

CHR HANSEN

Improving food & health



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To further strengthen its probiotics offering Chr. Hansen acquires LGG®[®], the world's best documented probiotic strain, from Valio OY

Natural solutions that advance human health are in high demand and the

expected growth for microbial solutions in this industry is 7-9%. Chr. Hansen is the world's leading supplier of probiotics to dietary supplements, infant formula and dairy, and through the acquisition of the LGG[®] business, the company is now further strengthening its microbial platform across all three categories.

Alongside Chr. Hansen's own BB-12[®][\[1\]](#) strain, the *Lactobacillus rhamnosus*GG (protected under the trademark LGG[®]) is the best documented probiotic strain in the world. It has been used in food and dietary supplements since 1990 and has a proven beneficial effect on the gastrointestinal and immune system. It has been studied in more than 200 clinical studies[\[2\]](#) and described in more than 800 scientific publications.

Cees de Jong, CEO of Chr. Hansen Holding A/S, says: *“One of the ambitions in our Nature's No. 1 strategy is to expand our current business within microbial solutions for human health. The LGG[®] strain and our own probiotic strain BB-12[®] are the best documented probiotic strains in the world and the acquisition allows 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”.*

Lasse Nagell, Senior Vice President, Human Health, Chr. Hansen, says: *“The markets for well documented probiotic strains are experiencing very strong growth in dietary supplements and drives an entire category in fermented milk products, such as yoghurt, kefir, etc. We believe that there are vast opportunities for the LGG[®] brand considering Chr. Hansen's wide geographic reach and deep technical knowledge.”*

Chr. Hansen has been the largest producer of LGG[®] products for human dietary and infant formula for more than 10 years. Apart from acquiring the full rights to the strain, Chr. Hansen also takes over a number of specialty strains already in production and a bacterial strain collection of around 3,200 strains.

Annikka Hurme, CEO of Valio OY, says: *“An important element in the deal is closer co-operation between the two companies' world leading innovations teams, which will further strengthen the impressive science backing LGG[®].”*

The price of the acquisition is EUR 73 million and will be funded through Chr. Hansen's own cash position and existing credit facilities.

The acquisition of the LGG[®] business is subject to customary closing conditions. Closing is expected during the fall of 2016.

The acquired business

The acquired business includes the LGG[®] trademarks and strain and related customer agreements, a collection of 3,200 strains and a small production site in Tikkurila, Finland which currently produces the LGG[®] strain and a

number of specialty strains used in dairy production, etc.

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[\[1\]](#) BB-12® is a trademark of Chr. Hansen A/S

[\[2\]](#) As of July 2015

Chr. Hansen is a global bioscience company that develops natural ingredient solutions for the food, nutritional, pharmaceutical and agricultural industries. The products include cultures, enzymes, probiotics and natural colors, and all solutions are based on strong research and development competencies coupled with significant technology investments. Revenue in the 2014/15 financial year was EUR 859 million. It has more than 2,600 dedicated employees in over 30 countries and main production facilities in Denmark, France, USA and Germany. Chr. Hansen was founded in 1874 and is listed on NASDAQ OMX Copenhagen.

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