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Share buyback initiated – divestment of Flavours implemented

Effective from today, Danisco transfers the ownership of Flavours to Firmenich, a world leader within flavours and fragrances. The sales price of the activities is DKK 3.36 billion or 2.2 times revenue in 2006/07. The transaction was subject to approvals by the relevant authorities and these have now been obtained.

Danisco and Firmenich have entered into a strategic partnership, which will provide unique and flexible solutions for the food industry. The agreement allows Danisco to maintain a unique product offering to its customers and both parties to consolidate their positions in the food industry.

Accounting issues

Profit from discontinued operations is expected at over DKK 400 million, including the proceeds of the Flavours divestment. The released invested capital of around DKK 2.4 billion covers goodwill and operating assets including working capital in equal measure. As a result of the transaction, Flavours' results will be included in Profit from discontinued operations in 2007/08 comprising the results recorded in the period from 1 May 2007 to the time of the divestment as well as the proceeds of the divestment.

Share buyback

As a result of the divestment of Flavours, a share buyback is effected as mentioned in the announcement of 3 May 2007. Consequently, the Board of Directors of Danisco A/S has decided to initiate a share buyback programme according to which Danisco will buy back own shares for an amount of up to DKK 500,000,000 in the period from 3 July to 14 December 2007. The share buyback will be structured in accordance with the provisions of the European Commission's regulation no. 2273/2003 of 22 December 2003, the so-called safe harbour method, which protects listed companies against violation of insider legislation in connection with share buybacks.

Conditions of the share buyback

Danisco appoints Nordea as lead manager for the share buyback programme. Nordea will buy back shares on behalf of Danisco A/S and make trading decisions in respect of Danisco's shares irrespective of and without influence from Danisco as to the timing of the purchases as well as carry out the buyback within the framework set out for the programme.

Danisco's buyback of own shares will be effected under the authorisation granted to the Board of Directors at the company's Annual General Meeting on 24 August 2006 to allow the company within the period up to the next Annual General Meeting to purchase own shares within 10% of the share capital at the market price prevailing at the date of purchase with a deviation of up to 10%.

The purpose of the buyback is to reduce Danisco's share capital and in consequence the Board of Directors will over time submit a proposal to the Annual General Meeting to reduce Danisco A/S' share capital.

Danisco is entitled to terminate the share buyback programme during the period of the programme as a consequence of material adverse changes to the company's financial position or material changes in the market. In the event such decision is taken, Danisco will give notice hereof, and Nordea will in consequence of the termination of the share buyback programme no longer be entitled to buy shares on behalf of Danisco in compliance with the programme.

The maximum total consideration for shares to be bought back under the share buyback programme is DKK 500 million, and the maximum number of shares Danisco is authorised to buy back is 3,914,546 shares, corresponding to 8% of the share capital.

Danisco may not in one single trading day buy back more than 15% of the average daily volume of Danisco shares traded in the 20 preceding trading days on the OMX Nordic Exchange Copenhagen A/S.

In share transactions undertaken under the share buyback programme Danisco may not buy shares at a higher price than the higher of:

- The share price of the last independent transaction and the highest independent bid (highest buyer's bid) at the OMX Nordic Exchange Copenhagen A/S.

Reporting requirements under the regulation referred to above, other legislation and the rules of the OMX Nordic Exchange Copenhagen A/S will be complied with.

Immediately before the programme commences, Danisco's holding of own shares totals 253,646 shares, corresponding to 0.52% of the share capital. These shares have been purchased in order to hedge Danisco's share option programmes.

Outlook

The outlook for 2007/08 is maintained and the announcement of Q1 results is expected to be released on 19 September 2007.

Yours faithfully

Tom Knutzen
CEO

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With 10,500 employees in more than 40 countries, Danisco is one of the world's leading suppliers of food ingredients, sugar and industrial bioproducts. Based on our technology platform we use nature's own raw materials and resources to develop and produce ingredients for food and other products used in everyday life. Danisco ingredients are used in about every second ice cream and cheese, every third box of detergent and every fourth loaf of bread produced globally. Danisco ingredients based on food technology and biotechnology are also used in other consumer products - from feed and toothpaste to biofuel and plastics. Throughout the value chain, sustainability is integrated in Danisco's way of doing business.