YTD 2016/17 IN BRIEF

Strong organic revenue growth of 10% delivered in the first half of 2016/17: Food Cultures & Enzymes 9%, Health & Nutrition 10% and Natural Colors 11%. EBIT before special items has increased by 15% to EUR 136 million. In Q2, organic growth reached 9% and EBIT before special items increased by 10% to EUR 70 million.

EUR million	Q2 2016/17	Q2 2015/16	Growth	YTD 2016/17	YTD 2015/16	Growth
Revenue	259.4	228.9	13%	501.1	443.3	13%
EBIT before special items	70.1	63.9	10%	135.6	117.9	15%
Profit for the period	50.9	37.4	36%	97.9	76.3	28%
Free cash flow before acquisitions, divestments and special items	48.8	32.5	51%	29.8	15.9	88%
Organic growth, %	9%	12%		10%	13%	
Gross margin, %	53.7%	52.7%		53.5%	52.5%	
EBIT margin before special items, %	27.0%	27.9%		27.1%	26.6%	
ROIC excl. goodwill, %	34.1%	36.0%		35.2%	34.3%	

"With a solid performance in the first half of 2016/17, we are well positioned to deliver on our ambitions for the year. Both Food Cultures & Enzymes and Natural Colors delivered strong organic growth and improved profitability. In Food Cultures & Enzymes, the improvement in profitability was despite the financial impact from a management change in Q2. With 13% organic growth in Q2, Health & Nutrition is now delivering growth in line with our long-term ambitions for this business area. However, the EBIT margin in Health & Nutrition is still below the level of last year, partly due to continued investments in R&D," says CEO Cees de Jong.

"We are pleased with the progress of our long term growth initiatives and especially with the continued strong growth and momentum in bioprotection, the further penetration and development of plant health solutions and technological progress in the human microbiome. NPC has now been fully integrated, and the integration of LGG® is on plan. Finally, it is encouraging to see the skilled and timely execution of the capacity expansion for dairy cultures in Copenhagen."

OUTLOOK FOR 2016/17

The outlook for 2016/17 is unchanged compared to the announcement of 11 January 2017.

	6 April 2017	11 January 2017
Organic revenue growth	8-10%	8-10%
EBIT margin before special items	slightly increasing	slightly increasing
Free cash flow before acquisitions, divestments and special items	around EUR 175 million	around EUR 175 million

FINANCIAL HIGHLIGHTS AND KEY FIGURES

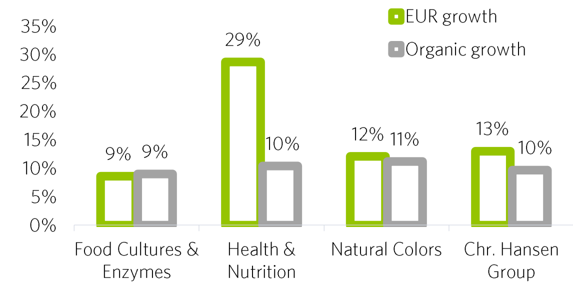
This unaudited interim report has been prepared in accordance with IAS 34 and additional Danish regulations. The interim report has been prepared in accordance with the accounting policies set out in the Annual Report for 2015/16.

EUR million	Q2 2016/17	Q2 2015/16	Growth	YTD 2016/17	YTD 2015/16	Growth
Income statement						
Revenue	259.4	228.9	13%	501.1	443.3	13%
Gross profit	139.3	120.6	16%	268.3	232.7	15%
EBITDA before special items	84.7	76.8	10%	164.2	143.5	14%
EBIT before special items	70.1	63.9	10%	135.6	117.9	15%
Special items	(0.1)	(6.8)	(99)%	(1.0)	(6.8)	(85)%
EBIT	70.0	57.1	23%	134.6	111.1	21%
Profit for the period	50.9	37.4	36%	97.9	76.3	28%
Financial position						
Total assets				1,797.0	1,643.6	
Invested capital				1,617.4	1,470.6	
Net working capital				212.3	178.1	
Equity				762.0	606.3	
Net interest-bearing debt				691.1	714.6	
Cash flow and investments						
Cash flow from operating activities	67.4	53.4	26%	69.8	54.6	28%
Cash flow used for investing activities	(24.7)	(193.0)	87%	(120.1)	(210.8)	43%
Free cash flow	42.7	(139.6)	131%	(50.3)	(156.2)	68%
Free cash flow before special items and acquisitions	48.8	32.5	51%	29.8	15.9	88%
Earnings per share						
EPS, diluted	0.38	0.29	31%	0.74	0.58	28%
Key ratios						
Organic growth, %	9	12		10	13	
Gross margin, %	53.7	52.7		53.5	52.5	
Operating expenses, %	26.7	24.8		26.5	25.9	
EBITDA margin before special items, %	32.7	33.5		32.8	32.4	
EBIT margin before special items, %	27.0	27.9		27.1	26.6	
EBIT margin, %	27.0	24.9		26.9	25.1	
ROIC excl. goodwill, %	34.1	36.0		35.2	34.3	
ROIC, %	17.5	18.5		17.8	17.4	
NWC, %	21.1	19.7		21.1	19.7	
R&D, %	7.1	7.2		7.2	7.5	
Capital expenditures, %	9.5	10.3		9.9	9.3	
Net debt to EBITDA before special items				2.0x	2.3x	

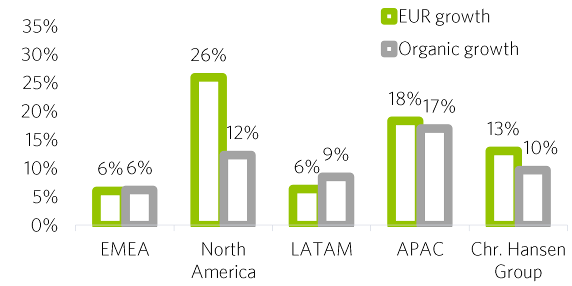
Organic growth: Increase in revenue adjusted for sales reduction, acquisitions and divestments, and measured in local currency.

YTD 2016/17 RESULTS

REVENUE GROWTH BY BUSINESS - YTD



REVENUE GROWTH BY REGION - YTD



MARKET DEVELOPMENT

During the first half of 2016/17, the end markets for fermented milk grew in line with previous years, driven by Asia-Pacific, the Middle East and Africa, while key markets in the EU and the US showed little or no growth.

The global market for cheese is returning to more normal growth levels of around 2%, down from a growth rate of around 3% seen in the previous 12-18 months.

The market for probiotic dietary supplements continues to show strong growth, driven by increased consumer awareness leading to higher penetration in all regions, with North America seeing the highest growth.

The market for microbial-based solutions for animal health continues to be negatively impacted by the low milk and meat prices in 2016, but the market conditions are gradually improving for most segments.

Conversion to natural colors continued in all regions during the first half of 2016/17.

REVENUE

Revenue increased by 13% to EUR 501 million (10% excluding acquisitions), corresponding to organic growth of 10%. The organic growth was primarily driven by volume/mix effects, with around 2% coming from price increases in local currencies.

The price increases were mainly achieved by using EUR-based pricing in certain countries to protect EBIT from depreciating currencies and to reflect higher raw material prices in Natural Colors.

REVENUE	Q2 2016/17	YTD 2016/17
Organic growth (volume/mix)	8%	8%
Organic growth (price)	1%	2%
Organic growth	**9%**	**10%**
Currencies	1%	0%
Acquisitions	3%	3%
EUR growth	**13%**	**13%**

REVENUE BY REGION

EMEA (Europe, Middle East and Africa)

Revenue increased by 6%, with organic growth of 6%, driven by strong growth in bioprotection and natural colors and solid growth in cheese. Fermented milk and enzymes delivered good growth, while probiotics for fermented milk and human health showed modest growth. Revenue from animal health was below 2015/16.

In Q2, revenue increased by 3%, with organic growth of 3%. Natural colors and cheese delivered solid growth, while meat, enzymes and human health showed good growth. Revenue from fermented milk including probiotics and animal health was below 2015/16.

North America

Revenue increased by 26% (15% excluding NPC), with organic growth of 12%, driven by strong growth in cheese, probiotics for fermented milk, meat, human health, animal health and natural colors. The growth in cheese was partly driven by conversion of various customers from bulk starter to Chr. Hansen's DVS® (Direct-Vat-Set) solutions.

Fermented milk and enzymes showed modest growth. Revenue was positively impacted by the acquisition of NPC.

YTD 2016/17 RESULTS

In Q2, revenue increased by 31% (21% excluding NPC), with organic growth of 17%. Cheese, probiotics for fermented milk, meat, enzymes, human health, animal health and natural colors all delivered strong growth, while revenue from fermented milk was unchanged from 2015/16.

LATAM (Latin America)
Revenue increased by 6%, with organic growth of 9%, driven by strong growth in cheese, natural colors, animal health and plant health. Fermented milk and enzymes delivered good growth, while revenue from probiotics for fermented milk was below 2015/16.

In Q2, revenue increased by 7%, with organic growth of 4%. Natural colors, animal health and plant health delivered strong growth, while fermented milk and cheese showed good growth. Revenue from enzymes and probiotics for fermented milk was below 2015/16.

APAC (Asia-Pacific)
Revenue increased by 18%, with organic growth of 17%, driven primarily by strong growth in fermented milk including probiotics, cheese, human health and animal health. Enzymes and natural colors showed modest growth. Growth in fermented milk including probiotics was mainly driven by strong growth in China.

In Q2, revenue increased by 19%, with organic growth of 18%. The organic growth was driven by strong growth in fermented milk including probiotics and human health. Natural colors showed modest growth.

GROSS PROFIT

Gross profit was EUR 268 million, up 15% on the first half of 2015/16. The gross margin increased by 1.0 percentage point to 53.5%. The increase was mainly due to improved operating efficiencies and timing of production costs in Food Cultures & Enzymes.

In Q2, gross profit was EUR 139 million, up 16% on 2015/16. The gross margin increased by 1.0 percentage point to 53.7%, partly driven by lower scrap levels in human health.

OPERATING EXPENSES (% OF REVENUE)

Operating expenses totaled EUR 133 million (26.5%), compared to EUR 115 million (25.9%) in the first half of 2015/16.

Research & development (R&D) expenses including amortization and depreciation amounted to EUR 34 million (6.8%), compared to EUR 29 million (6.5%) in the first half of 2015/16. The increase was driven by higher activity across the microbial platform.

Total R&D expenditures incurred amounted to EUR 36 million (7.2%), compared to EUR 33 million (7.5%) in the first half of 2015/16. The increase was due to higher activity across the microbial platform, partly offset by lower capitalization due to the acquisition of a bacterial strain collection from Dairy Innovation Australia Ltd (DIAL) last year.

Sales & marketing expenses amounted to EUR 65 million (13.0%), compared to EUR 53 million (11.9%) in the first half of 2015/16. The increase was mainly driven by strategic initiatives to support Nature's no. 1 and the acquisition of NPC.

Administrative expenses amounted to EUR 37 million (7.3%), compared to EUR 34 million (7.7%) in the first half of 2015/16.

Net other operating income/expenses was an income of EUR 3 million, compared to EUR 1 million in the first half of 2015/16. The income was mainly driven by sale of a property in Argentina.

In Q2, operating expenses were EUR 69 million (26.7%) compared to EUR 57 million (24.8%) in 2015/16. The increase was driven by higher activity in research & development and sales & marketing including NPC as well as non-recurring costs related to an organizational management change in Q2.

OPERATING PROFIT (EBIT) BEFORE SPECIAL ITEMS

EBIT before special items amounted to EUR 136 million, compared to EUR 118 million in the first half of 2015/16, an increase of 15%. The increase in EBIT was mainly due to higher sales volumes, operating efficiencies and the sale of a property in Argentina.

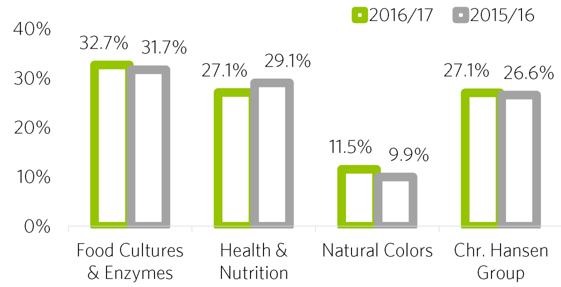
The EBIT margin before special items was 27.1%, up 0.5 percentage point from 26.6% in the first half of 2015/16.

SPECIAL ITEMS

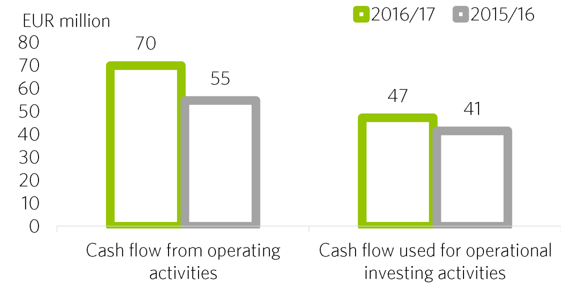
Special items of EUR 1 million concerned costs related to the acquisition and integration of LGG®. In the first half of 2015/16, special items of EUR 7 million concerned an accrual for US import duty costs covering reclassification of certain human health products related to previous years and costs related to the acquisition and integration of NPC.

YTD 2016/17 RESULTS

EBIT B.S.I. – YTD



CASH FLOW - YTD



OPERATING PROFIT (EBIT)

EBIT amounted to EUR 135 million, compared to EUR 111 million in the first half of 2015/16. The EBIT margin was 26.9%, compared to 25.1% in the first half of 2015/16.

In Q2, the EBIT margin was 27.0%, up 2.1 percentage points from 24.9% in the first half of 2015/16.

NET FINANCIALS AND TAX

Net financial expenses amounted to EUR 6 million, compared to EUR 9 million in the first half of 2015/16. The net interest cost was EUR 6 million, compared to EUR 5 million in the first half of 2015/16. The increase related mainly to higher debt.

In the first half of the year there was no net impact from exchange rate adjustments, compared to a negative impact of EUR 4 million in the first half of 2015/16, mainly relating to unrealized losses from depreciating currencies in Argentina and Ukraine.

Income taxes were EUR 31 million, equivalent to an effective tax rate of 24%, compared to 25% in the first half of 2015/16.

PROFIT FOR THE PERIOD

Profit for the period increased by 28% to EUR 98 million from EUR 76 million in the first half of 2015/16. In Q2, profit increased by 36% to EUR 51 million.

ASSETS

At 28 February 2017, total assets amounted to EUR 1,797 million, compared to EUR 1,644 million a year earlier. The increase was mainly due to the acquisition of LGG® and investments in the microbial production platform.

Both the LGG® and NPC acquisitions were completed as asset deals, thus providing certain tax-deductibles.

Total non-current assets amounted to EUR 1,413 million, compared to EUR 1,299 million at 29 February 2016. Intangible assets increased by EUR 71 million, while property, plant and equipment increased by EUR 42 million.

Total current assets amounted to EUR 384 million, compared to EUR 344 million at 29 February 2016. Inventories increased by EUR 3 million, or 3%, and receivables by EUR 25 million, or 15%. Cash increased by EUR 11 million to EUR 61 million.

ACQUISITION IMPACT

EUR million	LGG®
Intangible assets incl. goodwill	71.7
Property, plant and equipment	2.0
Inventories	0.6
Other receivables and payables, net	(1.3)
Total effect	**73.0**

NET WORKING CAPITAL

Net working capital was EUR 212 million, or 21.1% of revenue, compared to EUR 178 million, or 19.7%, in the first half of 2015/16. The increase in percentage of revenue was mainly due to timing of trade payables.

EQUITY

Total equity amounted to EUR 762 million at 28 February 2017, compared to EUR 606 million a year earlier.

An ordinary dividend for the financial year 2015/16 totaling EUR 92 million was paid out in December 2016.

YTD 2016/17 RESULTS

NET DEBT

Net interest-bearing debt amounted to EUR 691 million, or 2.0x EBITDA, compared to EUR 715 million, or 2.3x EBITDA, at 29 February 2016.

RETURN ON INVESTED CAPITAL (ROIC) EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 35.2%, compared to 34.3% in the first half of 2015/16. Invested capital excluding goodwill increased to EUR 835 million, compared to EUR 744 million at 29 February 2016, due mainly to the acquisition of LGG® and investments in the microbial production platform.

CASH FLOW

Cash flow from operating activities was EUR 70 million, compared to EUR 55 million in the first half of 2015/16. The increase was mainly due to the improved operating profit and less tax paid following the acquisition of NPC, partly offset by higher net working capital.

Cash flow used for operational investing activities was EUR 47 million, or 9.4% of revenue, compared to EUR 41 million, or 9.3% of revenue, in the first half of 2015/16. The increase was primarily driven by capacity expansion for culture production capacity, and partly offset by sale of a property in Argentina.

Development expenditures of EUR 5 million, or 1.1% of revenue, were capitalized, compared to EUR 8 million, or 1.7%, in the first half of 2015/16, when assets from the acquisition of Dairy Innovation Australia Ltd (DIAL) were capitalized.

Free cash flow before acquisitions and special items was EUR 30 million, compared to EUR 16 million in the first half of 2015/16.

Cash flow used for acquisitions was EUR 73 million and related to the acquisition of LGG® in November 2016. In the first half of 2015/16, the cash flow used for acquisitions was EUR 169 million and related to the acquisition of NPC.

In Q2, cash flow from operating activities was EUR 67 million, compared to EUR 53 million last year. The increase was driven by higher operating profit.

Cash flow used for operational investing activities was EUR 25 million, compared to EUR 24 million last year.

Free cash flow before special items and acquisitions was EUR 49 million, up from EUR 33 million last year.

ORGANIZATIONAL CHANGES

On 28 February 2017, Knud Vindfeldt stepped down from the Executive Board of Chr. Hansen Holding A/S.

Knud Vindfeldt joined Chr. Hansen in 1991 and was appointed member of the Executive Board of Chr. Hansen Holding A/S and head of the Cultures & Enzymes Division in 2005, and was further appointed COO in 2016.

Thomas Schäfer will assume the position of Executive Vice President and Chief Scientific Officer (CSO) on 1 November 2017, following which the Executive Board will consist of CEO Cees de Jong, CFO Søren Westh Lonning and CSO Thomas Schäfer.

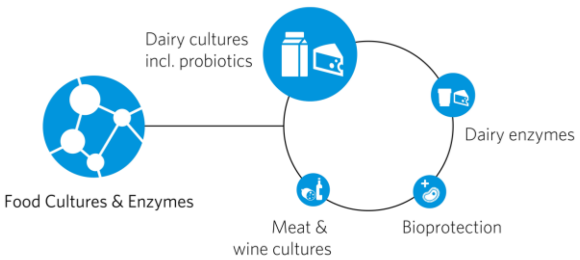
Employee representative Mads Bennedsen has decided to step down from the Board of Directors of Chr. Hansen Holding A/S.

SEGMENT INFORMATION

FOOD CULTURES & ENZYMES

58% OF REVENUE

EUR million	Q2 2016/17	Q2 2015/16	YTD 2016/17	YTD 2015/16
Revenue	146.6	134.8	290.9	267.8
Organic growth	8%	13%	9%	13%
EBITDA	53.5	52.4	112.6	102.7
EBITDA margin	36.5%	38.8%	38.7%	38.4%
EBIT	44.7	43.3	95.1	84.9
EBIT margin	30.5%	32.1%	32.7%	31.7%
ROIC excluding goodwill			42.0%	40.1%



REVENUE

Revenue for the first half of 2016/17 increased by 9% to EUR 291 million, corresponding to organic growth of 9%, all from volume/mix effects.

The organic growth was primarily driven by strong growth in cheese, fermented milk, meat and wine cultures. Probiotics delivered solid growth, while revenue from enzymes showed modest growth.

The growth in cheese was partly driven by conversion of various customers in the US from bulk starter to Chr. Hansen's DVS® (Direct-Vat-Set) solutions, while the growth in fermented milk was mainly driven by further penetration of both ambient and regular yoghurts in China.

Bioprotective cultures delivered organic growth of approximately 25%. The growth was driven by the existing segments within fermented milk, cheese and meat.

In Q2 organic growth was 8%, all from volume/mix effects. Cheese, meat and wine cultures delivered strong growth. Fermented milk including probiotics showed solid growth, while growth in enzymes was modest.

EBIT

EBIT amounted to EUR 95 million, compared to EUR 85 million in the first half of 2015/16.

The EBIT margin was 32.7%, up 1.0 percentage point on 2015/16, driven by scalability in production. The increase was partly offset by initiatives to secure full utilization of existing production capacity ahead of the new capacity expansion planned for the fall 2017, and higher research & development costs driven by bioprotection and LGG®.

In Q2, the EBIT margin decreased by 1.6 percentage points, driven by one-off costs related to an organizational management change, higher logistic costs and increased activity in research & development. The decrease was partly offset by timing of inventories and scalability in production.

ROIC EXCLUDING GOODWILL

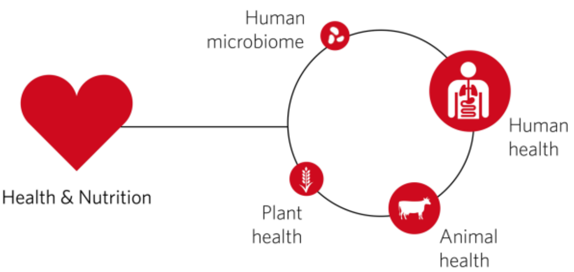
The return on invested capital excluding goodwill was 42.0%, compared to 40.1% in 2015/16. Invested capital excluding goodwill increased by EUR 33 million, or 7%, to EUR 473 million. The increase was mainly due to investments in production capacity.

SEGMENT INFORMATION

HEALTH & NUTRITION

21% OF REVENUE

EUR million	Q2 2016/17	Q2 2015/16	YTD 2016/17	YTD 2015/16
Revenue	58.6	45.2	104.5	81.2
Organic growth	13%	0%	10%	2%
EBITDA	22.7	17.2	36.2	28.4
EBITDA margin	38.8%	38.0%	34.7%	35.0%
EBIT	18.6	14.7	28.3	23.6
EBIT margin	31.7%	32.5%	27.1%	29.1%
ROIC excluding goodwill			25.4%	28.1%



REVENUE

Revenue for the first half of 2016/17 increased by 29% to EUR 105 million, corresponding to organic growth of 10%. Animal health delivered strong growth, while human health showed solid growth. Plant health delivered very strong growth, albeit from a small base.

Organic growth in human health was driven by dietary supplements in North America and infant formula in APAC, whereas animal health was positively impacted by strong growth in silage and poultry, driven by wins of customer projects. The growth in swine was good, while dairy cattle declined. Plant health benefited from the continued penetration of Nemix® C in Brazil.

The market for animal health probiotics for cattle remains negatively impacted by the low price environment in 2016, but is beginning to improve.

In Q2, organic growth was 13%. Animal health and plant health delivered strong growth, and human health showed solid growth.

EBIT

EBIT amounted to EUR 28 million, compared to EUR 24 million in 2015/16. The EBIT margin was 27.1%, down 2.0 percentage points on 2015/16. The decrease was mainly due to differences in the timing of factory maintenance and inventory levels and higher depreciation and amortization related to acquisitions, partly offset by lower scrap levels in human health.

In Q2, the EBIT margin was 31.7%, compared to 32.5% in 2015/16. Production efficiencies driven by lower scrap levels were more than offset by higher depreciation and amortization from acquisitions and increased R&D activity.

ROIC EXCLUDING GOODWILL

The return on invested capital excluding goodwill was 25.4%, compared to 28.1% in 2015/16. Invested capital excluding goodwill increased by EUR 46 million, or 23%, to EUR 243 million, driven by intangible assets from the acquisition of LGG®.

NPC INTEGRATION

The integration of NPC into Chr. Hansen's animal health organization has been completed, and the realization of identified synergies, including optimization of the supply chain, cross-selling and internationalization of NPC's product portfolio, is ahead of schedule. In the first half of 2016/17, revenue amounted to approximately EUR 13 million, which was slightly below initial expectations due to the market conditions for dairy cattle.

LGG® INTEGRATION

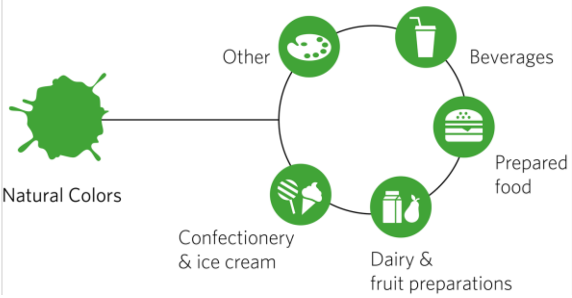
Integration of the business is ongoing, including investments to strengthen commercial support for promoting LGG®.

SEGMENT INFORMATION

NATURAL COLORS

21% OF REVENUE

EUR million	Q2 2016/17	Q2 2015/16	YTD 2016/17	YTD 2015/16
Revenue	54.2	48.8	105.7	94.3
Organic growth	9%	21%	11%	22%
EBITDA	8.5	7.3	15.4	12.3
EBITDA margin	15.6%	14.9%	14.6%	13.1%
EBIT	6.8	5.8	12.2	9.4
EBIT margin	12.5%	11.9%	11.5%	9.9%
ROIC excluding goodwill			24.1%	19.4%



REVENUE
Revenue for the first half of 2016/17 increased by 12% to EUR 106 million, corresponding to organic growth of 11%. The organic growth comprised approximately 5% from volume/mix effects and 6% from price increases in local currencies. The price increases reflected increased raw material prices and, to a lesser extent, general price increases.

The organic volume growth was primarily driven by strong growth in the natural carotene, annatto and anthocyanin categories, while carmine volume declined due to a dedicated effort to improve profitability. Growth was anchored across most industries, with strong growth in beverages, dairy and prepared food.

The North America, EMEA and LATAM regions all delivered strong growth, while APAC delivered modest growth.

In Q2, organic growth was 9%. This comprised approximately 5% from volume/mix effects and 4% from price increases in local currencies. The organic growth was anchored across most industries.

EBIT
EBIT amounted to EUR 12 million, compared to EUR 9 million in 2015/16. The EBIT margin was 11.5%, up 1.6 percentage points on 2015/16. The increase was mainly driven by ongoing optimization initiatives, including operating efficiencies and margin management.

In Q2, the EBIT margin increased by 0.6 percentage point compared to 2015/16. The increase was driven by margin management and logistics optimization.

ROIC
The return on invested capital was 24.1%, compared to 19.4% in 2015/16. Invested capital increased by EUR 12 million, or 11%, to EUR 118 million, driven by property, plant and equipment and higher trade receivables.

OUTLOOK FOR 2016/17

ORGANIC REVENUE GROWTH

Based on the results for the first half of the year, the expectation for organic revenue growth is kept at 8-10%, unchanged from the announcement of 11 January 2017.

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

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

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

FREE CASH FLOW

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

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

SENSITIVITY

Chr. Hansen is a global company serving more than 140 countries through subsidiaries in 30 countries.

The greatest exchange rate exposure relates to USD, which accounts for around 25% of revenue, while the exposure to other currencies is modest.

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

The EBIT margin is also sensitive to exchange rate fluctuations and to changes in raw material prices for natural colors.

Production in the US and sourcing in USD partly offset the impact on revenue from changes to the USD exchange rate.

The use of currency hedging of balance sheet exposures and future cash flows is described in note 4.3 in the Annual Report for 2015/16.

STATEMENT OF THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

Today, the Board of Directors and Executive Board have considered and approved the interim report for Chr. Hansen Holding A/S for the period 1 September 2016 to 28 February 2017. The interim report has not been audited or reviewed by the company's independent auditors.

The unaudited interim report has been prepared in accordance with IAS 34 and additional Danish regulations. Furthermore, the interim report has been prepared in accordance with the accounting policies set out in the Annual Report of Chr. Hansen Holding A/S for 2015/16.

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim report is adequate. Furthermore, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 28 February 2017, and of the results of the Group's operations and cash flow for the period 1 September 2016 to 28 February 2017.

We further consider that the Management's Review in the preceding pages includes a true and fair account of the development and performance of the Group, the results for the period and the financial position, together with a description of the principal risks and uncertainties that the Group faces, in accordance with Danish disclosure requirements for listed companies.

Hørsholm, 6 April 2017

Executive Board

Cees De Jong President and CEO	Søren Westh Lonning CFO

Board of Directors

Ole Andersen Chairman	Dominique Reiniche Vice Chairman	Frédéric Stévenin	
Mark Wilson	Tiina Mattila-Sandholm	Luis Cantarell Rocamora	Kristian Villumsen
Per Poulsen	Svend Laulund		

ADDITIONAL INFORMATION

CONFERENCE CALL

Chr. Hansen will host a conference call on 6 April 2017 at 10:00 am CET. The conference call can be accessed via the Company's website, www.chr-hansen.com.

For further information, please contact:

Cees de Jong, CEO
+45 45 74 74 74

Søren Westh Lonning, CFO
+45 45 74 74 74

Anders Mohr Christensen, VP Business Finance & IR
+45 45 74 76 18

FINANCIAL CALENDAR

5 July 2017	Interim Report Q3
25 October 2017	Annual Report 2016/17
28 November 2017	Annual General Meeting 2016/17

Company information
Chr. Hansen Holding A/S
Bøge Allé 10-12
2970 Hørsholm
Denmark
Tel. +45 45 74 74 74
www.chr-hansen.com

Company reg. no.: 28318677

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of Chr. Hansen Holding A/S, may cause actual developments and results to differ materially from the expectations expressed in this report.

ABOUT CHR. HANSEN

Chr. Hansen is a global bioscience company that develops natural ingredient solutions for the food, nutritional, pharmaceutical and agricultural industries. Products include cultures, enzymes, probiotics and natural colors, and all solutions are based on strong research and development competencies coupled with significant technology investments. Revenue in the 2015/16 financial year was EUR 949 million. The Company has more than 2,900 dedicated employees in more than 30 countries and main production facilities in Denmark, France, the US and Germany. Chr. Hansen was founded in 1874 and is listed on Nasdaq Copenhagen. For further information, please visit www.chr-hansen.com.

INCOME STATEMENT

EUR million	Q2 2016/17	Q2 2015/16	YTD 2016/17	YTD 2015/16
REVENUE	259.4	228.9	501.1	443.3
Cost of sales	(120.1)	(108.3)	(232.8)	(210.6)
Gross profit	**139.3**	**120.6**	**268.3**	**232.7**
Research and development expenses	(17.2)	(14.9)	(34.2)	(28.8)
Sales and marketing expenses	(33.0)	(26.2)	(65.1)	(52.9)
Administrative expenses	(19.3)	(16.1)	(36.5)	(34.0)
Other operating income	0.6	0.5	3.4	1.0
Other operating expenses	(0.3)	-	(0.3)	(0.1)
Operating profit before special items	**70.1**	**63.9**	**135.6**	**117.9**
Special items	(0.1)	(6.8)	(1.0)	(6.8)
Operating profit (EBIT)	**70.0**	**57.1**	**134.6**	**111.1**
Net financial expenses	(3.0)	(7.2)	(5.8)	(9.4)
Profit before tax	**67.0**	**49.9**	**128.8**	**101.7**
Income taxes	(16.1)	(12.5)	(30.9)	(25.4)
Profit for the year	**50.9**	**37.4**	**97.9**	**76.3**
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	**50.9**	**37.4**	**97.9**	**76.3**
Earnings per share (EUR)	0.39	0.29	0.74	0.59
Earnings per share, diluted (EUR)	0.38	0.29	0.74	0.58

STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q2 2016/17	Q2 2015/16	YTD 2016/17	YTD 2015/16
PROFIT FOR THE YEAR	**50.9**	**37.4**	**97.9**	**76.3**
Items that will not be reclassified subsequently to the income statement:				
Remeasurements of defined benefit plans	-	-	(0.1)	-
Items that will be reclassified subsequently to the income statement when specific conditions are met:				
Currency translation of foreign Group companies	5.8	(8.2)	7.8	(2.6)
Cash flow hedges	(0.2)	(0.9)	1.1	(1.7)
Tax related to cash flow hedges	0.7	0.2	0.4	0.4
Other comprehensive income for the year	**6.3**	**(8.9)**	**9.2**	**(3.9)**
Total comprehensive income for the year	**57.2**	**28.5**	**107.1**	**72.4**
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	57.2	28.5	107.1	72.4

BALANCE SHEET

EUR million	28 Feb 2017	29 Feb 2016	31 Aug 2016
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	782.9	726.2	726.5
Other intangible assets	201.9	184.8	182.5
Intangible assets in progress	34.2	37.1	35.3
Total intangible assets	**1,019.0**	**948.1**	**944.3**
Property, plant and equipment			
Land and buildings	138.7	132.6	138.9
Plant and machinery	145.9	135.3	142.5
Other fixtures and equipment	17.5	17.1	16.2
Property, plant and equipment in progress	84.0	59.4	55.7
Total property, plant and equipment	**386.1**	**344.4**	**353.3**
Other non-current assets			
Deferred tax	7.9	6.8	9.8
Total other non-current assets	**7.9**	**6.8**	**9.8**
Total non-current assets	**1,413.0**	**1,299.3**	**1,307.4**
Current assets			
Inventories			
Raw materials and consumables	25.6	26.4	21.5
Work in progress	47.2	47.4	42.4
Finished goods and goods for resale	63.4	59.0	56.2
Total inventories	**136.2**	**132.8**	**120.1**
Receivables			
Trade receivables	153.3	133.5	137.1
Tax receivables	5.0	3.5	4.8
Other receivables	18.7	16.6	16.6
Prepayments	10.2	8.7	9.5
Total receivables	**187.2**	**162.3**	**168.0**
Cash and cash equivalents	**60.6**	**49.2**	**119.8**
Total current assets	**384.0**	**344.3**	**407.9**
Total assets	**1,797.0**	**1,643.6**	**1,715.3**

BALANCE SHEET

EUR million	28 Feb 2017	29 Feb 2016	31 Aug 2016
EQUITY AND LIABILITIES			
Equity			
Share capital	177.2	176.7	177.2
Reserves	584.8	429.6	553.1
Total equity	**762.0**	**606.3**	**730.3**
Liabilities			
Non-current liabilities			
Employee benefit obligations	7.7	6.4	7.4
Deferred tax	72.0	55.0	66.4
Provisions	2.7	7.7	2.1
Borrowings	712.9	628.7	601.0
Tax payables	17.5	19.5	17.5
Other non-current debt	-	0.6	-
Total non-current liabilities	**812.8**	**717.9**	**694.4**
Current liabilities			
Provisions	0.1	-	6.2
Borrowings	38.8	135.1	66.7
Prepayments from customers	0.6	0.2	0.8
Trade payables	77.2	88.2	109.8
Tax payables	21.3	19.9	25.5
Other payables	84.2	76.0	81.6
Total current liabilities	**222.2**	**319.4**	**290.6**
Total liabilities	**1,035.0**	**1,037.3**	**985.0**
Total equity and liabilities	**1,797.0**	**1,643.6**	**1,715.3**

STATEMENT OF CHANGES IN EQUITY

2016/17

EUR million

	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
Equity at 1 September 2016	**177.2**	**(31.0)**	**(3.7)**	**587.8**	**730.3**
Total comprehensive income for the year, cf. statement of comprehensive income	-	7.8	1.5	97.8	107.1
Transactions with owners:					
Purchase of treasury shares				(6.8)	(6.8)
Exercised share options	-	-	-	22.4	22.4
Share-based payment	-	-	-	1.4	1.4
Dividend	-	-	-	(92.4)	(92.4)
Equity at 28 February 2017	**177.2**	**(23.2)**	**(2.2)**	**610.2**	**762.0**

2015/16

EUR million

	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
Equity at 1 September 2015	**176.7**	**(33.4)**	**(3.2)**	**460.7**	**600.8**
Total comprehensive income for the year, cf. statement of comprehensive income	-	2.5	-	69.9	72.4
Transactions with owners:					
Exercised share options	-	-	-	13.2	13.2
Share-based payment	-	-	-	2.0	2.0
Dividend	-	-	-	(82.1)	(82.1)
Equity at 29 February 2016	**176.7**	**(30.9)**	**(3.2)**	**463.7**	**606.3**

CASH FLOW STATEMENT

EUR million	Q2 2016/17	Q2 2015/16	YTD 2016/17	YTD 2015/16
Operating profit	70.0	57.1	134.6	111.1
Non-cash adjustments	9.4	21.5	23.7	32.8
Change in working capital	(6.5)	(17.9)	(55.5)	(41.7)
Interest payments made	(2.5)	(3.4)	(4.6)	(5.3)
Taxes paid	(3.0)	(3.9)	(28.4)	(42.3)
Cash flow from operating activities	**67.4**	**53.4**	**69.8**	**54.6**
Investments in intangible assets	(3.4)	(4.6)	(6.4)	(9.8)
Investments in property, plant and equipment	(21.3)	(19.0)	(43.0)	(31.6)
Sale of property, plant and equipment	-	-	2.3	-
Cash flow used for operational investing activities	**(24.7)**	**(23.6)**	**(47.1)**	**(41.4)**
Free operating cash flow	**42.7**	**29.8**	**22.7**	**13.2**
Acquisition of entities, net of cash acquired	-	(169.4)	(73.0)	(169.4)
Cash flow used for investing activities	**(24.7)**	**(193.0)**	**(120.1)**	**(210.8)**
				-
Free cash flow	**42.7**	**(139.6)**	**(50.3)**	**(156.2)**
Borrowings	124.5	210.4	158.1	210.4
Repayment of long-term loans	(84.1)	(5.3)	(91.5)	(12.4)
Exercise of options	7.5	13.2	22.4	13.2
Purchase of treasury shares, net	-	-	(6.8)	-
Dividends paid	(92.4)	(82.1)	(92.4)	(82.1)
Non-controlling interests, dividends, etc.	-	-	-	-
Cash flow used in financing activities	**(44.5)**	**136.2**	**(10.2)**	**129.1**
Net cash flow for the year	**(1.8)**	**(3.4)**	**(60.5)**	**(27.1)**
Cash and cash equivalents at 1 September	61.5	55.4	119.8	76.4
Unrealized exchange gains/(losses) included in cash and cash equivalents	0.9	(2.8)	1.3	(0.1)
Net cash flow for the year	(1.8)	(3.4)	(60.5)	(27.1)
Cash and cash equivalents, end of period	**60.6**	**49.2**	**60.6**	**49.2**

SEGMENT INFORMATION

EUR million	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
				Q2 2016/17
INCOME STATEMENT				
Revenue	146,6	58,6	54,2	259,4
EUR growth	9%	30%	11%	13%
Organic growth	8%	13%	9%	9%
EBITDA	53,5	22,7	8,5	84,7
EBITDA margin	36,5%	38,8%	15,6%	32,6%
Depreciation, amortization and impairment losses	(8,8)	(4,1)	(1,7)	(14,6)
EBIT before special items	44,7	18,6	6,8	70,1
EBIT margin before special items	30,5%	31,7%	12,5%	27,0%
Special items and net financial expenses				(3,1)
Profit before tax				**67,0**

EUR million	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
				YTD 2016/17
INCOME STATEMENT				
Revenue	290,9	104,5	105,7	501,1
EUR growth	9%	29%	12%	13%
Organic growth	9%	10%	11%	10%
EBITDA	112,6	36,2	15,4	164,2
EBITDA margin	38,7%	34,7%	14,6%	32,8%
Depreciation, amortization and impairment losses	(17,5)	(7,9)	(3,2)	(28,6)
EBIT before special items	95,1	28,3	12,2	135,6
EBIT margin before special items	32,7%	27,1%	11,5%	27,1%
Special items and net financial expenses				(6,8)
Profit before tax				**128,8**

SEGMENT INFORMATION

(CONTINUED)

EUR million

	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
				Q2 2015/16
INCOME STATEMENT				
Revenue	134.8	45.2	48.8	228.9
EUR growth	10%	3%	16%	10%
Organic growth	13%	0%	21%	12%
EBITDA	52.4	17.2	7.3	76.8
EBITDA margin	38.8%	38.0%	14.9%	33.6%
Depreciation, amortization and impairment losses	(9.0)	(2.5)	(1.5)	(13.0)
EBIT before special items	43.3	14.7	5.8	63.9
EBIT margin before special items	32.1%	32.5%	11.9%	27.9%
Special items and net financial expenses				(14.0)
Profit before tax				**49.9**

EUR million

	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
				YTD 2015/16
INCOME STATEMENT				
Revenue	267.8	81.2	94.3	443.3
EUR growth	11%	6%	18%	12%
Organic growth	13%	2%	22%	13%
EBITDA	102.7	28.4	12.3	143.5
EBITDA margin	38.4%	35.0%	13.1%	32.4%
Depreciation, amortization and impairment losses	(17.8)	(4.8)	(3.0)	(25.6)
EBIT before special items	84.9	23.6	9.4	117.9
EBIT margin before special items	31.7%	29.1%	9.9%	26.6%
Special items and net financial expenses				(16.2)
Profit before tax				**101.7**

SEGMENT INFORMATION

(CONTINUED)

EUR million

ASSETS	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
				28 Feb 2017
Goodwill	548.7	234.2	-	782.9
Other intangible assets	108.6	111.7	15.8	236.1
Intangible assets	**657.3**	**345.9**	**15.8**	**1,019.0**
Property, plant and equipment	254.9	86.0	45.2	386.1
Total non-current assets excluding deferred tax	**912.2**	**431.9**	**61.0**	**1,405.1**
Inventories	66.7	24.5	45.0	136.2
Trade receivables	80.9	34.5	37.9	153.3
Trade payables	(38.2)	(13.4)	(25.6)	(77.2)
Net working capital	**109.4**	**45.6**	**57.3**	**212.3**
Assets not allocated				102.4
Group assets				**1,797.0**
Invested capital excluding goodwill	**472.9**	**243.3**	**118.3**	**834.5**
ROIC excluding goodwill	**42.0%**	**25.4%**	**24.1%**	**35.2%**
Investment in non-current assets excluding deferred tax	33.4	11.4	4.6	49.4

ASSETS	Food Cultures & Enzymes	Health & Nutrition	Natural Colors	Group
				29 Feb 2016
Goodwill	538.9	187.3	-	726.2
Other intangible assets	120.8	84.3	16.8	221.9
Intangible assets	**659.7**	**271.6**	**16.8**	**948.1**
Property, plant and equipment	228.8	75.4	40.2	344.4
Total non-current assets excluding deferred tax	**888.5**	**347.0**	**57.0**	**1,292.5**
Inventories	59.2	28.2	45.4	132.8
Trade receivables	72.6	30.0	30.9	133.5
Trade payables	(41.3)	(20.2)	(26.7)	(88.2)
Net working capital	**90.5**	**38.0**	**49.6**	**178.1**
Assets not allocated				84.8
Group assets				**1,643.6**
Invested capital excluding goodwill	**440.1**	**197.7**	**106.6**	**744.4**
ROIC excluding goodwill	40.1%	28.1%	19.4%	34.3%
Investment in non-current assets excluding deferred tax	30.9	7.1	3.4	41.4

SEGMENT INFORMATION

(CONTINUED)

EUR million

GEOGRAPHIC ALLOCATION	EMEA	North America	LATAM	APAC	Group
					Q2 2016/17
Revenue	107.4	77.6	34.5	39.9	259.4
EUR growth	3%	31%	7%	19%	13%
Organic growth	3%	17%	4%	18%	9%
					YTD 2016/17
	EMEA	**North America**	**LATAM**	**APAC**	**Group**
Revenue	212.8	143.3	66.6	78.4	501.1
EUR growth	6%	26%	6%	18%	13%
Organic growth	6%	12%	9%	17%	10%
Non-current assets excluding deferred tax	**1,183.0**	**170.6**	**36.5**	**15.0**	**1,405.1**

EUR million

	EMEA	North America	LATAM	APAC	Group
					Q2 2015/16
Revenue	103.9	59.2	32.3	33.5	228.9
EUR growth	11%	9%	0%	17%	10%
Organic growth	12%	2%	19%	20%	12%
					YTD 2015/16
	EMEA	**North America**	**LATAM**	**APAC**	**Group**
Revenue	200.7	113.7	62.7	66.2	443.3
EUR growth	8%	16%	7%	23%	12%
Organic growth	10%	5%	25%	25%	13%
Non-current assets excluding deferred tax	**1,083.8**	**165.9**	**29.5**	**13.3**	**1,292.5**

ACQUISITIONS

2016/17

On 10 November 2016, Chr. Hansen acquired full ownership of the LGG® strain, including trademarks and related business, from Valio, Finland. The acquired business includes the LGG® trademarks and related royalties, a collection of around 3,200 strains and a small production site in Tikkurila, Finland, which currently produces the LGG® strain and a number of specialty strains for cheese, etc. The purchase consideration was paid in cash. The acquisition expands Chr. Hansen's business within microbial solutions for human health, allowing us to capture the full potential of the LGG® brand across markets for dietary supplements and infant formula offerings, as well as pursuing new opportunities in dairy.

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

EUR million	2016/17
PURCHASE CONSIDERATION:	
Cash paid	73.0
Net assets acquired	25.6
Goodwill from acquisition	**47.4**

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

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

EUR million	2016/17
FAIR VALUE OF NET ASSETS ACQUIRED:	
Trademarks	5.0
Technology (patents and other rights)	16.9
Customer relations	2.4
Property, plant and equipment	2.0
Inventories	0.6
Other receivables and payables, net	(1.3)
Cash	-
Net identifiable assets acquired	**25.6**

ACQUISITIONS
(CONTINUED)

2015/16

On 18 February 2016 Chr. Hansen acquired full ownership interest in Nutrition Physiology Holdings LLC and Guardian Food Tech. LLC, USA.
The acquisition expands Chr. Hansen's business within microbial solutions for animal health especially in the US beef cattle segment and complements the Company's existing market position within dairy cattle, swine and poultry.

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

EUR million	2015/16
PURCHASE CONSIDERATION:	
Cash paid	169.5
Net assets acquired	59.1
Goodwill from acquisition	**110.4**

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

EUR million	2015/16
FAIR VALUE OF NET ASSETS ACQUIRED:	
Trademarks	6.2
Technology (patents and other rights)	37.8
Customer relationships	9.7
Property, plant and equipment	2.5
Inventories	3.0
Trade receivables	2.2
Trade payables	(0.6)
Other receivables and payables, net	(1.8)
Cash	0.1
Net identifiable assets acquired	**59.1**

The goodwill represents staff competences and synergies from innovation, optimization of sales and supply chain.