rights: 5-20 years
- Software: 5-10 years
- Development projects: 3-15 years

KEY ACCOUNTING ESTIMATES AND JUDGMENTS

Finished development projects are reviewed at the time of completion and on an annual basis to determine whether there is any indication of impairment. If this is indicated, an impairment test is carried out for the individual development projects. For development projects in progress, however, an annual impairment test is always performed. The impairment test is performed on the basis of various factors, including future use of the project, the fair value of the estimated future earnings or savings, interest rates and risks.

For development projects in progress, Management estimates on an ongoing basis whether each project is likely to generate future economic benefits for the Group in order to qualify for recognition. The development projects are evaluated on technical as well as commercial criteria.

3.2 Other intangible assets

EUR million							**2015**
	Trademarks	**Patents**	**Development projects**	**Software**	**Development projects in progress**	**Other intangible assets in progress**	**Total**
Cost at 1 September	157.6	36.0	51.0	40.3	33.8	3.4	322.1
Currency translation	0.1	(0.4)	(0.1)	0.3	(0.5)	(0.1)	(0.7)
Additions for the year	-	-	0.7	1.3	8.7	4.7	15.4
Transferred	1.2	(1.2)	8.5	2.1	(8.6)	(2.0)	-
Cost at 31 August	**158.9**	**34.4**	**60.1**	**44.0**	**33.4**	**6.0**	**336.8**
Amortization at 1 September	(68.7)	(31.4)	(28.2)	(19.5)	-	-	(147.8)
Adjustment to amortization	(7.4)	7.4	-	-	-	-	-
Currency translation	-	0.2	-	0.1	-	-	0.3
Amortization for the year	(7.8)	(2.6)	(5.7)	(4.3)	-	-	(20.4)
Transferred	(1.2)	1.2	-	-	-	-	-
Amortization at 31 August	**(85.1)**	**(25.2)**	**(33.9)**	**(23.7)**	**-**	**-**	**(167.9)**
Carrying amount at 31 August	**73.8**	**9.2**	**26.2**	**20.3**	**33.4**	**6.0**	**168.9**
Salary expenses for the year included in assets above					6.2	1.9	
Interest for the year included in assets above					0.1	-	

							2014
	Trademarks	**Patents**	**Development projects**	**Software**	**Development projects in progress**	**Other intangible assets in progress**	**Total**
Cost at 1 September	157.9	35.5	46.1	37.9	31.3	2.5	311.2
Currency translation	(0.1)	0.4	-	-	(1.0)	0.1	(0.6)
Additions for the year	-	0.1	1.0	1.1	7.6	2.4	12.2
Disposals for the year	(0.1)	(0.1)	(0.2)	(0.3)	-	-	(0.7)
Transferred	(0.1)	0.1	4.1	1.6	(4.1)	(1.6)	-
Cost at 31 August	**157.6**	**36.0**	**51.0**	**40.3**	**33.8**	**3.4**	**322.1**
Amortization at 1 September	(67.3)	(21.3)	(23.0)	(15.8)	(1.0)	-	(128.4)
Currency translation	(0.2)	(0.1)	0.1	-	1.0	-	0.8
Amortization for the year	(1.4)	(10.0)	(5.3)	(4.0)	-	-	(20.7)
Disposals for the year	0.1	0.1	0.2	0.2	-	-	0.6
Impairment	-	-	(0.2)	-	-	-	(0.2)
Transferred	0.1	(0.1)	-	0.1	-	-	0.1
Amortization at 31 August	**(68.7)**	**(31.4)**	**(28.2)**	**(19.5)**	**-**	**-**	**(147.8)**
Carrying amount at 31 August	**88.9**	**4.6**	**22.8**	**20.8**	**33.8**	**3.4**	**174.3**
Salary expenses for the year included in assets above					5.8	0.3	
Interest for the year included in assets above					0.7	-	

3.2 Other intangible assets

Trademarks
Of the trademarks, the carrying amount of the Chr. Hansen trademark alone at 31 August 2015 is EUR 23.7 million, and the remaining amortization period is 10 years.

Patents and development projects
Completed development projects and development projects in progress comprise development and testing of new strains for cultures, enzymes and natural colors as well as production techniques. The value of the development projects recognized has been compared to expected sales or cost savings. In cases where indicators of impairment have been identified, the relevant assets have been written down. The impairment tests have been prepared similarly to the goodwill impairment test described in note 3.1 based on the value in use of the assets.

Chr. Hansen recognized no impairment losses in respect of capitalized development costs in 2014/15 (EUR 0.2 million in 2013/14).

Software
Software comprises expenses for acquiring software licenses and expenses related to internally developed software. The value of the recognized software has been compared to the expected value in use. No indicators of impairment have been identified.

3.3 Property, plant and equipment

ACCOUNTING POLICIES

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment charges. Property, plant and equipment in progress are measured at cost. Cost comprises expenses for materials, other expenses directly related to making the asset ready for use, and re-establishment expenses, provided that a corresponding provision is made at the same time. Borrowing costs in respect of construction of assets are capitalized when it takes more than a year for them to be ready for use.

The useful lives of the individual groups of assets are estimated as follows:

- Buildings: 25-50 years
- Plant and machinery: 5-20 years
- Other fixtures and equipment: 5-10 years

Land is not depreciated.

Depreciation is based on a straight-line pattern.

Gains and losses on the disposal of property, plant and equipment are recognized in the income statement under other operating income and other operating expenses.

3.3 Property, plant and equipment

EUR million **2015**

	Land and buildings	Plant and machinery	Other fixtures and equipment	Property, plant and equipment in progress	Total
Cost at 1 September	171.3	217.9	28.7	77.0	494.9
Currency translation	5.4	4.4	(0.3)	-	9.5
Additions for the year	2.3	16.0	3.0	33.8	55.1
Disposals for the year	(0.3)	(0.4)	(0.9)	-	(1.6)
Transferred	11.6	57.2	3.1	(71.9)	-
Cost at 31 August	**190.3**	**295.1**	**33.6**	**38.9**	**557.9**
Depreciation at 1 September	(45.9)	(134.4)	(14.7)	-	(195.0)
Currency translation	(2.2)	(2.4)	(0.6)	-	(5.2)
Depreciation for the year	(6.9)	(22.4)	(4.2)	-	(33.5)
Disposals for the year	-	0.4	0.3	-	0.7
Depreciation and impairment at 31 August	**(55.0)**	**(158.8)**	**(19.2)**	**-**	**(233.0)**
Carrying amount at 31 August	**135.3**	**136.3**	**14.4**	**38.9**	**324.9**
Salary expenses for the year included in assets above				4.1	
Interest for the year included in assets above				0.3	

Land and buildings include buildings on land leased from Scion DTU A/S at Hørsholm, Denmark, for an unlimited term, EUR 18.3 million (EUR 19.5 million in 2013/14).

Value of mortgaged land and buildings, cf. also note 3.8 concerning other guarantees and commitments, EUR 79.8 million (EUR 73.7 million in 2013/14).

	Land and buildings	Plant and machinery	Other fixtures and equipment	Property, plant and equipment in progress	Total
Cost at 1 September	165.0	203.5	21.9	55.4	445.8
Currency translation	0.5	0.2	-	0.1	0.8
Additions for the year	2.7	5.6	3.0	39.3	50.6
Disposals for the year	(0.5)	(0.8)	(1.0)	-	(2.3)
Transferred	3.6	9.4	4.8	(17.8)	-
Cost at 31 August	**171.3**	**217.9**	**28.7**	**77.0**	**494.9**
Depreciation at 1 September	(39.8)	(113.9)	(12.0)	-	(165.7)
Currency translation	(0.2)	0.9	(0.3)	-	0.4
Depreciation for the year	(6.2)	(21.7)	(3.1)	-	(31.0)
Disposals for the year	0.3	0.3	0.7	-	1.3
Depreciation and impairment at 31 August	**(45.9)**	**(134.4)**	**(14.7)**	**-**	**(195.0)**
Carrying amount at 31 August	**125.4**	**83.5**	**14.0**	**77.0**	**299.9**
Salary expenses for the year included in assets above				4.3	
Interest for the year included in assets above				0.5	

3.4 Inventories

ACCOUNTING POLICIES

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising costs incurred to bring the product to the current completion rate and location. Costs include the cost of raw materials, consumables, direct wages and salaries, and indirect production overheads. Indirect production overheads comprise indirect materials, wages and salaries, maintenance and depreciation of production machinery, buildings and equipment, and production administration and management.

KEY ACCOUNTING ESTIMATES AND JUDGMENTS

The calculation of indirect production costs is reviewed regularly in order to ensure that relevant assumptions such as prices, production yield and measures of utilization are incorporated correctly. Changes in the parameters, assumed production yield and utilization levels, etc. could have a significant impact on cost and, in turn, on the valuation of inventories and production costs.

EUR million	**2015**	2014
Direct materials	66.4	60.5
Other direct and indirect production costs	41.9	39.2
Total	**108.3**	**99.7**
Inventory write-downs at year-end	**3.8**	**2.9**

Inventory write-downs expensed during 2014/15 amounted to EUR 9.6 million (2013/14: EUR 7.4 million).

3.5 Trade receivables

ACCOUNTING POLICIES

Receivables are initially recognized at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortized cost less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable taking into consideration the period overdue and the expected likelihood of receiving payment.

EUR million	**2015**	2014
Aging of receivables:		
Not due	115.3	101.4
0-30 days overdue	5.7	7.5
31-60 days overdue	0.4	2.3
61-120 days overdue	1.0	0.3
> 120 days overdue	0.7	-
Total trade receivables	**123.1**	**111.5**
Provisions for bad debts:		
Provisions at 1 September	0.6	1.4
Additions for the year	1.2	2.6
Reversals for the year	(0.7)	(3.1)
Losses realized in the year	-	(0.3)
Provisions at 31 August	**1.1**	**0.6**

3.6 Employee benefit obligations

ACCOUNTING POLICIES

Contributions to defined contribution plans are charged to the income statement in the year to which they relate. In a few countries, the Group still operates defined benefit plans. The costs for the year for defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees to the valuation dates and is based on actuarial assumptions primarily regarding discount rates used in determining the present value of benefits and projected rates of remuneration growth. Discount rates are based on the market yields of high-rated corporate bonds in the country concerned.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the income statement. Pension assets are only recognized to the extent that it is possible to derive future economic benefits such as refunds from the plan or reductions of future contributions. The Group's defined benefit plans are usually funded by payments from Group companies and by employees to funds independent of the Group. Where a plan is unfunded, a liability for the retirement obligation is recognized in the balance sheet.

3.6 Employee benefit obligations

Employee benefit plans in the Group

Other employee benefit obligations consist of obligations regarding payments made in connection with employee service tenure, long service benefits and other social benefits.

The Group has entered into pension agreements with a significant share of its employees. The majority of the plans are defined contribution plans and only a small part are defined benefit plans.

Defined contribution plans

The Group finances the plans through regular premium payments to independent insurance companies that are responsible for the pension obligations. When the pension contributions of the defined contribution plans have been paid, the Group has no further pension obligations toward current employees or resigned employees.

Defined benefit plans

For certain groups of employees, the Group has entered into agreements on the payment of certain benefits, including pensions. These obligations are not, or are only partly, covered by insurance. Unfunded plans have been recognized in the balance sheet and income statement as shown below.

EUR million	**2015**	2014
Movement in the employee benefit obligations recognized		
Obligations at 1 September	10.9	9.7
Currency translation	0.4	0.3
Current service expenses	0.2	0.2
Interest expenses	0.4	0.4
Actuarial gains/losses	0.6	0.7
Payments made	(0.4)	(0.4)
Employee benefit obligations recognized at 31 August	**12.1**	**10.9**
Movement in the fair value of plan assets		
Fair value of plan assets at 1 September	4.9	4.3
Currency translation	0.4	0.3
Expected return on plan assets	0.2	0.2
Actuarial gains/losses	0.2	0.2
Employer contributions	0.2	0.1
Benefits paid	(0.1)	(0.2)
Fair value of plan assets at 31 August	**5.8**	**4.9**
Net benefit obligations at 31 August	**6.3**	**6.0**
Net employee benefit obligations		
Net obligations at 1 September	6.0	5.4
Costs recognized in the income statement	0.4	0.4
Remeasurements recognized in other comprehensive income	0.4	0.5
Employer contributions	(0.5)	(0.3)
Net employee benefit obligations at 31 August	**6.3**	**6.0**

3.6 Employee benefit obligations

	2015	2014
Weighted average actuarial assumptions applied		
Discount rate	2.8%	3.2%
Future increase in salaries	4.4%	4.5%
Future increase in pensions	2.4%	2.4%
Distribution of plan assets to cover obligations		
Shares	38%	40%
Bonds	49%	49%
Real estate	9%	9%
Cash and cash equivalents	4%	2%
	100%	**100%**

3.7 Provisions

ACCOUNTING POLICIES

Provisions are recognized when, as a consequence of an event occurring on or before the balance sheet date, the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation. The obligation is measured on the basis of Management's best estimate of the discounted amount at which the obligation is expected to be met.

EUR million	**2015**	2014
Provisions at 1 September	2.5	2.3
Additions for the year	0.7	0.4
Used in the year	(0.6)	(0.2)
Provisions at 31 August	**2.6**	**2.5**

The provisions relate primarily to lawsuits brought against the Group by customers and former employees.

3.8 Commitments and contingent liabilities

EUR million	2015	2014
Operating lease commitments		
Due within 1 year	3.0	3.1
Due between 1 and 5 years	3.4	2.6
Total	**6.4**	**5.7**
Lease commitments relate primarily to car and equipment rental.		
Expensed payments relating to operating leases	**4.2**	**4.0**
Individual assets directly pledged		
Land and buildings	79.8	73.7
Plant and machinery	93.1	50.8
Book value of pledged individual assets	**172.9**	**124.5**

The recognized liabilities are based on minimum lease payments.

Pending court and arbitration cases
Certain claims have been made against the Chr. Hansen Group. Management is of the opinion that the result of these disputes will not have a significant effect on the Group's financial position.

At 31 August 2015, Chr. Hansen was opposing party in one and defendant in three diacetyl-related lawsuits based on alleged personal injuries as a result of exposure to diacetyl vapors. Management does not believe that diacetyl lawsuits will have a material adverse effect on the Company's financial position or results of operation.

Change of control
The loan facilities are subject to change-of-control clauses. Regarding change-of-control clauses in employment contracts, please refer to note 2.3.

4.1 Share capital

At 31 August 2015, the Company had share capital with a nominal value of DKK 1,318,524,960 (equivalent to EUR 176.7 million), divided into shares of DKK 10.

The share capital has been fully paid up.

The Company did not conduct a share buy-back program in 2014/15 (2,647,480 shares for an amount of EUR 80.0 million in 2013/14). At 31 August 2015, the company held 1,592,042 treasury shares (3,949,400 treasury shares at 31 August 2014). All of the treasury shares were held to cover share programs.

In 2014/15, the share capital was reduced by canceling 2,647,480 treasury shares.

In 2013/14, the share capital was not changed.

Further information about the Group's policy for managing its capital can be found under "Shareholder information."

	2015	2014
Number of shares outstanding		
Outstanding at 1 September	130,550,576	131,125,177
Purchased during the year	(840,000)	(2,647,480)
Sold during the year	549,878	2,072,879
Outstanding at 31 August	**130,260,454**	**130,550,576**

The Company had share capital of DKK 1,380,342,200 at 1 September 2010. It was reduced by DKK 35,342,440 in 2012/13 and DKK 26,474,800 in 2014/15.

4.2 Financial assets and liabilities

ACCOUNTING POLICIES

Cash and cash equivalents comprise cash balances and unrestricted deposits with banks.

Financial liabilities, including mortgage loans and loans from credit institutions, are initially measured at fair value less transaction costs incurred. Subsequently, the loans are measured at amortized cost. Amortized cost is calculated as original cost less installments plus/less the accumulated amortization of the difference between cost and nominal value. Losses and gains on loans are thus allocated over the term so that the effective interest rate is recognized in the income statement over the loan period. Financial liabilities are derecognized when settled.

The portion of the debt maturing after one year is recognized as non-current debt, and the remainder as current debt.

Other debts are measured at amortized cost. However, derivative financial instruments recognized under other payables are measured at fair value. See “Derivative financial instruments” below.

For accounting purposes, lease obligations are divided into finance and operating leases. Leases are classified as finance leases if they transfer substantially all the risks and rewards incident to ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognized in the income statement on a straight-line basis over the lease term.

4.2 Financial assets and liabilities

EUR million

Assets	**Maturity < 1 year**	**Maturity 1-5 years**	**Maturity > 5 years**	**2015 Total**
Trade receivables	123.1	-	-	123.1
Other receivables	12.0	-	-	12.0
Cash and cash equivalents	76.4	-	-	76.4
Total	**211.5**	**-**	**-**	**211.5**

	Maturity < 1 year	**Maturity 1-5 years**	**Maturity > 5 years**	2014 **Total**
Trade receivables	111.5	-	-	111.5
Other receivables	8.2	-	-	8.2
Cash and cash equivalents	57.6	-	-	57.6
Total	**177.3**	**-**	**-**	**177.3**

Liabilities	**Maturity < 1 year**	**Maturity 1-5 years**	**Maturity > 5 years**	**2015 Total**
Long-term borrowings*	-	513.3	38.8	552.1
Short-term borrowings*	33.9	-	-	33.9
Trade payables	93.3	-	-	93.3
Other payables	68.9	-	-	68.9
	196.1	**513.3**	**38.8**	**748.2**
Derivative financial instruments	(0.2)	(2.7)	-	(2.9)
Total	**195.9**	**510.6**	**38.8**	**745.3**

* Including future interest payments.

	Maturity < 1 year	**Maturity 1-5 years**	**Maturity > 5 years**	2014 **Total**
Long-term borrowings*	-	442.4	29.7	472.1
Short-term borrowings*	17.1	-	-	17.1
Trade payables	81.4	-	-	81.4
Other payables	58.7	-	-	58.7
	157.2	**442.4**	**29.7**	**629.3**
Derivative financial instruments	0.5	3.5	-	4.0
Total	**157.7**	**445.9**	**29.7**	**633.3**

* Including future interest payments.

4.2 Financial assets and liabilities

EUR million	**2015**	2014
Long-term borrowings		
Senior bank borrowings	501.7	406.8
Mortgages	37.2	45.6
Total before amortization of financing expenses	**538.9**	**452.4**
Capitalized financing expenses	(2.6)	(3.2)
Total long-term borrowings	**536.3**	**449.2**
Short-term borrowings		
Mortgages	8.2	8.7
Bank borrowings	19.5	3.2
Total	**27.7**	**11.9**

The Group's borrowings are denominated in EUR, USD and DKK. The borrowings in USD are subject to a currency risk at Group level, which is hedged with FX forward contracts.

The terms for the bank debt include a few covenants focusing on the Group's ability to generate sufficient cash flow. The financing of each Group company is monitored and managed at Group level. Estimates for the income statement, balance sheet and cash flow statement indicate that the covenants will be met by a comfortable margin.

4.2 Financial assets and liabilities

EUR million				2015
Mortgages	**Effective interest rate**	**Maturity**	**Carrying amount**	**Interest rate risk**
Floating rate*	(0.02)%	2-12 years	32.3	Cash flow
Fixed rate*	0.80%	0-9 years	13.1	Fair value
Total mortgages			**45.4**	

* Interest rate excluding margin.

Bank borrowings				
Floating rate	-	0-7 years	125.0	Cash flow
Fixed rate**	-	0-3 years	393.4	Fair value
Total bank borrowings			**518.4**	

The fair value of mortgages was EUR 46.5 million, whereas the fair value of bank borrowings did not differ significantly from the carrying amount. The fair value was calculated at level 2 in the fair value hierarchy using direct quotes.

** Interest rate swaps were used to fix the interest rate. These were denominated in EUR and had an average interest rate of 0.555%.

Currency of the principal	**Interest-bearing debt translated to EUR**	**Floating rate**	**Fixed rate**
EUR	300.4	8%	92%
USD	100.1	100%	0%
DKK	165.8	93%	7%
Total	**566.3**	**49%**	**75%**

				2014
Mortgages	**Effective interest rate**	**Maturity**	**Carrying amount**	**Interest rate risk**
Floating rate*	0.37%	3-13 years	38.1	Cash flow
Fixed rate*	3.28%	0-10 years	16.2	Fair value
Total mortgages			**54.3**	

* Interest rate excluding margin.

Bank borrowings				
Floating rate	-	0-6 years	78.1	Cash flow
Fixed rate**	-	0-4 years	331.9	Fair value
Total bank borrowings			**410.0**	

The fair value of mortgages was EUR 56.1 million, whereas the fair value of bank borrowings did not differ significantly from the carrying amount. The fair value was calculated at level 2 in the fair value hierarchy using direct quotes.

** Interest rate swaps were used to fix the interest rate. The EUR part had an average interest rate of 1.28%, and the USD part had an average interest rate of 1.77%.

Currency of the principal	**Interest-bearing debt translated to EUR**	**Floating rate**	**Fixed rate**
EUR	307.4	11%	89%
USD	59.5	3%	97%
DKK	97.3	83%	17%
Total	**464.2**	**25%**	**75%**

4.2 Financial assets and liabilities

FINANCIAL RISKS

Being an international company, Chr. Hansen is exposed to currency and interest rate fluctuations.

Chr. Hansen's corporate Treasury department monitors and manages risks related to currency exposure and interest rate levels in accordance with the corporate Treasury Procedure approved by the Board of Directors. The procedure reflects how Chr. Hansen manages financial risks and contains rules defining not only how financial instruments are used to hedge risks, but also an acceptable level of risk exposure and use of counterparties.

Funding and liquidity

Funding and adequate liquidity are fundamental factors in driving an expanding business, and management of both is an integrated part of Chr. Hansen's continuous budget and forecasting process. To ensure focus on managing the risks related to funding and liquidity, Chr. Hansen's corporate Treasury department manages and monitors funding and liquidity for the entire Group and ensures the availability of required liquidity through cash management and uncommitted as well as committed facilities.

Foreign exchange

To reduce exposure to exchange rate changes, Chr. Hansen trades primarily in EUR and USD. However, trading also takes place in other currencies. Currency exposure is mainly managed by having revenue and expenses in the same currency. Where this is insufficient to manage the risk, Chr. Hansen's corporate Treasury department performs hedging in accordance with the Treasury Procedure. Please refer to note 4.3 for further information.

Interest rates

Interest rate risk mainly relates to interest on debt. Debt is financed at the market rate plus a margin. The risk is limited by entering into interest-hedging agreements in accordance with the Treasury Procedure (note 4.3).

Credit

Credit risks mainly relate to trade receivables and other receivables. The risk is limited due to Chr. Hansen’s diverse customer base representing multiple industries and businesses on international markets where the Company cooperates with many large and medium-sized partners. When dealing with smaller businesses, the Company sells mainly through distributors, thus reducing the credit risk regarding these customers.

Counterparty risk

Counterparty risk for cash, deposits and financial instruments is handled by working only with financial institutions that have a satisfactory long-term credit rating. Chr. Hansen's core financial counterparties’ long-term credit ratings are currently in the AA or the A category. Chr. Hansen's Treasury Procedure also defines a credit limit for each counterparty.

4.3 Derivative financial instruments

ACCOUNTING POLICIES

Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value. The fair values of derivative financial instruments are included in other receivables and other payables respectively, and positive and negative values are offset only when the Group has the right and the intention to settle financial instruments net. Fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

Certain derivative financial instruments are designated as one of the following:

- Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- Hedges associated with highly probable forecasted transactions (cash flow hedges)
- Hedges of a net investment in a foreign operation (net investment hedges)

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognized assets and liabilities are recognized in the income statement together with changes in the value of the hedged asset or liability with respect to the hedged portion.

The effective part of changes in the fair value of derivative financial instruments used for cash flow hedges is recognized in other comprehensive income and presented as a separate reserve in equity. The reserve is transferred to the income statement on realization of the hedged transactions. If a derivative financial instrument used to hedge expected future transactions expires, is sold or no longer qualifies for hedge accounting, any accumulated fair value reserve remains in equity until the hedged transaction is concluded. If the transaction is no longer expected to be concluded, any fair value reserve accumulated under equity is transferred to the income statement.

Changes in the fair value of derivative financial instruments used for net investment hedges that effectively hedge currency fluctuations in these entities are recognized in the Consolidated Financial Statements directly in a separate translation reserve in equity.

Realized gains and losses on derivative financial instruments are recognized in the income statement as financial income or financial expenses.

Derivative financial instruments in the Group
The Group is exposed to market risk, primarily risks relating to currency and interest rates, and uses financial instruments to hedge recognized and future transactions. The Group only enters into hedging agreements that relate to the underlying business.

Interest rate risk
Interest rate swaps are used for cash flow hedging, where the underlying floating interest rates are hedged. At 31 August 2015, the outstanding interest swaps had the following market value:

4.3 Derivative financial instruments

Market value of open interest rate swaps				2015
	Contract amount	**Gain/loss at 31 August**	**Recognized in income statement**	**Recognized in fair value reserve**
EUR 75 million interest rate swaps, expiry February 2016	75.0	(0.2)	-	(0.2)
EUR 200 million interest rate swaps, expiry August 2018	200.0	(2.7)	-	(2.7)
Total	**275.0**	**(2.9)**	**-**	**(2.9)**

				2014
	Contract amount	**Gain/loss at 31 August**	**Recognized in income statement**	**Recognized in fair value reserve**
USD 75 million interest rate swaps, expiry April 2015	56.7	(0.5)	-	(0.5)
EUR 75 million interest rate swaps, expiry February 2016	75.0	(0.4)	-	(0.4)
EUR 200 million interest rate swaps, expiry August 2018	200.0	(3.1)	-	(3.1)
Total	**331.7**	**(4.0)**	**-**	**(4.0)**

The fair value is calculated using a valuation model, based primarily on observable market data, corresponding to level 2 in the fair value hierarchy. There is no currency risk related to the swaps for the Group.

The interest on the Group's financing facilities is based on floating interest plus a margin. 51% of outstanding debt was hedged through interest rate swaps or loans with a fixed interest rate at 31 August 2015 (75% at 31 August 2014). The total debt had an average maturity of 3.5 years at 31 August 2015 (4.4 years at 31 August 2014).

	2015	2014
Debt with fixed interest rate	51%	75%
Average maturity in years	3.5	4.4
Effect on total debt of a 1 percentage point increase in interest rates	(5.5)	(4.5)
Effect on interest rate swaps of a 1 percentage point increase in interest rates	2.8	3.4
Net effect	**(2.7)**	**(1.1)**

An increase of 1 percentage point in the average interest rate on the Group's interest-bearing debt including swaps would reduce the Group's earnings before tax by EUR 2.7 million during the next 12-month period (EUR 1.1 million in 2013/14) and have a positive effect on equity of EUR 6.1 million (EUR 8.7 million in 2013/14).

4.3 Derivative financial instruments

EUR million

Currency hedging of balance sheet position and future cash flows

Net outstanding forward exchange contracts at 31 August

	Nominal principal	Gain/loss in income statement	Recognized in fair value reserve	Fair value of principal	2015 Maximum maturity (months)
USD	49.5	1.1	-	48.3	3.0
GBP	2.3	0.1	-	2.3	1.0
AUD	7.0	0.6	-	6.4	3.0
DKK	(58.8)	-	-	(58.8)	
Total		**1.8**	**-**	**(1.8)**	

	Nominal principal	Gain/loss in income statement	Recognized in fair value reserve	Fair value of principal	2014 Maximum maturity (months)
USD	56.9	-	-	56.9	3.0
GBP	1.0	-	-	1.0	1.0
AUD	6.7	-	-	6.7	3.0
DKK	(64.6)	-	-	(64.6)	
Total		**-**	**-**	**-**	

The fair value is calculated using a valuation model, based primarily on observable market data, corresponding to level 2 in the fair value hierarchy. All contracts are used for fair value hedges.

The overall purpose of managing currency risk is to minimize the effect of short-term currency movements on earnings and cash flow. The Group's main currencies are EUR, USD and USD-related currencies. Exposure is limited by assets, debt and expenses to a certain degree matching the geographic segmentation of sales. Investments in subsidiaries are not hedged. The fair value is calculated using direct quotes corresponding to level 2 in the fair value hierarchy.

Foreign exchange sensitivity analysis

Effect on the income statement	**2014/15**	2013/14
Increase of 5%	0.9	0.4
Decrease of 5%	(0.9)	(0.4)

Financial instruments are defined as cash, trade receivables, trade payables, current and non-current loans and foreign exchange forwards.

5.1 Share-based payment

ACCOUNTING POLICIES

The share programs are accounted for on an accrual basis over the service period. Share options issued are measured at fair value at the date of granting times the probability of vesting. Matching shares are measured as the value of the maximum number of matching shares to be granted times the probability of vesting. The probabilities are adjusted every year until vesting.

Share option programs

Long-term share option programs are granted to the Executive Board and certain key employees. Vesting is subject to fulfillment of certain key performance indicators and continued employment at vesting date. Each option gives the right to purchase one existing share in Chr. Hansen Holding A/S.

No share option programs were granted in 2014/15. The value of shares granted in 2013/14 was EUR 2.9 million.

EUR 1.2 million was expensed in 2014/15 relating to the long-term share option programs including accelerations and reversals (EUR 2.0 million in 2013/14).

There were no outstanding exercisable share options at 31 August 2015.

	Option program 1	**Option program 2**	**Option program 3**	**Option program 4**	**Option program 5**	**Option program 6**
Year allocated	2009/10	2010/11	2011/12	2012/13	2012/13	2013/14
Vesting conditions (KPIs)	EBITDA and share price	EBIT and EPS	EBIT and EPS	EBIT and EPS	EBIT and EPS	EBIT and EPS
	DKK	DKK	DKK	DKK	DKK	DKK
Exercise price	94.85	118.96	126.60	196.01	227.80	219.35
Vesting	Nov. 2013	Nov. 2013	Nov. 2014	Nov. 2015	Apr. 2016	Nov. 2016
Weighted average share price during exercise period	DKK 204.87	DKK 206.21	DKK 247.36	Not vested	Not vested	Not vested
Average Black-Scholes value of options	EUR 2.1	EUR 3.2	EUR 3.4	EUR 3.5	EUR 3.8	EUR 2.9
Assumptions:						
Risk-free interest rate	1.15%	1.74%	0.99%	0.04%	0.23%	0.23%
Volatility	30.0%	30.0%	31.1%	25.7%	23.0%	19.9%
Dividend	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Period	3-5 years	3-5 years	3-5 years	3-5 years	3-5 years	3-5 years

5.1 Share-based payment

Number of share options

	Executive Board	Key employees	Former employees	Total
Outstanding at 1 September 2013	**1,458,822.0**	**272,204.0**	**1,386,445.0**	**3,117,471.0**
Allocated	493,905.0	535,300.0	-	1,029,205.0
Transferred	(484,597.0)	484,597.0	-	-
Exercised	(389,761.0)	(345,088.0)	(1,242,308.0)	(1,977,157.0)
Outstanding at 31 August 2014	**1,078,369.0**	**947,013.0**	**144,137.0**	**2,169,519.0**
Transferred	(102,360.0)	102,360.0	-	-
Forfeited	(132,540.0)	-	-	(132,540.0)
Exercised	(231,394.0)	(172,543.0)	(69,017.0)	(472,954.0)
Outstanding at 31 August 2015	**612,075.0**	**876,830.0**	**75,120.0**	**1,564,025.0**

5.1 Share-based payment

Matching share programs

Long-term matching share programs are granted to the Executive Board and certain key employees. Under the program, the participants are required to acquire a number of existing shares in Chr. Hansen Holding A/S (investment shares) and retain ownership of such shares for a predefined holding period of three years. Upon expiration of the holding period and subject to fulfillment of certain predefined performance targets, and continued employment at vesting date, the participants will be entitled to receive up to four additional shares in Chr. Hansen Holding A/S (matching shares) per investment share for no consideration.

The theoretical market value of the program in 2014/15 was EUR 2.1 million based on fulfillment of all predefined performance targets. The fair value at grant was EUR 1.7 million taking into consideration the assessed likelihood of meeting the non-market condition (no matching shares were granted in 2013/14).

EUR 0.5 million was expensed in 2014/15 relating to the matching share programs including accelerations and reversals (EUR 0.0 million in 2013/14).

	Matching share program 1
Year allocated	2014/15
Vesting conditions (KPIs)	Org. growth, EBIT, TSR
Vesting	Nov. 2017
Average fair value of matching shares	EUR 26.4
Assumptions:	
Dividend	1.5%
Period	3 years
Total shareholder return (TSR) of peer group	50.0%

Number of matching shares

	Executive Board	**Key employees**	**Former employees**	**Total**
Outstanding at 31 August 2014	**-**	**-**	**-**	**-**
Allocated	30,592	33,584	-	64,176
Forfeited	(7,960)	-	-	(7,960)
Outstanding at 31 August 2015	**22,632**	**33,584**	**-**	**56,216**

5.1 Share-based payment

Short-term restricted stock unit (RSU) programs

Short-term RSU programs are granted to the Executive Board and other key employees based on fulfillment of individual key performance indicators. The RSUs are granted as share options with an exercise price of DKK 1. Each share option may, subject to the person still being employed with Chr. Hansen, be exercised to purchase one existing share in Chr. Hansen Holding A/S.

The value of RSUs allocated in 2014/15 (RSU program 6) is estimated to be EUR 2.8 million (EUR 2.2 million in 2013/14). The number of options allocated, their value and assumptions will be finally determined in November 2015.

EUR 2.2 million was expensed in 2014/15 relating to the short-term RSU programs including accelerations and reversals (EUR 1.8 million in 2013/14).

There were no outstanding exercisable RSUs at 31 August 2015.

	RSU program 1	**RSU program 2**	**RSU program 3**	**RSU program 4**	**RSU program 5**	**RSU program 6**
Year allocated	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Vesting	Nov. 2011, 2012 and 2013	Nov. 2012, 2013 and 2014	Nov. 2013, 2014 and 2015	Nov. 2014, 2015 and 2016	Nov. 2015, 2016 and 2017	Nov. 2016, 2017 and 2018
Weighted average share price during exercise period	EUR 27.0	EUR 27.0	EUR 27.0	EUR 32.9	Not vested	Not granted
Average Black-Scholes value of options	EUR 12.4	EUR 15.9	EUR 24.2	EUR 25.8	EUR 33.8	EUR 47.0
Assumptions:						
Risk-free interest rate	0.52 - 1.11%	2.42%	(0.09) - (0.32)%	(0.22)%	(0.06) - (0.04)%	
Volatility	30.0%	30.0%	21.5%	23.0%	18.3%	
Dividend	1.5%	1.5%	1.5%	1.5%	1.5%	
Period	2-5 years	2-5 years	2-5 years	2-5 years	2-5 years	2-5 years

Number of RSUs

	Executive Board	**Key employees**	**Former employees**	**Total**
Outstanding at 1 September 2013	**35,209**	**201,421**	**27,092**	**263,722**
Adjustment to allocation	(1,646)	(9,788)	-	(11,434)
Allocated	10,554	61,730	-	72,284
Transferred	(13,741)	3,171	10,570	-
Exercised	(5,787)	(62,299)	(27,636)	(95,722)
Forfeited	-	(6,574)	-	(6,574)
Outstanding at 31 August 2014	**24,589**	**187,661**	**10,026**	**222,276**
Adjustment to allocation	1,173	(4,918)	-	(3,745)
Allocated	8,873	59,301	-	68,174
Transferred	(3,599)	(6,964)	10,563	-
Exercised	(6,233)	(60,551)	(10,140)	(76,924)
Forfeited	(3,086)	-	(5,731)	(8,817)
Outstanding at 31 August 2015	**21,717**	**174,529**	**4,718**	**200,964**

5.2 Non-cash adjustments

EUR million	2014/15	2013/14
Depreciation, amortization and impairment losses	53.9	51.9
Gains and losses from disposal of assets	0.1	(1.0)
Share-based payment	3.3	3.0
Change regarding employee benefits	0.3	(0.9)
Change in provisions	0.1	0.9
Total	**57.7**	**53.9**

5.3 Related parties

Related parties are defined as parties with control or significant influence, including Group companies.

At 31 August 2015, Novo A/S, Denmark, held 26% of the share capital in Chr. Hansen Holding A/S (significant influence).

Other related parties include the Group's Executive Board and Board of Directors together with their immediate families.

All agreements relating to these transactions are based on market price (arm's length). The majority of the agreements are negotiated regularly. The Group had the following transactions with related parties:

Transactions with related parties in 2014/15

EUR million	Purchases of goods, materials and services	Financial liabilities
Novo A/S Group	3.2	0.2
Total	**3.2**	**0.2**

Fees and other considerations to the Executive Board and Board of Directors are specified in note 2.3.
Share-based payment is specified in note 5.1.

5.4 Events after the balance sheet date

No events have occurred after the balance sheet date of importance to the Annual Report.

5.5 List of Group companies at 31 August 2015

Entity	Country	Currency	Nominal capital ('000)	Chr. Hansen Group's holding (%)	Production	Sales	Other
Chr. Hansen Argentina S.A.I.C.	Argentina	ARS	648	98		x	
Paprika S.A.	Argentina	ARS	1,300	70			x
Chr. Hansen Pty Ltd	Australia	AUD	1,004	100		x	
Hale-Bopp Australia Pty Ltd	Australia	AUD	30,686	100			x
Chr. Hansen Ind. e Com. Ltda.	Brazil	BRL	17,499	100	x	x	
Chr. Hansen Limited	Canada	CAD	24	100		x	
Chr. Hansen Chile SpA	Chile	CLP	4,680	100		x	
Chr. Hansen (Tianjin) Food Ingredients Co. Ltd.	China	CNY	7,995	100	x	x	
Chr. Hansen (Beijing) Trading Co., Ltd.	China	CNY	5,000	100		x	
Chr. Hansen Colombia S.A.	Colombia	COP	3,856,597	100		x	
Chr. Hansen Czech Republic s.r.o.	Czech Republic	CZK	470	100	x	x	
Chr. Hansen A/S	Denmark	DKK	194,101	100	x	x	x
Chr. Hansen Natural Colors A/S	Denmark	DKK	10,000	100	x	x	x
Chr. Hansen Properties A/S	Denmark	DKK	500	100			x
Chr. Hansen France SAS	France	EUR	11,100	100	x	x	
Biostar GmbH	Germany	EUR	25	100			x
Chr. Hansen GmbH	Germany	EUR	383	100	x	x	
Halley GmbH	Germany	EUR	25	100			x
Hansen Hellas ABEE	Greece	EUR	1,057	100		x	
Chr. Hansen India Pvt. Ltd	India	INR	24,992	99.6		x	
Chr. Hansen Ireland Limited	Ireland	EUR	1	100		x	
Chr. Hansen Italia S.p.A.	Italy	EUR	500	100	x	x	
Chr. Hansen Japan Co. Ltd.	Japan	JPY	10,000	100		x	
Chr. Hansen Malaysia SDN. BHD.	Malaysia	MYR	1,000	100		x	
Chr. Hansen de Mexico S.A. de C.V.	Mexico	MXN	25,878	100	x	x	
Chr. Hansen S.A.	Peru	PEN	1,842	100	x	x	
Chr. Hansen Poland Sp. z o.o.	Poland	PLN	8,950	100		x	
Chr. Hansen SRL	Romania	RON	4	100		x	
Chr. Hansen LLC	Russia	RUB	10,972	100		x	
Chr. Hansen Singapore Pte Ltd.	Singapore	SGD	1,000	100			x
Chr. Hansen, S.L.	Spain	EUR	8,926	100		x	
Chr. Hansen Sweden AB	Sweden	SEK	1,000	100		x	
Chr. Hansen Gida Sanayi ve Ticaret A.S.	Turkey	TRY	140	100		x	
Chr. Hansen Ukraine LLC	Ukraine	UAH	32	100		x	
Chr. Hansen Middle East FZ-LLC	UAE	AED	500	100		x	
Chr. Hansen Ltd	UK	GBP	250	99.99		x	
Chr. Hansen Inc.	US	USD	-	100	x	x	

FINANCIAL STATEMENTS PARENT COMPANY

Financial Statements — Parent Company

Income statement
1 September - 31 August

EUR million	Note	2014/15	2013/14
Revenue		**-**	**-**
Cost of sales		-	-
Gross profit		**-**	**-**
Sales and marketing expenses	2.1	(2.8)	(2.4)
Administrative expenses	2.1, 2.2, 2.3	(13.8)	(12.7)
Other operating income		18.8	17.1
Other operating expenses		(1.8)	-
Operating profit before special items		**0.4**	**2.0**
Special items	2.4	-	(1.3)
Operating profit		**0.4**	**0.7**
Dividends received from Group companies		167.3	130.9
Impairment losses on Group companies		(37.6)	-
Financial income	2.5	25.6	18.5
Financial expenses	2.6	(27.0)	(20.1)
Profit before tax		**128.7**	**130.0**
Income taxes	2.7	(0.3)	(2.0)
Profit for the year		**128.4**	**128.0**

Statement of comprehensive income

EUR million	Note	2014/15	2013/14
Profit for the year		**128.4**	**128.0**
Items that will be reclassified subsequently to the income statement when specific conditions are met:			
Currency translation to presentation currency		(1.2)	0.7
Deferred gains/(losses) on cash flow hedges arising during the year		(1.8)	(3.1)
Gains/(losses) on cash flow hedges expiring during the year		2.9	3.1
Tax related to cash flow hedges		(1.3)	-
Other comprehensive income for the year		**(1.4)**	**0.7**
Total comprehensive income for the year		**127.0**	**128.7**

Balance sheet at 31 August

EUR million

ASSETS	Note	2015	2014
Non-current assets			
Intangible assets			
Software	3.1	0.5	0.7
Intangible assets in progress	3.1	0.3	0.1
Total intangible assets		**0.8**	**0.8**
Fixed asset investments			
Investments in Group companies	3.2	805.6	830.1
Receivables from Group companies	3.3	184.2	181.6
Total fixed asset investments		**989.8**	**1,011.7**
Other non-current assets			
Deferred tax	2.7	2.2	2.0
Total other non-current assets		**2.2**	**2.0**
Total non-current assets		**992.8**	**1,014.5**
Current assets			
Receivables			
Receivables from Group companies		43.3	-
Tax receivables		46.5	43.7
Other receivables		1.8	0.1
Prepayments		0.1	0.1
Total receivables		**91.7**	**43.9**
Cash and cash equivalents		**1.6**	**1.6**
Total current assets		**93.3**	**45.5**
Total assets		**1,086.1**	**1,060.0**

Balance sheet at 31 August

EUR million

EQUITY AND LIABILITIES	Note	2015	2014
Equity			
Share capital	4.1	176.7	180.5
Reserves		379.0	454.0
Total equity		**555.7**	**634.5**
Liabilities			
Non-current liabilities			
Borrowings	4.2	500.1	403.8
Payables to Group companies	4.2	7.5	7.6
Other payables	4.2	-	0.8
Total non-current liabilities		**507.6**	**412.2**
Current liabilities			
Borrowings	4.2	15.9	-
Trade payables		0.5	0.8
Payables to Group companies		0.1	4.8
Other payables	3.4	6.3	7.7
Total current liabilities		**22.8**	**13.3**
Total liabilities		**530.4**	**425.5**
Total equity and liabilities		**1,086.1**	**1,060.0**

Commitments and contingent liabilities	3.5
Financial instruments	4.2
Credit, currency and interest rate risk	4.3
Related parties	5.3
Events after the balance sheet date	5.4

Statement of changes in equity

EUR million	Note	Share capital	Cash flow hedges	Retained earnings	Total
Equity at 1 September 2014		**180.5**	**(3.0)**	**457.0**	**634.5**
Total comprehensive income for the year, cf. statement of comprehensive income		(0.3)	(0.2)	127.5	127.0
Transactions with owners:					
Reduction of share capital		(3.5)	-	3.5	-
Purchase of treasury shares		-	-	(38.0)	(38.0)
Exercised share options		-	-	8.0	8.0
Share-based payment	5.1	-	-	3.3	3.3
Tax related to share-based payment				2.3	2.3
Dividend		-	-	(181.4)	(181.4)
Equity at 31 August 2015		**176.7**	**(3.2)**	**382.2**	**555.7**

During the year, an ordinary dividend for the 2013/14 financial year of DKK 3.77 per share and an interim dividend related to the 2014/15 financial year of DKK 6.57 per share were paid.

A dividend of EUR 0.63 (DKK 4.70), corresponding to EUR 82.0 million in total, is proposed for 2014/15.

EUR million	Note	Share capital	Cash flow hedges	Retained earnings	Total
Equity at 1 September 2013		**180.3**	**(3.0)**	**482.6**	**659.9**
Total comprehensive income for the year, cf. statement of comprehensive income		0.2	-	128.5	128.7
Transactions with owners:					
Purchase of treasury shares*		-	-	**(80.0)**	(80.0)
Exercised share options		-	-	27.7	27.7
Share-based payment	5.1	-	-	3.6	3.6
Tax related to share-based payment		-	-	6.2	6.2
Dividend		-	-	(111.6)	(111.6)
Equity at 31 August 2014		**180.5**	**(3.0)**	**457.0**	**634.5**

* EUR 80.0 million relates to the share buy-back program.

Cash flow statement
1 September - 31 August

EUR million	Note	**2014/15**	2013/14
Operating profit		**0.4**	**0.7**
Non-cash adjustments	5.2	(34.1)	3.2
Change in working capital		(1.7)	(2.8)
Interest payments received		12.6	14.0
Interest payments made		(12.3)	(3.7)
Dividends received		167.3	130.9
Taxes paid		(2.6)	(5.5)
Cash flow from operating activities		**129.6**	**136.8**
Investments in intangible assets		(0.2)	(0.2)
Investments in subsidiaries		(16.3)	(78.4)
Cash flow used for investing activities		**(16.5)**	**(78.6)**
Free cash flow		**113.1**	**58.2**
Dividends paid		(181.4)	(111.6)
Exercise of options		8.0	27.7
Purchase of treasury shares, net		(38.0)	(80.0)
Repayment to/from Group companies		(31.7)	17.6
Long-term loans		130.0	86.8
Cash flow used for financing activities		**(113.1)**	**(59.5)**
Net cash flow for the year		**-**	**(1.3)**
Cash and cash equivalents at 1 September		1.6	2.9
Net cash flow for the year		-	(1.3)
Cash and cash equivalents at 31 August		**1.6**	**1.6**

1.1 Accounting policies

ACCOUNTING POLICIES

The Financial Statements of Chr. Hansen Holding A/S as Parent Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements applying to entities of reporting class D.

The accounting policies for the Company are the same as for the Chr. Hansen Group, cf. notes to the Consolidated Financial Statements, with the exception of the following.

Other income and expenses
Other income and expenses comprise items of a secondary nature to the activities of the Company, including income from management and service agreements.

1.2 Summary of key accounting estimates

KEY ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing the Financial Statements for Chr. Hansen Holding A/S, Management makes various accounting estimates and assumptions which form the basis of recognition and measurement of the Parent Company's assets and liabilities. The most significant accounting estimates and judgments for the Parent Company are presented below.

The most significant accounting estimates and judgments for the Chr. Hansen Group are presented in the notes to the Consolidated Financial Statements.

Estimation uncertainty
Determining the carrying amount of some assets and liabilities requires judgments, estimates and assumptions concerning future events.

The judgments, estimates and assumptions made are based on historical experience and other factors which Management assesses to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect and unexpected events or circumstances may arise.

Assumptions about the future and estimation uncertainty on the balance sheet date are described in the notes where there is a significant risk of changes that could result in material adjustments to the carrying amount of assets or liabilities within the next financial year.

Judgments in applying accounting policies
In applying the Group's accounting policies, Management makes judgments which may significantly influence the amounts recognized in the Financial Statements.

2.1 Depreciation, amortization and impairment losses

EUR million	2014/15	2013/14
Intangible assets		
Administrative expenses	(0.2)	(0.2)
Total amortization	**(0.2)**	**(0.2)**
Total depreciation, amortization and impairment losses	**(0.2)**	**(0.2)**

2.2 Staff expenses

EUR million	2014/15	2013/14
Wages and salaries, etc.	(8.9)	(6.7)
Pension expenses - defined contribution plans	(0.4)	(0.5)
Social security, etc.	(0.1)	-
Salaries and other remuneration for the Executive Board and Board of Directors of Chr. Hansen Holding A/S	(4.3)	(4.3)
Total	**(13.7)**	**(11.5)**
Average number of employees (FTEs)	**48**	**48**

The remuneration of the Executive Board and Board of Directors breaks down as follows:

Executive Board		
Salaries, etc.	(2.4)	(2.1)
Pensions - defined contribution plans	(0.2)	(0.2)
Share-based payment	(0.9)	(1.3)
Board of Directors		
Fees	(0.8)	(0.7)

2.3 Fees to auditors

EUR million	2014/15	2013/14
Statutory audit	(0.2)	(0.2)
Tax advisory services	(0.2)	(0.1)
Total	**(0.4)**	**(0.3)**

2.4 Special items

EUR million	**2014/15**	2013/14
Increasing scalability in production through consolidation of enzyme and color plants	-	(0.7)
Optimized tax and legal setup	-	(0.6)
Total	**-**	**(1.3)**

2.5 Financial income

EUR million	**2014/15**	2013/14
Interest from Group companies	9.5	10.0
Gains on derivative financial instruments	2.2	3.1
Other interest income	-	0.1
Foreign exchange gains	13.9	5.3
Total	**25.6**	**18.5**

Effective interest income amounted to EUR 0.0 million (EUR 0.1 million in 2013/14).

2.6 Financial expenses

EUR million	**2014/15**	2013/14
Interest paid to Group companies	(0.4)	(0.4)
Losses on derivative financial instruments	(11.9)	(3.3)
Interest expenses on loans and swaps	(5.8)	(6.1)
Foreign exchange losses	(4.0)	(4.9)
Losses on derivatives transferred from other comprehensive income	(2.9)	(3.1)
Other financial expenses, including amortized costs	(2.0)	(2.3)
Total	**(27.0)**	**(20.1)**

Effective interest expenses amounted to EUR 8.7 million (EUR 9.2 million in 2013/14).

2.7 Income taxes and deferred tax

EUR million	**2014/15**	2013/14
Current tax on profit for year	(0.7)	(0.2)
Change in deferred tax concerning profit for the year	0.3	(0.1)
Tax on profit for the year	**(0.4)**	**(0.3)**
Adjustments concerning previous years	0.1	(1.7)
Tax in the income statement	**(0.3)**	**(2.0)**
Tax on other comprehensive income	**(1.3)**	**-**

	2014/15		2013/14	
Reconciliation of tax rate				
Danish tax rate	23.5%	(30.2)	24.5%	(31.8)
Non-taxable income and non-deductible expenses	(23.5)%	30.2	(24.8)%	32.2
Adjustments concerning previous years	(0.1)%	0.1	1.3%	(1.7)
Other taxes	0.3%	(0.4)	0.5%	(0.7)
Income taxes	**0.2%**	**(0.3)**	**1.5%**	**(2.0)**

EUR million	**2015**	2014
Deferred tax		
Deferred tax at 1 September	2.0	2.3
Change in deferred tax - recognized in the income statement	1.4	(0.1)
Change in deferred tax - recognized through equity	(1.2)	(0.2)
Deferred tax at 31 August	**2.2**	**2.0**
Specification of deferred tax		
Intangible assets	(0.1)	(0.1)
Liabilities	2.3	2.1
Total deferred tax at 31 August	**2.2**	**2.0**

3.1 Intangible assets

EUR million			**2015**
	Software	**Intangible assets in progress**	**Total**
Cost at 1 September	2.1	0.1	2.2
Additions for the year	-	0.2	0.2
Cost at 31 August	**2.1**	**0.3**	**2.4**
Amortization at 1 September	(1.4)	-	(1.4)
Amortization for the year	(0.2)	-	(0.2)
Amortization at 31 August	**(1.6)**	**-**	**(1.6)**
Carrying amount at 31 August	**0.5**	**0.3**	**0.8**

			2014
Cost at 1 September	1.9	0.1	2.0
Additions for the year	0.1	0.1	0.2
Transferred	0.1	(0.1)	-
Cost at 31 August	**2.1**	**0.1**	**2.2**
Amortization at 1 September	(1.2)	-	(1.2)
Amortization for the year	(0.2)	-	(0.2)
Amortization at 31 August	**(1.4)**	**-**	**(1.4)**
Carrying amount at 31 August	**0.7**	**0.1**	**0.8**

Software

Software comprises expenses for acquiring software licenses and expenses related to internal development of software within the Group. The value of the recognized software has been compared to the expected value in use. No indications of impairment have been identified.

3.2 Investments in Group companies

ACCOUNTING POLICIES

Dividends from Group companies

Dividends from Group companies are recognized as income in the income statement of the Parent Company in the financial year in which the dividend is declared. If the carrying amount of an investment in a subsidiary exceeds the carrying amount of the net assets in the subsidiary's financial statements or the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared, the carrying amount of the subsidiary is tested for impairment.

Investments in Group companies

Investments in Group companies are measured at cost. If the cost exceeds the recoverable amount, it is written down.

KEY ACCOUNTING ESTIMATES AND JUDGMENTS

Management performs an annual test for indications of impairment of investments in Group companies. Impairment tests are conducted in the same way as for goodwill in the Chr. Hansen Group, cf. section 3.1 of the Consolidated Financial Statements.

There were indications of impairment of the investments in the Spanish and Australian subsidiaries at 31 August 2015, and impairment tests showed that the value was too high, and so a write-down of EUR 37.6 million has been included in the income statement (no impairment loss in 2013/14).

EUR million	**2015**	2014
Cost at 1 September	830.1	751.0
Currency translation	(1.1)	0.8
Additions for the year	14.2	81.5
Disposals for the year	-	(3.2)
Impairment losses	(37.6)	-
Cost at 31 August	**805.6**	**830.1**

See note 5.5 to the Consolidated Financial Statements for a list of Group companies.

As part of the Nature's No. 1 strategy, a decision was made to close down small production facilities, including the Spanish and Australian production sites. Consequently the carrying amount of these subsidiaries has been impaired.

3.3 Receivables from Group companies

EUR million	**2015**	2014
Due between 1 and 5 years		
Loans to Group companies	184.2	181.6
Total	**184.2**	**181.6**

3.4 Other payables

EUR million	2015	2014
Wages, salaries, holiday pay, etc.	2.2	1.3
Derivative financial instruments	2.9	4.1
Other	1.2	2.3
Total	**6.3**	**7.7**

3.5 Commitments and contingent liabilities

Operating leases

Lease commitments, primarily related to car and equipment rental and EUR 0.2 million is due within 1 year and EUR 0.3 million is due between 1 and 5 years (EUR 0.1 million due within 1 year and EUR 0.1 million due between 1 and 5 years in 2013/14). Payments of EUR 0.3 million were expensed in 2014/15 (EUR 0.2 million in 2013/14).

Other guarantees and liabilities

Chr. Hansen Holding A/S is jointly and severally liable for the subsidiaries in the Group's drawings on the Group's credit facility. There was no drawing at 31 August 2015 or at 31 August 2014.

Certain claims have been made against Chr. Hansen Holding A/S. Management is of the opinion that the result of these disputes will not have a significant impact on the Company's financial position.

Change of control

The loan facilities established in 2013 are subject to change-of-control clauses. Regarding change-of-control clauses in employment contracts, please refer to note 2.3 to the Consolidated Financial Statements.

4.1 Share capital

At 31 August 2015, the Company had share capital with a nominal value of DKK 1,318,524,960 (equivalent to EUR 176.7 million), divided into shares of DKK 10.

The share capital has been fully paid up.

The Company did not conduct a share buy-back program in 2014/15 (2,647,480 shares for an amount of EUR 80.0 million in 2013/14). At 31 August 2015, the company held 1,592,042 treasury shares (3,949,400 treasury shares at 31 August 2014). All of the treasury shares were held to cover the share programs.

In 2014/15, the share capital was reduced by canceling 2,647,480 treasury shares.

In 2013/14 the share capital was not changed.

Further information about the Group's policy for managing its capital can be found under "Shareholder information."

	2014/15	2013/14
Number of shares outstanding:		
Outstanding at 1 September	130,550,576	131,125,177
Purchase of treasury shares	(840,000)	(2,647,480)
Sold during the year	549,878	2,072,879
Outstanding at 31 August	**130,260,454**	**130,550,576**

The Company had share capital of DKK 1,380,342,200 at 1 September 2010. It was reduced by DKK 35,342,440 in 2012/13 and DKK 26,474,800 in 2014/15.

4.2 Financial instruments

Chr. Hansen Holding A/S is exposed to market risk, primarily risks relating to currency and interest, and uses financial instruments to hedge recognized and future transactions. Chr. Hansen Holding A/S only enters into hedging agreements that relate to the underlying business.

Interest rate risk

Interest rate swaps are used for cash flow hedging by hedging the underlying floating interest rates. At 31 August 2015, the outstanding interest swaps had the following market value:

Market value of open interest rate swaps				2015
	Contract amount	Gain/loss at 31 August	Recognized in income statement	Recognized in fair value reserve
EUR 75 million interest rate swaps, expiry February 2016	75.0	(0.2)	-	(0.2)
EUR 200 million interest rate swaps, expiry August 2018	200.0	(2.7)	-	(2.7)
	275.0	**(2.9)**	**-**	**(2.9)**

				2014
	Contract amount	Gain/loss at 31 August	Recognized in income statement	Recognized in fair value reserve
USD 75 million interest rate swaps, expiry April 2015	56.7	(0.5)	-	(0.5)
EUR 75 million interest rate swaps, expiry February 2016	75.0	(0.4)	-	(0.4)
EUR 200 million interest rate swaps, expiry August 2018	200.0	(3.1)	-	(3.1)
	331.7	**(4.0)**	**-**	**(4.0)**

The fair value is calculated using a valuation model, based primarily on observable market data, corresponding to level 2 in the fair value hierarchy. There is no currency risk related to the swaps for the Group.

The interest on the Company's financing facilities is based on floating interest plus a margin. 53% of outstanding debt was hedged through interest rate swaps or loans with a fixed interest rate at 31 August 2015 (82% at 31 August 2014). The total debt had an average maturity of 3.4 years at 31 August 2015 (4.3 years at 31 August 2014). An increase of 1 percentage point in the average interest rate on the Group's interest-bearing debt excluding swaps would reduce the Group's earnings before tax by EUR 4.7 million during the next 12-month period (EUR 4.1 million in 2013/14). The effect on the swaps entered into of an interest rate change of 1 percentage point would be EUR 2.8 million (EUR 3.3 million in 2013/14).

4.2 Financial instruments

EUR million	2015	2014
Financial assets		
Receivables from Group companies	43.3	-
Tax receivables	46.5	43.7
Other receivables and prepayments	1.9	0.2
Cash and cash equivalents	1.6	1.6
Total financial assets	**93.3**	**45.5**
Financial liabilities		
Borrowings	516.0	403.8
Trade payables	0.5	0.8
Other financial liabilities	13.9	20.9
Total financial liabilities	**530.4**	**425.5**
Classification of financial assets		
Loans and receivables	93.3	45.5
	93.3	**45.5**
Classification of financial liabilities		
Financial liabilities measured at amortized cost	530.4	425.5
	530.4	**425.5**
Maturity analysis for financial liabilities		
Borrowings		
< 1 year	15.9	-
1-5 years	477.9	403.8
> 5 years	22.2	-
Trade payables		
< 1 year	0.5	0.8
Other financial liabilities		
< 1 year	6.3	7.7
1-5 years	7.5	8.4
	530.3	**420.7**
Average interest rate	1.2%	1.4%
Borrowings have been reduced by amortization and financing expenses.		
Amortization expenses offset under non-current debt	**2.4**	**3.0**

4.3 Credit, currency and interest rate risk

Credit risk

Credit risk for cash and cash equivalents and financial instruments is managed by only working with financial institutions that have a satisfactory credit rating. In general, the risk is considered to be limited.

Currency risk

The overall purpose of managing currency risk is to minimize the impact of short-term currency movements on earnings and cash flow. The main exchange rate risk for the company is loans denominated in USD.

It is the policy of the Company not to hedge investments in subsidiaries.

Interest risk

The interest on the Company's multicurrency loan facility is based on variable interest plus a margin. Interest rate swaps are utilized to reduce the risk to the income statement. 53% of the outstanding debt was hedged through interest rate swaps at 31 August 2015 (82% at 31 August 2014).

Cash flow risk

Chr. Hansen Holding A/S's net interest-bearing debt amounted to EUR 514.4 million at 31 August 2015 (EUR 405.2 million at 31 August 2014).

5.1 Share-based payment

Share option programs

Long-term share option programs are granted to the Executive Board and certain key employees. Vesting is subject to fulfillment of certain key performance indicators, and continued employment at vesting date. Each option gives the right to purchase one existing share in Chr. Hansen Holding A/S.

No share option programs were granted in 2014/15. The value of shares granted in 2013/14 was EUR 2.9 million.

EUR 1.0 million was expensed in 2014/15 relating to the long-term share option programs including accelerations and reversals (EUR 2.0 million in 2013/14).

There were no outstanding exercisable share options at 31 August 2015.

	Option program 1	Option program 2	Option program 3	Option program 4	Option program 5	Option program 6
Year allocated	2009/10	2010/11	2011/12	2012/13	2012/13	2013/14
Vesting conditions (KPIs)	EBITDA and share price	EBIT and EPS	EBIT and EPS	EBIT and EPS	EBIT and EPS	EBIT and EPS
Exercise price	DKK 94.85	DKK 118.96	DKK 126.60	DKK 196.01	DKK 227.80	DKK 219.35
Vesting	Nov. 2013	Nov. 2013	Nov. 2014	Nov. 2015	Apr. 2016	Nov. 2016
Weighted average share price during exercise period	DKK 204.87	DKK 206.21	DKK 247.36	Not vested	Not vested	Not vested
Average Black-Scholes value of options	EUR 2.1	EUR 3.2	EUR 3.4	EUR 3.5	EUR 3.8	EUR 2.9
Assumptions:						
Risk-free interest rate	1.15%	1.74%	0.99%	0.04%	0.23%	0.23%
Volatility	30.0%	30.0%	31.1%	25.7%	23.0%	19.9%
Dividend	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Period	3-5 years	3-5 years	3-5 years	3-5 years	3-5 years	3-5 years

Number of share options

	Executive Board	Key employees	Former employees	Total
Outstanding at 1 September 2013	**1,458,822**	**272,204**	**1,386,445**	**3,117,471**
Allocated	493,905	329,255	-	823,160
Transferred	(484,597)	484,597	-	-
Exercised	(389,761)	(345,088)	(1,242,308)	(1,977,157)
Outstanding at 31 August 2014	**1,078,369**	**740,968**	**144,137**	**1,963,474**
Transferred	(102,360)	102,360	-	-
Forfeited	(132,540)	-	-	(132,540)
Exercised	(231,394)	(172,543)	(69,017)	(472,954)
Outstanding at 31 August 2015	**612,075**	**670,785**	**75,120**	**1,357,980**

5.1 Share-based payment

Matching share programs

Long-term matching share programs are granted to the Executive Board and certain key employees. Under the program, the participants are required to acquire a number of existing shares in Chr. Hansen Holding A/S (investment shares) and retain ownership of such shares for a predefined holding period of three years. Upon expiration of the holding period and subject to fulfillment of certain predefined performance targets and continued employment at vesting date, the participants will be entitled to receive up to four additional shares in Chr. Hansen Holding A/S (matching shares) per investment share for no consideration.

The theoretical market value of the program in 2014/15 was EUR 1.7 million. The fair value at grant was EUR 1.3 million (no matching shares were granted in 2013/14).

EUR 0.4 million was expensed in 2014/15 relating to the matching share programs including accelerations and reversals (EUR 0.0 million in 2013/14).

	Matching share program 1
Year allocated	2014/15
Vesting conditions (KPIs)	Org. growth, EBIT, TSR
Vesting	Nov. 2017
Average fair value of matching shares	EUR 26.4
Assumptions:	
Dividend	1.5%
Period	3 years
Total shareholder return (TSR) of peer group	50.0%

Number of matching shares

	Executive Board	**Key employees**	**Former employees**	**Total**
Outstanding at 31 August 2014	**-**	**-**	**-**	**-**
Allocated	30,592	20,428	-	51,020
Forfeited	(7,960)	-	-	(7,960)
Outstanding at 31 August 2015	**22,632**	**20,428**	**-**	**43,060**

5.1 Share-based payment

Short-term restricted stock unit (RSU) programs

Short-term RSU programs are granted to the Executive Board and other key employees based on fulfillment of individual key performance indicators. The RSUs are granted as share options with an exercise price of DKK 1. Each share option may, subject to the person still being employed with Chr. Hansen, be exercised to purchase one existing share in Chr. Hansen Holding A/S.
The value of RSUs allocated in 2014/15 (RSU program 6) is estimated to be EUR 0.8 million (EUR 0.6 million in 2013/14). The number of options allocated, their value and assumptions will be finally determined in November 2015.

EUR 0.3 million was expensed in 2014/15 relating to the short-term RSU programs including accelerations and reversals (EUR 0.5 million in 2013/14).

There were no outstanding exercisable RSUs at 31 August 2015.

	RSU program 1	**RSU program 2**	**RSU program 3**	**RSU program 4**	**RSU program 5**	**RSU program 6**
Year allocated	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Vesting	Nov. 2011, 2012 and 2013	Nov. 2012, 2013 and 2014	Nov. 2013, 2014 and 2015	Nov. 2014, 2015 and 2016	Nov. 2015, 2016 and 2017	Nov. 2016, 2017 and 2018
Weighted average share price during exercise period	EUR 27.0	EUR 27.0	EUR 27.0	EUR 32.9	Not vested	Not granted
Average Black-Scholes value of options	EUR 12.4	EUR 15.9	EUR 24.2	EUR 25.8	EUR 33.8	EUR 47.0
Assumptions:						
Risk-free interest rate	0.52 - 1.11%	2.42%	(0.09) - (0.32)%	(0.22)%	(0.06) - (0.04)%	
Volatility	30.0%	30.0%	21.5%	23.0%	18.3%	
Dividend	1.5%	1.5%	1.5%	1.5%	1.5%	
Period	2-5 years	2-5 years	2-5 years	2-5 years	2-5 years	2-5 years

Number of RSUs

	Executive Board	**Key employees**	**Former employees**	**Total**
Outstanding at 1 September 2013	**35,209**	**43,164**	**23,134**	**101,507**
Adjustment to allocation	(1,646)	(1,396)	-	(3,042)
Allocated	10,554	9,634	66	20,254
Transferred	(13,741)	14,054	-	313
Exercised	(5,787)	(16,182)	(18,885)	(40,854)
Outstanding at 31 August 2014	**24,589**	**49,274**	**4,315**	**78,178**
Adjustment to allocation	1,173	(21,962)	-	(20,789)
Allocated	8,873	8,831	-	17,704
Transferred	(3,599)	5,243	-	1,644
Exercised	(6,233)	(8,467)	(3,042)	(17,742)
Forfeited	(3,086)	-	-	(3,086)
Outstanding at 31 August 2015	**21,717**	**32,919**	**1,273**	**55,909**

5.2 Non-cash adjustments

EUR million	2014/15	2013/14
Depreciation, amortization and impairment losses	0.2	0.2
Share-based payment	3.3	3.0
Impairment losses on Group companies	(37.6)	-
Total	**(34.1)**	**3.2**

5.3 Related parties

Related parties are defined as parties with control or significant influence, including Group companies.
At 31 August 2015, Novo A/S, Denmark, held 26% of the share capital in Chr. Hansen Holding A/S (significant influence).

Other related parties include the Group's Executive Board and Board of Directors together with their immediate families.

EUR million	2014/15	2013/14
Transactions with related parties		
Sales of services	18.8	17.1
Interest income	9.5	10.0
Interest expenses	(0.4)	(0.4)
Total	**27.9**	**26.7**
Amounts receivable af 31 August	**227.5**	**181.6**
Amounts payable af 31 August	**7.6**	**12.4**

Transactions with other related parties are specified in note 5.3 to the Consolidated Financial Statements.

5.4 Events after the balance sheet date

No events have occurred after the balance sheet date of importance to the Annual Report.