

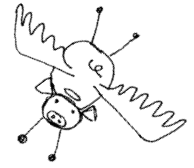



PORK JAWS
serves 4

DANISH CROWN

IT'S ALL ABOUT FOOD

At Danish Crown, it's all about food. This year's annual report therefore takes the form of a cookbook of sorts, full of recipes from our universe, and hopefully with lots of inspiration and interesting stories from around the world.



We were extremely privileged when one of the very best chefs in Denmark - managing director and chef Thomas Rode Andersen at restaurant Kong Hans in Copenhagen - agreed to welcome selected members of the executive group and Chairman of the Board Niels Mikkelsen to the kitchen. Here, they swapped suits for T-shirts and aprons, and their mobiles for knives.

They brought along a selection of the cuts which Danish Crown currently exports to different parts of the world - and produced five brand new dishes. Read on to find out more about them - and everything else!

IT'S ALL ABOUT FOOD



DANISH CROWN 2010/11

From the farm to the slaughterhouse to the container terminal, it's all about food.

Throughout Danish Crown's value chain, the focus is on food. It is food we produce, and food we sell to customers and consumers worldwide. Therefore, our focus is also on food when we meet consumers, discuss strategy or – as here – report on the past year.

Once the year's results are ready, it is time to look at the events and initiatives that shaped the results, which is what we are doing in this annual report. We are also using it as an opportunity to talk about Danish Crown and all the elements that make up the global group.

Food safety and quality are decisive sales parameters worldwide – and in several markets a fundamental precondition for access. Danish Crown is thus one of only a very small number of companies worldwide with direct exports to China, and this is the background for one of this year's positive stories – and for the year's fastest-growing market.

A year ago, Danish Crown presented its best results ever, while this year's results underline the fact that the regained competitiveness was no flash in the pan.

However, the economic challenges which the world has experienced in recent years do not go unnoticed by a world player of Danish Crown's standing. The continuing challenges for the owners are a significant focus area for the company.

At the end of November this year, we are presenting a set of results which reflects solidity and robustness. Two qualities which are particularly important at a time when fragility characterises the world economy. Which makes it even more positive that Danish Crown has, over the past two years, succeeded in offering competitive settlements to its owners.

However, given the challenges facing Danish farmers, being able to pay just as much or more as other countries for the animals supplied is not enough. The aim is to be able to guarantee settlements for owners that make meat production a profitable and sound business for them as farmers – also in the long term.

The plan DC Future, which we implemented during 2009/10, pushed us into the future, and during 2011 we have started to get to grips with its successor, DC2015, which will secure and reinforce our lead.

The task of maintaining and strengthening the company's competitiveness has become part and parcel of our daily working lives – both at head office and at all workplaces in the group. And it is a topic that occupies the owners every day.

We have spent part of the year discussing Danish Crown's future ownership structure. With a growth strategy, it is relevant to talk about possible sources of the capital needed to finance growth – and who might eventually be sitting around the table. This is, as yet, an ongoing discussion, which will continue in 2012.

The challenge posed by high payroll costs is another topic we will be considering in the new financial year. Because on this one single point we have not achieved the target we set ourselves in DC Future, and we must. It is both a question of ensuring the supply of raw materials – and of securing Danish workplaces.

We have also spent the year looking at whether we should invest in Danish industrial workplaces, and everything suggests that this will be one of the first big decisions to be made by the Board of Directors in 2012 – the decision whether to build a new cattle slaughterhouse in Denmark.

Today, Danish Crown is an international business with two thirds of its employees working and a significant share of earnings being generated outside the country's borders. These foreign workplaces are a precondition for the group's Danish workplaces – not an alternative.

Being an international business is a role we must learn to play – while simultaneously being aware of the company's long history and proud traditions.

Our raw materials are live animals which are reared on Danish soil, and the current form of ownership – as a cooperative society – has deep, Danish roots.

In 2012, the company – or parts of it – celebrates its 125th anniversary. We will find a way of marking this significant milestone, because it is an obvious opportunity to mix history and development in the same mouthful. How we do so has not been fully decided, but we guarantee that it'll be all about food, because that's what we do at Danish Crown.

Bon appétit!

Kjeld Johannesen | CEO



DANISH CROWN

Niels Mikkelsen | Chairman of the Board of Directors



DANISH CROWN







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WITH VALUES

Grilled pork chops
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MENU 10/11



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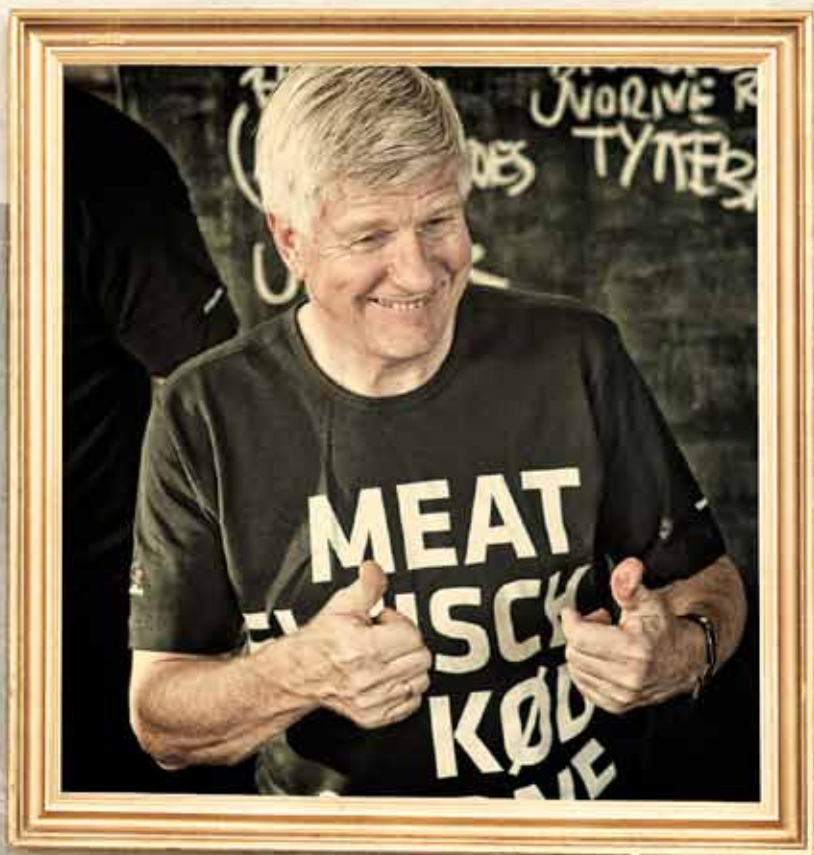


Thomas Rode Andersen

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OVER THE WORLD

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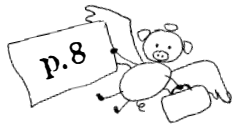


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THE GLOBAL
WORKPLACE

Braised belly rolls
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The Chinese love pork. Danish pork. In South Korea, posters advertising pork from Danish Crown adorn the walls of restaurants. At the butcher's in Milan, dried hams from Denmark hang from the ceiling. In Rome, spaghetti carbonara is made with Tulip's diced bacon. In the USA, they eat Danish baby back ribs for supper and fill their sandwiches with cold cuts from Plumrose. In the UK, Danish back bacon is often served for breakfast.

All over the world, you come across meat from Danish Crown, the world's largest exporter of pork, and the group's foreign companies are where the real value is being created today.

DANISH CROWN ALL OVER THE WORLD





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15 September 2011

DANISH CROWN A TOP NAME IN CHINA

Danish Crown products enjoy the highest status in China. The reason is quality, quality and quality.

质量
质量
质量

Danish farmers produce the best bulk pigs in the world, says Kjeld Johannesen, CEO of Danish Crown. And judging from China, signs are that he might be right.

In fact, Danish Crown's pork products are regarded as the very best in the market.

The reason is quality, quality and quality.

Many people confuse bulk with poor quality, but in reality bulk is defined as large volumes of a product of a uniform quality – and that is Danish Crown's core competence in the world market.

- Only slaughterhouses approved by the Chinese authorities can export their pork to China, and in this respect all Danish Crown's Danish facilities enjoy a unique status. Unlike most other exporters in the world,

we have been approved for direct exports to China, explains Søren Tinggaard, Deputy Chief Executive of Danish Crown.

UNIQUE ACCESS

This means that Danish Crown is one of a very small number of companies world-wide with direct market access to China. The explanation is simple: meat of a uniform and high quality and world-class food safety standards.

- We have an extremely good reputation in China, which is our fastest-growing market. At the moment, we are shipping 150 containers with Danish pork products to China each week, Søren Tinggaard explains.

FRAGILE REPUTATION

A good reputation in the Chinese market is valuable. Extremely valuable. And



so there is every reason to ensure that we live up to our reputation each and every time we ship our products to the various markets. According to Arnth Henriksen, Sales Manager in China, it doesn't take much to ruin a reputation.

- Four or five years ago, one of our slaughterhouses supplied some rear trotters which for some reason were discoloured.

- And even though we took immediate action to rectify the error, the Chinese are still reminiscing about the episode and referring to the slaughterhouse as the one with the discoloured trotters, says Arnth Henriksen.

IMPRESSED WITH SLAUGHTERHOUSE WORKERS

However, this has not detracted from our good reputation – in fact, rumour has it that Danish Crown's packaging is being copied by other companies in China

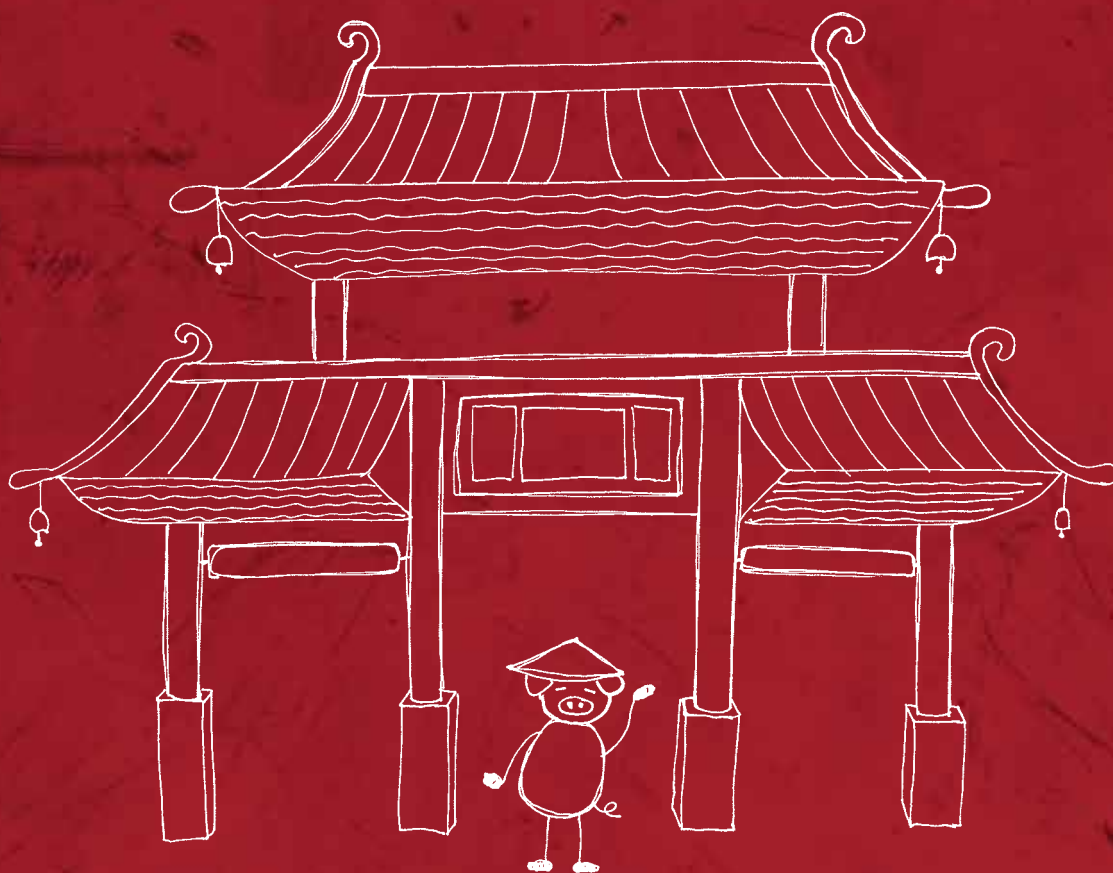
in the hope that they will then be able to charge Danish Crown prices.

- This is the sort of thing which provokes a smile, and we hear about episodes like this quite frequently, says Arnth Henriksen from China.

The Chinese not only love Danish Crown's products; they are also thrilled with our collaboration. According to Arnth Henriksen, there is one thing which always impresses Chinese visitors to the Danish slaughterhouses:

- The slaughterhouse workers!

- Chinese people visiting the Danish slaughterhouses are always impressed with the workers' friendly and genuinely interested manner. So much so that it is something which they always talk about once they are back on board their coach. This is something which we can rightly be proud of, says Arnth Henriksen.



SWEET AND SOUR PORK

200-250 g top round or ham thinly sliced (approx. 1/2 x 8 cm)
salt and pepper
1 tsp oil
1 onion
2 garlic cloves
1 red pepper
1-2 carrots, 150 g
1 tsp oil
1 tin diced pineapple, approx. 175 g (retain 50 ml of juice)

SAUCE

1 tbsp cornstarch
4 tbsp vinegar
100 ml stock
2 tbsp sugar
2 tbsp soy sauce

Mix the cornstarch, vinegar, stock, sugar and soy sauce and put to one side. Finely chop the onion and garlic. Cut the red pepper and carrots into julienne sticks. Dry the meat with kitchen roll. Season with salt and pepper.

Heat 1 tsp of oil in a wok, large frying pan or stewpot. Fry the meat over a high heat for 1-1½ minutes. Let the meat brown, and finish cooking it over a low heat. Transfer the meat to a plate. Put 1 tsp of oil into the wok and fry the onion, garlic, red pepper and carrot sticks for 2 minutes, stirring continuously.

Add the pineapple with 50 ml of juice and cook for 1 minute. Return the meat to the wok and add the sauce. Leave to cook until the sauce has thickened. Season to taste with salt and pepper. Serve with, for example, rice.

Serves 2





NEW BACON SUCCESS STORY REMINISCENT OF 1930S

The demand for pork in China is now so great that the situation for Danish Crown is reminiscent of bacon sales to the UK in the 1930s.

In the 1930s, Denmark shipped big barrels packed with butter and bacon to the UK. Back then, the market for bacon was insatiable. Today, Danish Crown is seeing a repeat of the story in the Chinese market.

- The Chinese are crazy about pork. And when such a heavily populated country suddenly starts wanting a particular product, we have a unique situation, the likes of which we haven't seen since the dramatic increase in our bacon sales to the UK in the 1930s and to Japan in the mid-1970s, says Søren Tinggaard, Deputy Chief Executive of Danish Crown.

In recent years, Søren Tinggaard has been watching developments in China closely, and in his opinion the market is limitless at the moment. For example, if Danish Crown had two million more pig's heads, the company would easily be able to sell this volume too.

- Initially, Danish consumers will not feel the price increases as the Chinese are usually after different parts of the pig compared to those sold in Denmark. However, the greater purchasing power of Chinese consumers means they will, to an increasing extent, start demanding the same meat

cuts as Europeans, which will eventually push up prices in Europe. A situation we may well soon be facing, says Søren Tinggaard.

DKK 0.15 MORE FOR THE FARMER

For Danish farmers, China means markedly higher earnings. Simply by selling pig's heads to China instead of Europe, pig producers can be paid an average of DKK 0.15 more per kilogram of meat supplied. This is further supplemented by trotters, spare-ribs, lungs and other parts of the pig which the Chinese are willing to pay more for.





INCREASE IN
CHINESE DEMAND
FOR PORK PUSHES
UP PRICES.

Pork influencing inflation in China

The Chinese middle classes, which count 300-400 million people, are growing, and when the economic climate changes, so do consumer habits.

The Chinese consumers' growing demand for pork has resulted in average price increases of 30-40pc and, since the summer, this has influenced the rate of inflation.

- Unlike the situation in Denmark, the Chinese spend a very large proportion of household income on food, including pork, and so the

price increases have a bearing on whether families are able to buy other consumables. In fact, the increases in pork prices are so steep that they are deemed to constitute a significant factor behind the increasing inflation rate in China. Pork is thus directly responsible for inflation in China, explains Søren Tinggaard, Deputy Chief Executive of Danish Crown.

UNIQUE COMBINATION

Today, Danish Crown is selling pig's heads to China at double the price they would fetch in Europe. Since January alone, prices in China have risen by a further 100pc or more.

- The Chinese are crazy about pork. And when such a heavily populated country suddenly starts wanting a particular product, we have a unique situation, the likes of which we haven't seen since the dramatic increase in our bacon sales to the UK in the 1930s, says Søren Tinggaard.

According to him, China will be Danish Crown's second-largest market next year after the UK.



Dinner with Putin

DANISH CROWN'S CEO, KJELD JOHANNESEN, MET RUSSIA'S PRIME MINISTER DURING AN OFFICIAL VISIT THIS SPRING.

This spring, the Russian Prime Minister, Vladimir Putin, paid an official visit to Denmark, which involved a string of meetings with Danish politicians, officials and businessmen.

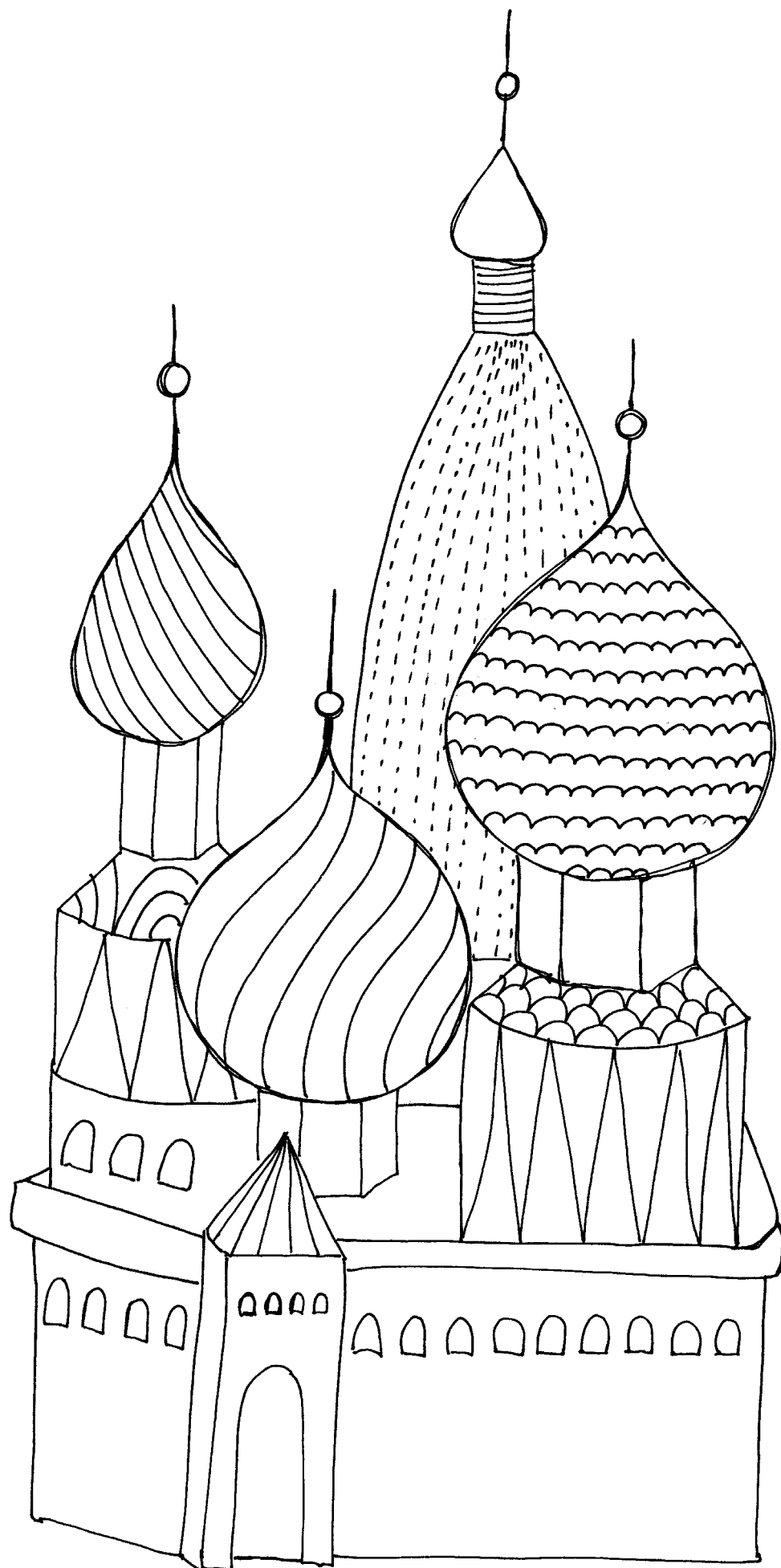
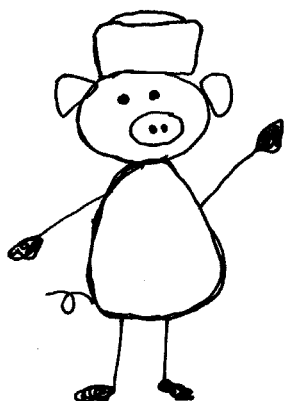
Danish Crown's CEO, Kjeld Johannesen, had two opportunities to meet with the Russian premier.

First at the official banquet at Christiansborg, seat of the Danish parliament, and later that same evening

Kjeld Johannesen was one of eleven Danish CEOs who were invited to a meeting in the Russian-Danish Business Forum, where the Danish senior executives had a chance to discuss trade between the two countries with the Russian delegation.

Kjeld Johannesen was the sole representative of the Danish food sector, and was delighted at being able to talk closely with Prime Minister Putin about one of Danish Crown's key markets.

27 April 2011



It is no coincidence that Danish Crown's CEO Kjeld Johannesen was present when the Russian-Danish Business Forum in St Petersburg signed a joint declaration on strengthening and accelerating economic collaboration between Russia and Denmark.

Every week, Danish Crown ships 80 containers with the company's products to Russia. This means that Danish Crown alone accounts for more than 20pc of Danish exports to the country.

- Exporting large volumes of pork and beef to Russia is nothing new, but at the moment we are also finding that Russia offers new business opportunities, says Kjeld Johannesen.

DANISH KNOW-HOW IN HIGH DEMAND

After trading together for more than 20 years, Danish Crown has achieved a mutual cultural understanding with the company's Russian business partners.

- This means that we are now seeing a growing demand for Danish know-how, both within slaughterhouse operations, food safety and production in general, where Danish expertise is much sought-after, says Kjeld Johannesen.

- In collaboration with our Russian partners, we have already made contributions in several areas, and we believe that Danish Crown has every chance of becoming an important strategic business partner throughout the farm-to-table value chain, says Kjeld Johannesen.

DANISH CROWN SPIES NEW OPPORTUNITIES IN RUSSIA

9 September 2011



A small group of senior executives from Denmark and Russia were there when the Russian-Danish Business Forum met in St Petersburg. From left, Sergey Belyakov from the Russian Ministry of Economic Development, Sergey Vasilyev from Vnesheconombank, CEO Kjeld Johannesen, Danish Crown, Senior Vice President Jesper Høiland from Novo Nordisk and Velux Group CEO Jørgen Tang-Jensen.

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This is how Danish pork is sold in South Korea. The ad reads:

THE CUSTOMER IS KING!

- As requested by our customers, we have produced the pork in Denmark.
- Danish pork is safe, hygienic, low-fat and healthy for our families and society.

EXPORTS OF DANISH PORK TO SOUTH KOREA HAVE INCREASED DRAMATICALLY IN THE SPACE OF JUST TWELVE MONTHS. THERE ARE SEVERAL REASONS FOR THIS, EXPLAINS DANISH CROWN'S SOUTH KOREAN REP.

Danish Crown in South Korea

In 2010, Danish Crown exported 8,000 tonnes of pork to South Korea. This year, the company's representative in the country, Lee Chun-Lim, estimates that this figure will triple to approx. 23,000 tonnes.

The dramatic increase is attributable to several factors, according to Lee Chun-Lim, who is otherwise known as 'Gus' to his western business associates. The primary factor was the outbreak of foot-and-mouth disease in South Korea last year. The government reacted with a massive cull of pig herds, and then opened up for imports by setting up a tariff-free import quota. Danish Crown was quick off the mark.

- The Danish market is extremely well geared to delivering large volumes at short notice, explains the export representative, who primarily sells intestines and shoulders to his wholesale customers.

In Lee Chun-Lim's opinion, the tariff-free quota will soon be extended as it is taking longer than expected for the South Korean pig production to return to pre-disease levels. Among other things, there is considerable local resistance to re-establishing the large pig farms. They were unpopular before the outbreak, but the burying of the slaughtered herds caused widespread odour problems and water pollution, which has made neighbours angry.

A free trade agreement which has been signed between South Korea and the EU also ensures that tariffs are being reduced by 5pc a year, and that the tariff will be non-existent in five years. This will strengthen the competitiveness of Danish exporters in the local market.

In addition, the traditional fondness for extremely fat meat in South Korea is changing. Hand in hand with the growing

focus on a healthy lifestyle, it also makes sense to eat less fatty foods, and here lean meat from Danish Crown is an obvious choice.

- In the 1990s, our pig production was tailored to cater for our exports to Japan, and the Japanese wanted meat which was as fat as possible. The live weight of pigs for slaughter shot up from 90-95 kg to 110-115 kg. In Denmark, the pigs weigh the same, but your advanced production techniques mean that the meat is still very lean, explains Lee Chun-Lim.

AN EMERGING BRAND

Finally, the South Koreans are slowly becoming aware of Danish meat as a brand. For a long time, they held the view that Danes are good at producing dairy products - the product name 'Denmark Milk', a relic from the former partnership between Arla and a South Korean dairy, is, for example, incredibly strong - and the same thing is now happening for pork. South Korea's most-watched TV station, for example, recently visited Danish Crown in Denmark, which resulted in a very positive story about high quality and efficient production methods.

The programme was seen by the CEO of one of the biggest South Korean supermarket chains, E-mart, who immediately asked if he could pay a visit too. That happened in October.

- If this chain starts stocking Danish Crown, it will really have a major impact on exports, said the delighted country rep, who is counting on using the dairy brand as a springboard to further growth.

- All things considered, I expect imports from Denmark to increase steeply over the next ten years, declares Lee Chun-Lim.

TULIP INVESTING IN SOUTH KOREA

A poster explains the packaging revolution. The first generation was the ham on its own, without any packaging. The second generation was the ham in a steel tin. The third generation was the aluminium tin. And the fourth and most recent generation is plastic packaging. Not only is it easier to open – and re-close again – it is also much safer because there is no risk of cutting yourself.

To highlight the message, a stack of the new type of hams has been beautifully arranged next to the poster, while an efficient lady is urging shoppers to taste samples.

The scene is taken from one of South Korea's many Lottemart supermarkets, and what we are witnessing is the roll-out of a large-scale campaign launched in mid-September by Tulip and the food company Nong Shim, meaning 'the farmer's heart' in Korean, which has been Tulip's national collaboration partner since 1994.

Henning Faber, Export Manager with Tulip Food Company, is visiting Tulip's Marketing Manager Jung-Soo Kim in South Korea, a market with considerable potential.

And the newly developed plastic packaging is a major reason for the expansion of our collaboration, explains Henning Faber, Tulip's Export Manager, a couple of hours later over lunch in the heart of South Korea's pulsating capital, Seoul:

- Our partner has a very strong desire to work with Tulip – both on account of the new plastic packaging and because the new Free Trade Agreement (FTA) between the EU and South Korea will lead to a gradual reduction in tariffs over the next five years. This is very exciting news.

On its part, Tulip sees considerable potential in Nong Shim, which is a top player

within foods, not only in South Korea, but worldwide. Nong Shim is, for example, the world's biggest producer of noodles, and holds the South Korean import licences for American Kellogg's, Italian Barilla and the largest Japanese food company. All extremely successful brands.

- They have the infrastructure and the contacts – and we hopefully have the right product, as Henning Faber puts it.

EXCITING FUTURE

Jung-Soo Kim, Managing Director of Nong Shim, believes so. Over lunch, he adds that the Tulip partnership will hopefully be as successful as the company's other import agreements.

He confirms that the two companies supplement each other well, adding that the partnership holds out interesting long-term potential over and above packaged ham:

- We want to increase awareness of the Tulip brand in South Korea. And once that has been achieved, we can hopefully develop the product portfolio. The next step will be processed meat products as frozen foods.

Tulip has actually been present in the South Korean tinned food market for several years, but only as a supplier to industry. Now they are moving in to the retail market, which has seen strong growth in recent years.

Initially, a campaign targeting supermarkets will run for two to three months, ensuring prominent product placements and tastings of the two ham variants 'Classic' and 'Mild'. If these initiatives have a satisfactory impact on sales, the next step will be television commercials.

- This is the most effective way, the export manager explains, elaborating:

- With a new product and a new type of packaging, you have to work hard to catch the attention of consumers.

However, his partner Jung-Soo Kim is confident.

- South Korean consumers like tinned products. Plastic is better and safer. This is the message which we have to get across, he says.

- And that is what the tastings and commercials will do, adds Henning Faber.





Newly developed plastic packaging is the direct reason why Tulip and its national partner Nong Shim are now targeting the retail market in South Korea in a big way.



A STRONG BRAND

SOKOŁÓW IS ONE OF THE STRONGEST BRANDS IN POLAND, AND BY HAVING ITS OWN SHOPS THROUGHOUT THE COUNTRY, SOKOŁÓW ENSURES THAT ITS PRODUCTS ARE ALWAYS PRESENTED IN THE BEST POSSIBLE WAY.

'Sokołów Fitness' is printed on the cups which the employees at the company's two distribution centres in Warsaw drink their tea out of as they take a short break during what is otherwise a long working day.

- The cups were produced in connection with the launch of a new low-fat ham, designed specifically for consumers who like to stay slim, says Miroslaw Lasocki, manager of the distribution centre in Warsaw, with a smile.

It is from here that the Sokołów shop owners in the capital receive a lot of their products, in fact everything from fitness hams to dog food, which Miroslaw Lasocki shows off to illustrate the fact that in Poland nothing goes to waste once the pig has been slaughtered.

CELEBRITY STATUS FOR SOKOŁÓW

Sokołów's products and the brand itself are extremely popular. It is unquestionably the most well-known meat brand in Poland, and the no. 2 brand for food products generally.

This is a position which the company's partners like to make the most of, which is evident when visiting a store owned by the UK-based supermarket chain Tesco in a suburb of the Polish capital.

Here, all of Sokołów's products are gathered at the company's own shop-in-shop, where the two employees are busy serving customers.

EVERYWHERE

- The shop is staffed by our own employees. We have simply leased a small section of the store to set up our own Sokołów shop. It is good for us, because lots of

people come to Tesco to do their shopping, and it is good for Tesco, because the strong Sokołów brand attracts even more customers who also buy other products at the store, explains Miroslaw Lasocki.

The same story is repeated in many towns across Poland. Everywhere, stores are pleased to be working with Sokołów, such as the small butcher's shop in another suburb about half an hour's drive away.

The Sokołów name is displayed on the façade and on the door, even though the butcher actually buys his products from MAKTON, a wholesale distributor owned by one of Sokołów's competitors which nevertheless distributes many of Sokołów's products to its customers. It is simply unthinkable for a Polish butcher not to be selling this popular brand.

- Most of our products are produced by Sokołów. It is the brand which customers want, so of course we stock it, the woman behind

the counter quickly explains before turning to the next customer in the queue.

EXCELLENT PROMOTION

And the small shops play an important role in Sokołów's strategy, even though many of them also sell competing products.

- With 700 shops displaying the Sokołów name on their façades, we ensure that consumers are always reminded about our products, while the shops wanting to use our name obviously have to agree to selling a certain percentage, says Miroslaw Lasocki.

And they do. Whether you are looking at the 100 shops owned by Sokołów which sell only Sokołów products or at the privately owned shops which are also selling competing Polish meat products, the Sokołów shops are part and parcel of Polish culture. Because consumers are happy to go out of their way to buy a fitness ham of the highest quality.



SOKOŁÓW'S OWN SHOPS PLAY AN IMPORTANT ROLE IN THE COMPANY'S STRATEGY, PARTICULARLY SO THIS YEAR BECAUSE OF THE DRAMATICALLY INCREASING COMMODITY PRICES.

After a record year last year, Sokołów is again presenting an impressive set of results. This is attributable not least to the company's commitment to its own shops, which have helped stabilise earnings in a year characterised by sky-rocketing commodity prices.

- Increasing commodity prices have, of course, meant that our costs have gone up massively and, as in all other markets, our Polish customers have done a lot to delay the price increases as much as possible. This has reduced our earnings from the big supermarket chains considerably. In our own shops, on the other hand, we have been able to put up prices immediately, thereby protecting our earnings, says Sokołów director Jerzy Majchrzak.

He is therefore convinced that the company's strategy of having its own network of shops is the right one.

- It is actually quite straightforward. The earnings in our own shops are higher than earnings in any other area of activity, and they are growing, explains Jerzy Majchrzak.

In addition, expanding the network of shops in collaboration with strong partners is another element in Sokołów's strategy.

- As in other countries, the trend is that consumers are doing more shopping at the big supermarkets. However, many Polish people also still go to their local butcher. This is especially true in difficult times because you can buy the exact quantity you need from the butcher rather than having to buy pre-packed meat products, says Jerzy Majchrzak.

This is also why about half of Sokołów's outlets are now supermarket shop-in-shops, for example with the German supermarket chain Kaufland and the British Tesco.

- It is a good solution, which increases our earnings because we control the prices and the products on offer. This has greatly benefited the accounts in recent years, and there is no doubt that the solution will remain part of Sokołów's strategy in future, says Jerzy Majchrzak.

SOKOŁÓW OVER THE COUNTER







A NEW TAKE ON EXPORTS

Lene Espersen, the then Minister for Foreign Affairs of Denmark, visited Tulip to mark the Danish Export Day. Among other things, she touched on encountering tinned Tulip products on her honeymoon.

8 October 2010

The then Minister for Foreign Affairs Lene Espersen was keynote speaker when about 200 Danish business leaders met on 8 October 2010 at Tulip for the Danish Export Day.

The purpose of the day was to hear inspiration from other export businesses, while a number of export consultants were present to offer advice on how Danish companies can enter new markets.

The speakers included the Minister for Foreign Affairs, Lene Espersen, who, among other things, recalled how, on her own honeymoon, she was confronted with Danish exports.

- In Papua New Guinea, a pig is a very important status symbol, and pigs are often treated better than people. Therefore our guide refused to believe that Denmark has 25 million pigs and large pork exports before we found a shop selling a large selection of tinned Tulip products labelled 'Made in Denmark', said Lene Espersen with a smile.

She also used her speech to emphasise the importance of good trading conditions for Danish export companies and their significance for the Danish economy.



A continent wanting more

In the media, Africa is often associated with stories of hunger, hardship and civil war. However, this is far from the whole truth.

Africa is also a place full of business opportunities, and the African peoples are just as different as Finns and Italians.

- The cultural differences are vast. In some countries, trading is conducted in much the same way as in Europe, whereas in other places you really have to watch out and always be accompanied by professionals, explains Kim Tofteskov Skovmøller, a Tulip Export Manager.

He has been trading with African countries for eleven years, and in August he returned with yet another new trading partner. This time in Liberia, making it the fourteenth African nation where the population can now find Tulip products in the shops.

- African consumers really like our products for their uniform quality and high food safety standards. At the same time, our products offer huge benefits in a country where many shops are tents, where the outside temperatures reach 40 degrees and where there is no chance of anything being refrigerated. In that context, it is important that production is strictly controlled, which Tulip's production is, explains Kim Tofteskov Skovmøller.

AN EXPERIENCE

At the same time, Tulip's products are also associated with special occasions because meat is expensive relative to the average income of many African families.

- Perhaps they eat meat once a week, or more likely once a month, and so of course they want to be sure of a good experience, which is what we can guarantee, says Kim Tofteskov Skovmøller.

25 August 2011

Tulip products ripped off the shelves

The hurricane season in Puerto Rico spurred a massive demand for Tulip's luncheon meat, with all the distributors selling out of Tulip Jamonilla Classic, the most popular Tulip variant.

Each year from June until November, hurricanes rip through the Caribbean and, true to form, the Puerto Ricans fill their kitchen cupboards and cellars with tinned food, in preparation for the worst.

In particular, they like to stock up on Tulip products, and this year demand has been so strong that warehouses in Puerto Rico effectively ran out of the most popular variety. The first week of August saw sales of 10,000 cartons (81.6 tonnes), double the normal level for this period. Fortunately, people were still able to buy the popular variant from the shops even though the warehouses were bare, while Tulip's other variants were also still in stock.

19 August 2011

Celebrities landing on Okinawa

In autumn 2010, the people of Okinawa for the first time encountered the new plastic packaging from Tulip which had just been launched.

And the encounter went well, reports Asuka Ganeko and Masaru Itokazu, who man the Tulip office on Okinawa.

- Among other things, Tulip attended the Naha festival to hand out free samples. Here, the new Tulip product attracted so much attention that about 1,000 samples were distributed in the first hour, Asuka Ganeko recalls.

Tulip's employees on Okinawa therefore had a busy time with the launch, organising tastings, a press conference etc., all to convince the islanders that, despite the new packaging, the luncheon meat which they are used to buying, and which is extremely popular on the island, still tastes just the same.

- It may seem strange doing tastings of a product which we have been selling for decades, but Okinawa is a very conservative market, and it is therefore important to show that it is only the packaging that is new, while taste and quality are the same, says Brand Manager Allan Grøn Sørensen.

14 October 2010

Progress in France

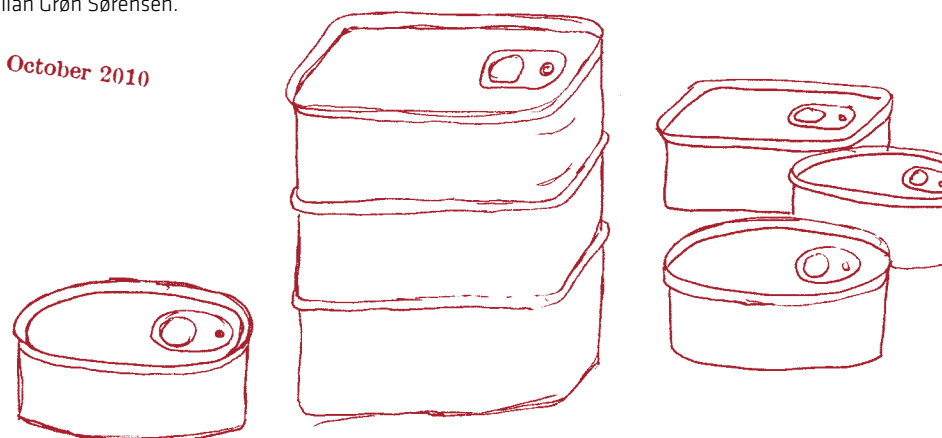
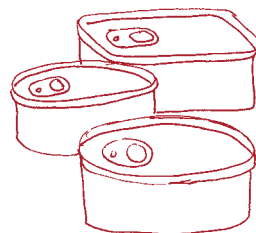
After several years of unsatisfactory results, Tulip France posted solid earnings in 2010. A strong focus on food service, among other things, meant that sales of a number of new products took off.

- The past few years have been difficult, but this year is looking good, especially within food service, where we have built a sound business, says Marc Boulet, Country Manager for France.

When it comes to retailing, sales of tinned products have been particularly strong.

- The financial crisis has led to a demand for cheaper food, and our sales of tinned products are up 7pc. We are, of course, hoping to see sales of tinned products rise further, while we are also launching frozen meatballs for the retail trade, for which I have high hopes, says Marc Boulet.

4 November 2010



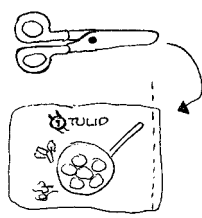
Meatballs

CONQUERING FRANCE

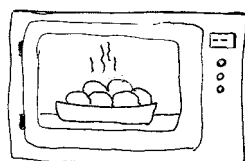


TULIP MEATBALLS

Cut open the bag and tip out the meatballs.

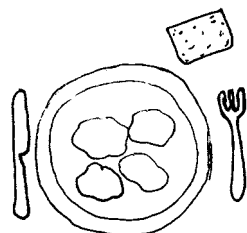


Heat them in a microwave oven, in a frying pan or in a conventional oven.



Serve with rye bread, potatoes, rice and/or salad. To garnish: beetroot, red cabbage or pickled cucumbers.

Bon appétit!



The French have taken a liking to Danish meatballs, which were first introduced at hospitals in Paris.

It is hard to think of anything more north European than a meatball. Thus, Denmark and Germany have been the only two countries in the world where you could pick up a decent Danish meatball.

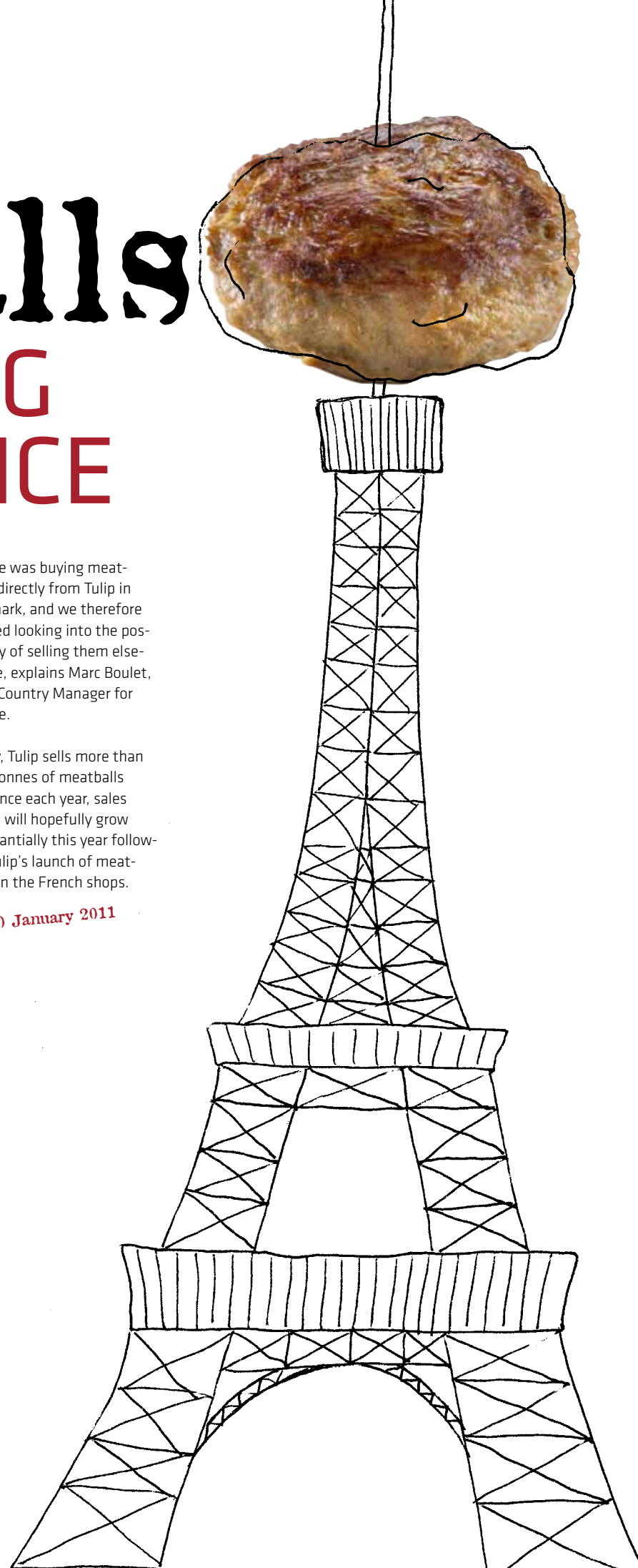
That is no longer the case. In record time, the traditional Danish dish has become extremely popular in France where schools and hospitals in particular are serving lots of Danish meatballs every day.

- Five years ago, nobody in France had heard of the product. However, we found out that a hospital in northern

France was buying meatballs directly from Tulip in Denmark, and we therefore started looking into the possibility of selling them elsewhere, explains Marc Boulet, Tulip Country Manager for France.

Today, Tulip sells more than 200 tonnes of meatballs in France each year, sales which will hopefully grow substantially this year following Tulip's launch of meatballs in the French shops.

20 January 2011





4 November 2010

A Tulip Christmas in the Philippines

Tulip products are an important ingredient in the traditional Christmas hampers in the Philippines.

As Christmas approaches in the Philippines, sales escalate of Tulip's DAK brand products, which are a must in the many Christmas hampers that the Filipinos give to their families, friends and business associates.

14 April 2011

Record year in Panama

Sales in Panama broke all records in 2010, and spirits were therefore high when Sales Director René M. Olsen and Export Manager Kim Tofteskov Skovmøller visited the country.

- All in all, sales are up 26pc, which is a new record for Panama. We have maintained our market share in the traditional so-called mom-and-pop stores, while at the same time gaining 9pc of market share from our US competitors in relation to supermarket sales. This has taken our total market share from 66 to 75pc, says Kim Tofteskov Skovmøller.

13 October 2010

Tulip growing in Papua New Guinea

Few people in Papua New Guinea fail to recognise the Tulip logo when they spot it in shops or elsewhere. For 25 years, Tulip has been a well-known and popular brand on the small jungle-clad islands north of Australia, and in 2011 Tulip's products have attracted a particularly high level of interest.

- The islanders are very dependent on tinned foods such as tinned fish, corned beef and Tulip's popular pork products. In 2011 alone, our sales are up 50pc so far, explains Henning Faber, Tulip's Export Manager.



2 December 2010

Russians learning about fast food

Tulip wants to increase fast-food sales in Russia. As part of this plan, Pia Machon Harring from TFC Fast Food has been to Russia to talk about the concept to filling station owners.

The purpose was to inspire staff on how to lift sales of Tulip products at filling stations already selling Tulip Fast Food.

2 August 2011

Closer collaboration between Danish Crown and Axfood

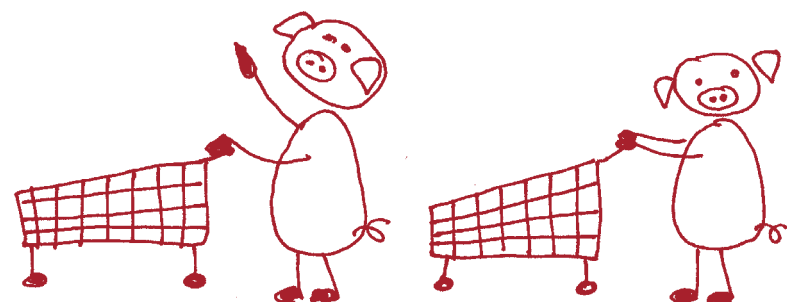
In December, a new agreement with the Swedish retail chain Axfood led to an expansion of Sweden's most modern retail packaging facility, Danish Crown K-Pack in Jönköping, which opened last year.

- Ever since the opening, the facility has supplied Axfood exclusively. This has gone extremely well, and Danish Crown and Axfood have therefore decided to intensify their collaboration, explained

Sales Manager Claus Hein from Danish Crown Nordic.

At the moment, the department handles more than 260 orders from individual shops as opposed to a daily order intake of five large orders previously.

This has called for optimised product handling, and a brand new high storage rack warehouse has therefore been built, which was completed in summer 2011.



26 May 2011

Norwegians buying Danish meat in Sweden

When Norwegians cross the Swedish border to shop, it is often meat they are after. Norwegian consumers often bring home large quantities of meat from the Swedish border towns, because there is a lot of money to be saved by stocking up on cross-border meat products.

There are also considerable sales of Danish meat in the Swedish border towns of Svinesund, Egernsund and Nordby. Shortly before Easter, Danish Crown in Hadsund introduced ten new border trade products in these three towns, and sales are spectacular.

- We are really straining to keep up with demand at the moment as Norwegian consumers have taken a keen liking to our new products, said Factory Manager Jørn Sølvsten from Danish Crown in Hadsund.

Each Norwegian crossing the border is allowed to take home 11 kg of meat, and meat products represent more than 50pc of sales in the huge supermarkets near the border.

Tulip Food Company also benefits from the cross-border trade between Norway and Sweden.

- The campaign has focused strongly on Tulip's products, and we have sold lots of bacon, sausages, hamburgers, beefburgers and liver pâté, says Frank Christensen, head of Tulip in Sweden.

Danish specialities from DC in Hadsund are a border trade hit.



Royal honour for Danish Crown

IN JUNE, THE CEO OF DANISH CROWN IN THE USA, STIG KJÆRØ, WAS PRESENTED WITH HIS ROYAL HIGHNESS PRINCE HENRIK'S MEDAL OF HONOUR FOR HIS OUTSTANDING CONTRIBUTION TO DANISH EXPORTS.

Vacuum-packed Danish spare-ribs adorned the bar, there was Danish pork on the menu, and the sound of Danish voices filled the air in front of a huge wall decoration with photos from the world's most modern slaughterhouse in Horsens. The elegant restaurant Grand Café in Morristown, New Jersey, close to Danish Crown's US headquarters, was for a brief period transformed into a little piece of Denmark when HRH The Prince Consort dropped by for a festive lunch event.



From left, Niels Mikkelsen, Chairman of the Board of Danish Crown, and Stig Kjærø, CEO of Danish Crown in the USA, together with HRH Prince Henrik at the awards ceremony.

14 June 2011

Having spearheaded Danish pork exports for more than 25 years, Stig Kjærø can take much of the credit for Denmark's growing exports to the USA, even though Americans produce large volumes of pork themselves and in spite of the financial crisis. Americans consume 75,000 Danish spare-ribs daily, and every year 1,500 containers are shipped to the USA, packed with Danish pork. Sales via Danish Crown Inc. have grown significantly in recent years, with revenue this year expected to total approx. DKK 600 million.

HRH The Prince Consort recognised this achievement in conjunction with the royal visit to America by bestowing His Royal Highness Prince Henrik's Medal of Honour on Stig Kjærø and personally presenting him and Danish Crown with the Diploma of the Danish Export Association. In his speech, the Prince Consort praised both Danish Crown and Stig Kjærø for strongly representing "the best Danish export traditions", and for their

"ability to make Danish Crown's products a sellable brand on the American market".

- There is considerable respect in the American industry for Danish Crown's international sales and investments, and we know Stig Kjærø for his competent and hard work for Danish Crown's US subsidiary over many years. He is a worthy representative of Danish business interests in the USA, said government adviser Steen Steensen from the Danish Embassy in Washington, which nominated Stig Kjærø.

PROUD TRADITIONS

HRH Prince Henrik's Medal of Honour has been awarded since 1982, and has previously been conferred on e.g. LEGO, B&O, Novo Nordisk, Maersk and Grundfos in countries as diverse as Sweden, Papua New Guinea, China and the United Arab Emirates. The award consists of a medal, a diploma and the right to use the royal logo and name.

- I will use it as much as possible in marketing contexts. It is something people notice, also as Danish Crown is a Purveyor to the Royal Danish Court, says Stig Kjærø.

And after the luncheon at the Grand Café, Danish Crown can, according to Stig Kjærø, also count on supplying more pork to the royal court. Initially, the Prince Consort was slightly sceptical about his plate with four baby back ribs, which were smothered in American barbecue sauce. But once he had tasted them, he soon finished the lot - and continued to refill his plate with spare-ribs, which were primarily on display to show how Danish ribs are usually served in American restaurants.

- He really enjoyed it, and I've promised him that we'll certainly send a recipe for American baby back ribs to the palace. He asked for one himself, said a proud Stig Kjærø.

And here it is ... See overleaf ...

21 January 2011

Danish Crown and Tulip support Uganda

DANISH CROWN AND TULIP SERVED GREEN SAUSAGES WHEN COUNTESS ALEXANDRA, MAYOR HENNING JENSEN NYHUUS AND STEEN M. ANDERSEN, SECRETARY GENERAL OF UNICEF, OPENED RANDERS AS UNICEF CITY 2011.

For a year from January 2011, Randers will be raising money for children in the Karamoja province in north-eastern Uganda. Randers is UNICEF City 2011 and, as they are domiciled in Randers, both Danish Crown and Tulip are, of course, supporting this worthy cause.

- As a major workplace in Randers, it is natural for us to play our part when citizens and businesses come

together to make the world a better place, says Rune Jungberg Pedersen, Tulip's Communication Manager and newly appointed UNICEF ambassador.

Danish Crown and Tulip will be supporting the initiative in a number of ways, and were already out in force at the official launch of the project by Alexandra, Countess of Frederiksborg.



Alexandra, Countess of Frederiksborg, was there when Randers became UNICEF City for a year. And so were Danish Crown and Tulip.



1 Start by making the sauce: Finely grate the onion and garlic, and fry in olive oil in a saucepan.



2 Roughly chop the tomatoes and place in the saucepan together with the rest of the ingredients for the tomato/chilli sauce. Bring to the boil and leave to simmer for 45-50 minutes until lightly caramelised. The sauce may be made the day before.



3 Place the spare-ribs in a roasting tin lined with baking paper and distribute the sauce on the spare-ribs. Cook in the oven at 210°C for 15-20 minutes.



4 Boil the beans in water until tender. Mix the hot beans with roughly chopped herbs, olive oil, salt and pepper.



INGREDIENTS
 2 kg spare-ribs NB! Boil the spare-ribs first until tender
 600 g mixed beans: French beans, rat's tail radishes and broad beans
 ¼ bunch mint
 ¼ bunch basil
 ¼ bunch parsley
 2 tbsp olive oil
 salt
 black pepper

TOMATO/CHILLI SAUCE
 1 onion
 3 garlic cloves
 400 g ripe tomatoes
 2 tbsp olive oil
 2 tbsp sweet chilli sauce
 2 tbsp acacia honey
 1 tbsp cane sugar
 1 tsp salt
 ½ dried chilli, finely chopped



5 Arrange the spare-ribs on a dish and serve with the beans.

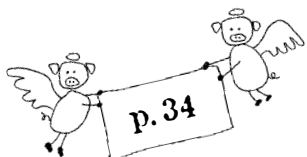
BABY BACK RIBS

WITH TOMATO/CHILLI SAUCE

- SERVED WITH MIXED BEANS AND FRESH HERBS

USA





An international company such as Danish Crown is always moving forwards. Standing still is tantamount to moving backwards, and every three years the group strategy is revised in detail to ensure a common direction. Today, the foreign companies are generating the most value, in particular the processing companies even during the past challenging year.

WILLINGNESS TO CHANGE





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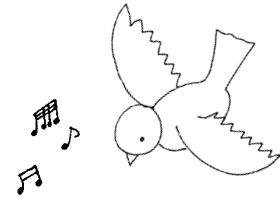
Crowning glory



Bacon and breakfast go hand in hand in the UK. One of Steve Murrells's latest initiatives is therefore to relaunch the well-known Danepak brand - morning-packed.



IT IS THE DESIRE TO MAKE A DIFFERENCE THAT DRIVES STEVE MURRELLS, CEO OF TULIP LTD AND 8,000 DANISH CROWN EMPLOYEES.



According to the sign above the door, The Crown, an inn in the village of Stoke by Nayland about an hour's drive from London, dates as far back as 1530.

And this is where we meet Steve Murrells, CEO of Tulip Ltd, to hear about his first two years at the head of the table and about his visions for the company.

- I grew up in this area, and my parents still live here. So, I come here quite often, and probably eat at The Crown a couple of times a month, explains Steve Murrells, as he makes himself comfortable at the back of the restaurant where the score from a famous cricket match between England and India adorns the wall.

It is charming, it is English, and it is the landscape and the spirit which have shaped Steve Murrells.

- My management style is very personal. When I meet someone who has a good idea, I am happy to take it and make it a bit more Steve Murrells'ish. I would say that 50pc of

my management style stems from my upbringing in this area, while 50pc can be attributed to my studies and the ideas I have picked up from people I've met in the course of my career, says Steve Murrells.

DESIRE TO MAKE A DIFFERENCE

And Steve Murrells has met many interesting people after ten years with Sainsbury's followed by senior positions with Tesco before becoming CEO of the OneStop retail convenience chain, which was what indirectly brought him to Tulip.

- It was there that I discovered the pleasure of really making a difference. As CEO you are able to make your mark and shape developments, so I didn't think twice about accepting the job as CEO of Tulip, says Steve Murrells.

At the same time, he stresses that he had the best possible start with Tulip.

- Danish Crown is undoubtedly one of the best slaughtering and production companies worldwide. But at the same time, Danish Crown realised they could benefit from learning more about their customers, and it was therefore a very strong and bold move by CEO Kjeld Johannesen and the Chairman of the Board of Directors Niels Mikkelsen when they

decided to take on a CEO who came from the retail trade, and who was therefore used to seeing things from the customers' perspective. It was also perfect for me to have a year in the background while Carsten Jakobsen was still there. It gave me the chance to talk to a lot of people and prepare thoroughly before taking over the reins, says Steve Murrells.

A LOT AT STAKE

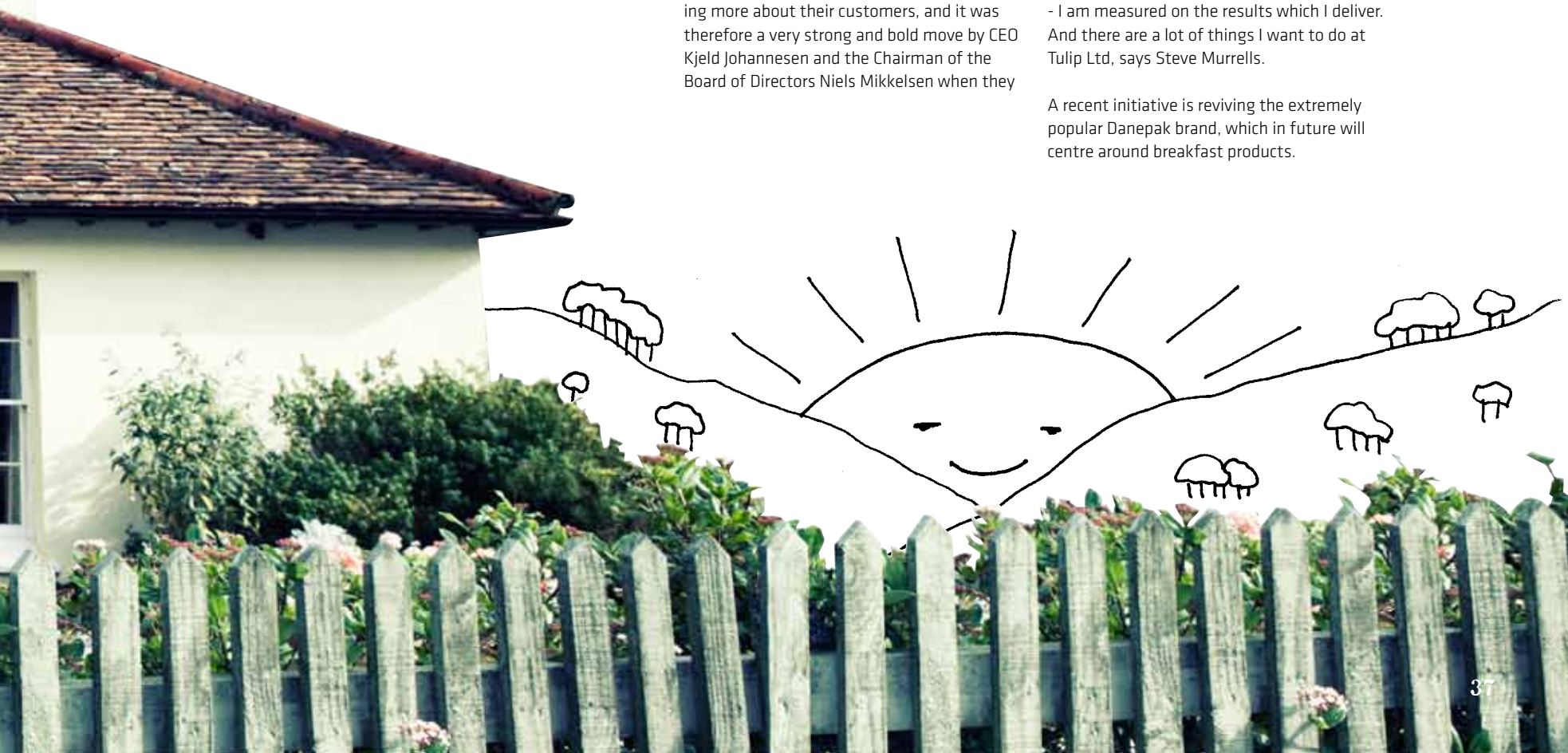
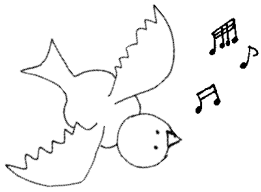
At the same time, he stresses the importance of having taken over a company which has performed consistently well.

- In a way, it was harder because there is so much more at stake. I don't think anybody would welcome the prospect of taking over as Manchester United manager. Taking over a winning team is always difficult, says Steve Murrells.

Nevertheless, that is what he did, and he hasn't failed. So Steve Murrells is very happy to be interviewed for the annual report. But he realises that, at the end of the day, there is only one thing which counts.

- I am measured on the results which I deliver. And there are a lot of things I want to do at Tulip Ltd, says Steve Murrells.

A recent initiative is reviving the extremely popular Danepak brand, which in future will centre around breakfast products.





CREATING GOOD RESULTS MUST BE A STRAIGHTFORWARD PROCESS. THEREFORE, STEVEN MURRELLS, CEO OF TULIP LTD, HAS DEFINED FIVE IMPORTANT TARGETS.

5 steps to success

Friday after Friday, many Danish viewers excitedly watch the Dancing with the Stars contest on Danish TV, where well-known Danes are paired with professional ballroom dancers who are then rated by a panel of critical judges.

This is also what it is like in the business world – managers must identify the steps which will lead to success and increased earnings. However, Steve Murrells, CEO of Tulip Ltd, points out that it does not have to be that complicated.

- Good management is often about simplicity. Everyone recognises that it takes longer to write a simple and easy-to-understand letter than writing a long and complex one, smiles Steve Murrells.

He has therefore choreographed five simple steps to success in the UK.

- It is important that everybody understands what it is about. Thus, I have identified five areas where we must succeed. If we can do that, then the business will also flourish, says Steve Murrells.

The five 'steps' are our customers, our employees, our economy, our production and our social responsibility.

- It goes without saying that we must be able to supply what customers want. Therefore, we are now devoting more time to our customers, and developing products in collaboration with them. This ensures that the products are in line with customer requirements. It also means that we are able to enter into contracts for longer terms of, for example, two or three years, which is a huge boon in the current crisis, explains Steve Murrells.

DEAD MEN'S SHOES

He is also focusing on employee development.

- Employees must feel that they can make a career for themselves at Tulip. We need to have exciting jobs for talented employees so they don't have to hang around for years waiting to fill a dead man's shoes. If that happens, we lose the crème de la crème. At the same time, we have started employing more rotation candidates, which enables us to attract some of the most talented young people at an early stage of their careers. They represent the next generation, says Steve Murrells.

Steve Murrells is also focusing on creating a shared language for all company employees to facilitate communication between the 8,000 Tulip Ltd employees, all of whom have very different working days.

- It is, of course, a question of building the right organisation which can support a profitable business, and of ensuring that we can produce high-quality products better

and more cheaply than our competitors, underlines Steve Murrells.

Since joining Tulip Ltd, Steve Murrells has introduced major changes in production.

- I have strengthened the technical and quality assurance departments noticeably. When I came on board, we had very considerable problems when customers were visiting, and consumers had too many negative experiences with our products. These are the areas where I have tried to implement changes, and we have come a long way, says Steve Murrells.

GOOD SIGNAL

Finally, he stresses that it is particularly important for a foreign company to conduct itself in a socially responsible way in the local community.

- We have set a number of ambitious targets about reducing the environmental impact of our activities, and this has been a very successful step, both as a way of enhancing our image, but

also because we can save a lot of money by reducing our consumption. At the same time, we are making a point of playing a role in the local community. This year we have, for example, collected approx. 100,000 pounds which will go towards helping poor children, explains Steve Murrells.

In addition to boosting earnings, he is hoping that the five steps will contribute to improving Tulip's image.

- Killing animals is not a particularly cool thing to be doing. Cooking wonderful food is far more sexy, so the idea is to evolve from being a meat producer to being a business focusing on food. Right now we are experiencing some of the most turbulent times within living memory, and here focusing on food – both internally and externally – will help carry us through, says Steve Murrells.

However, he feels certain that some of the challenges in the past few years have helped to build up a level of stamina which will prove valuable in future.

DANISH CROWN CEO IS
THE MOST POWERFUL
EXECUTIVE IN THE
AGRICULTURAL
INDUSTRY.

31 March 2011

Kjeld comes

top



The agricultural sector is well-represented at the top of Danish business, with agricultural executives being ranked nos. 11, 30, 39 and 96 in the list of the top 100 executives. Coming top is Danish Crown's CEO, Kjeld Johannesen.

This was the subject of an article in the farmers' newspaper 'Landbrugsavisen', based on a book published by L&R Business.

The title of the book is '100 top bosses – a guide to Danish business', written (in Danish) by Niels Lunde, business commentator on the Danish newspaper Politiken and former editor-in-chief of Berlingske Tidende.

KJELD NO. 11

Niels Lunde ranks the leaders of agricultural businesses and industrial organisations highly on the list of the most influential senior executives in Denmark.

In 11th place, Kjeld Johannesen from Danish Crown scores highest among senior agricultural executives.

He is followed by Arla Foods' CEO Peder Tuborgh, who comes in at no. 30, while Asbjørn Børsting from DLG is no. 39. The Danish Agriculture & Food Council is represented on the list by Carl Aage Dahl, who is no. 96.



DANISH CROWN MOBILE SITE

Help is at hand if you are on the road and want to find one of the best restaurants in Denmark – or if you just need a recipe.

13 May 2011

Last spring Danish Crown launched a mobile site with selected content from the Danish Crown website.

The mobile site is optimised for smartphones, and so far presents news from Danish Crown and more than 1,000 pork and beef recipes. More mobile content from the website will be added gradually.

It is also possible to access the Danish Crown website directly from the mobile site for those wanting more information about Danish Crown.

FIND GOURMET RESTAURANTS

Moreover, 'Stjerneruten' – or the 'Star Route' – has also been launched as a mobile site. 'Stjerneruten' is a string of Danish gourmet restaurants that receive special meat cuts from Danish Crown's 'Gold Room'.

On the site, you can read more about the restaurants, watch a video about DC quality and find inspiration for a delicious meal.

For each restaurant, a link is provided to a route planner stating your location and the restaurant's address so you can easily find your way to your chosen restaurant.

Half a million kroner for Japan earthquake victims

31 March 2011

Almost 4,000 Danish Crown and Tulip employees took part in a fund-raising campaign to help victims of the Japanese earthquake and tsunami. Contributions have flooded in from both Danish and foreign departments, with a total of DKK 214,443 being donated by employees. Danish Crown's long-standing trading relations with Japan have brought home the seriousness of the situation, and the collection impressed CEO Kjeld Johannesen, who is a Japanese consul. Danish Crown decided to double up the amount which had been collected to DKK 500,000, which was given to the Danish Red Cross.

Planned alliance between Daka and SARIA

In May, Daka's Board of Directors approved the signing of a provisional agreement with the German bio-product company SARIA on establishing a joint enterprise based on Daka's activities. It is proposed that SARIA should hold 51pc of the share capital in the joint company. The transaction is expected to take place in early 2012.

11 April 2011

Keyholes and tasty flavours

27 February 2011

Products have to taste good, but it must also be possible to take an extra slice. This was the philosophy behind Tulip Foodservice's exhibition at the food fair in Bella Center in Copenhagen where focus was on the company's wide range of healthy 'Keyhole' products in particular.

- We are introducing a wide range of new and exciting products which all carry the official Nordic 'Keyhole' label, which makes it easier for consumers to choose healthy products. It is obviously important to show customers that we give a high priority to both taste and fat content, said Tulip's Product Manager, Eva Levinsen Højfeldt.

28 February 2011

In February Danish Crown decided to join the United Nations' Global Compact initiative, which comprises a large number of guidelines within the areas of human rights, labour, freedom of association and environment.

- Danish Crown is an international business with divisions and undertakings worldwide. This means that both cultural and legislative differences are part of our daily lives, but also that we are able to draw on experiences from many different countries. Joining UN Global Compact is our way of ensuring that we are working from the same platform, says Danish Crown's CFO, Preben Sunke.

UN Global Compact should be perceived as a common denominator, and national legislation or traditions in some countries currently lead to deviations from the joint guidelines. In these countries, the UN Global Compact initiative provides a good starting point for further developing Danish Crown's CSR profile.

- It goes without saying that pay levels, union membership take-up, environmental standards and social responsibility vary from one country to the next. Denmark has come a long way in some areas, whereas in others we can certainly learn from other countries. Knowing about the situation in various countries is clearly an advantage, says Preben Sunke.

In connection with its annual report for 2009/10, Danish Crown presented a CSR policy for the group, which will both guide and lift the group's CSR activities in the coming years.



Danish Crown joins UN Global Compact

CFO Preben
Sunke from
Danish Crown
and Tulip's
COO Peter
Philipp Hansen
pick sand vetch
for dinner at
the Group
Management
Meeting.





MEAT
FLEISCH
KØD
CARAMEL

DANISH CH

bolleket

RECORD NO. OF CATTLE SLAUGHTERINGS

BEFORE THE END OF THE FINANCIAL YEAR, DC BEEF HAS ALREADY SLAUGHTERED MORE THAN 300,000 CATTLE. THIS IS DUE TO NEW MEMBERS, GOOD SERVICE AND COMPETITIVE PRICES.

301,730 cattle, or more than 78 million kg of meat – that is how much DC Beef has slaughtered in Denmark this year. This is a record, and 8.3pc more than last year.

- We are very happy with the increase in the number of slaughterings, and it shows we are doing a good job. We are tailoring production to deliveries from farmers, and striving daily to offer the best possible service and competitive prices – and this is the result, says Division Director of DC Beef, Lorenz Hansen.

The large influx of animals is attributable to the registration of 300 new owners, taking the total number of owners to 6,000. Thus, DC Beef's share of slaughterings in Denmark is now 62.7pc.

BONUS SCHEME ATTRACTS MORE SUPPLIERS

Many of the new owners have contacted Danish Crown on their own initiative, while more than 150 have joined via DC Beef's scheme for bonus suppliers.

- As a bonus supplier, you can try out Danish Crown for six months without committing yourself to anything, and the contract can be cancelled from one day to the next. This has given owners the opportunity to try us without being locked into a fixed-term contract. It has proved a tremendous success, says Ejvind Kviesgaard, Head of Department at DC Owner Relations.

September 2011





Danish Crown a step closer to new cattle slaughterhouse

If Danish Crown's Board of Directors ultimately decides to build a new cattle slaughterhouse in Denmark, it will be in Vejlen Municipality in southern Denmark.

- Many factors must be taken into account, and our analyses show that Vejlen is the best solution for us, says Lorenz Hansen.

This will be an investment of more than DKK 500 million in Danish jobs, and during the process which kicked off back in March, Danish Crown has been wooed by many municipalities eager to secure the potential 300 jobs that the project entails. But plot and location are just two factors - the cost of deliveries, waste-water treatment and a long list of other aspects have to be carefully assessed.

- Danish Crown's provisional decision to build a modern cattle slaughterhouse in Vejlen Municipality is a victory

for the entire region. When a big company like Danish Crown chooses to build in Denmark's 'strategic intersection', it will have a positive knock-on effect in many places. It shows that our municipality is worth investing in and that we are also able to cater for really big companies, says Egon Fræhr, Mayor of Vejlen.

Back in March, Danish Crown's Board of Directors decided to approve the preliminary planning of a new cattle slaughterhouse in Denmark.

- We currently enjoy a leading position in the beef market, and in light of developments in recent years, it is obviously a good idea to consider establishing an up-to-date and modern production facility. We have been able to follow developments in costs at the world's most advanced pig slaughterhouse, and there is every reason to draw on the group's experiences here, said Lorenz Hansen, Division Director of DC Beef.

STRONG INTEREST FROM MUNICIPALITIES

An important aspect of the preliminary work was to find a suitable site for a new slaughterhouse, and municipalities from all over Denmark expressed their interest in securing the jobs which would come with the possible establishment of a new cattle slaughterhouse.

- We have been overwhelmed by the strong interest shown by a large number of municipalities, said Lorenz Hansen in April.

- We are looking at a large number of possible sites, but a lot of in-depth analyses must be done before a final decision can be made, he said.

Danish Crown's Board of Directors is expected to make its final decision on whether Denmark will have a new cattle slaughterhouse in spring 2012. The ability to establish a competitive cost structure will be one of the deciding factors.

August 2011



MEAT
FLEISCH
KÖR
KARNE

MEAT
EATER

OSTEJ



DESPITE LARGE COST INCREASES, THE PROCESSING COMPANIES MAKE A HEALTHY CONTRIBUTION TO DANISH CROWN'S OVERALL RESULTS.

Processing companies post solid accounts

2010/11 has been a year where access to your own meat supplies has had a big impact on the financial results of meat-processing companies around the world.

This is also true for the companies in the Danish Crown group, and it has therefore occupied Flemming N. Enevoldsen a lot. In addition to being CEO of Tulip Food Company, Flemming N. Enevoldsen is also Chairman of the Board of Directors of Tulip Ltd and Plumrose USA.

- The price increases have been a key theme, especially in Tulip Food Company and Plumrose, which do not have access to their own meat supplies. However, Tulip Ltd has also been influenced by the price increases, even though the effects have been mitigated to some extent by the fact that the company controls some of its supplies through its own pig production and slaughterhouses, says Flemming N. Enevoldsen.

However, he stresses that it is far from just meat prices which have risen. The cost of packaging, transport, herbs and spices and other ingredients has likewise increased markedly. It impacts results

because it takes longer to raise the prices paid by customers than it takes for suppliers to increase the prices they charge the processing companies.

- There is always a delay, because customers want to see the higher prices paid by us before they accept any price increases. It influences results in the processing companies, and therefore it is satisfactory that our two biggest processing companies - Tulip Ltd and Tulip Food Company - are once again living up to the group's earnings target (EBIT). Plumrose's results are significantly impacted in a negative direction by a recent judgement from the Supreme Court in Denmark which concludes that a product recall in 2005 must not be paid for by the group's insurance company. However, all three companies have seen organic growth and satisfactory operations, says Flemming N. Enevoldsen.

He expects the new financial year to also be challenging because of the large volumes of raw ingredients being shipped to China, South Korea and Russia, but he also expects the market to start getting used to the higher price levels by the second half.

TULIP OVERCOMES ADVERSITY

It wasn't on the cards that Tulip would end FY 2010/11 with particularly impressive results. The company has faced markedly increased costs, particularly from increases in commodity prices and the price of packaging. One by one, competitors in the meat-processing industry have revised their outlook downwards in a year where the prices of ingredients for producing e.g. sausages, bacon and cold cuts have increased to unseen levels.

However, even though the challenges have been considerable, the company's owners are now looking at the second-best results in Tulip's history.

- There is no doubt that we have been through a year characterised by very difficult conditions which put considerable pressure on our organisation. Therefore I am also satisfied with the results, even though they are slightly lower than we expected when we drew up the budget in spring 2010, long before commodity prices started soaring, says CEO Flemming N. Enevoldsen.

At the same time, he emphasises that the challenges are far from over.

- Unfortunately, the economic crisis in the world market continues, and the level of uncertainty has risen significantly. Therefore, I also expect FY 2011/12 to be difficult, with a decline in earnings relative to the past few financial years, says Tulip's CEO.

ADJUSTMENT

Right now, Tulip is operating in a market where both shops and producers throughout Europe are struggling to adapt to the changing market conditions.

- Many of the increases in commodity prices are here to stay. This is because, among other things, demand for the commodities which Tulip uses in large volumes has increased massively, particularly in China, and therefore I do not expect prices to return to their normal level. Basically, we must accept a new price level, and this presents a challenge for all meat-processing companies which do not have their own slaughterhouse operations and therefore cannot use their own meat supplies. When a market as big as the Chinese market starts competing for commodities, it inevitably has a big impact on cost levels in European enterprises, says Flemming N. Enevoldsen.

In many ways, the situation resembles the one experienced by Tulip in 2008, but the company is far better geared to tackling these challenges now than it was back then, Flemming N. Enevoldsen maintains.

STRONGER FOUNDATION

- One of our goals has been organic growth, and that we've achieved. It clearly shows that Tulip's products still enjoy worldwide demand. At the same time, we have focused hard on streamlining the organisation, and Tulip is now far more efficient. But there is no doubt that we will be

implementing further rationalisations wherever possible, says Flemming N. Enevoldsen.

NEW OPPORTUNITIES

However, the focus on lower costs must be combined with looking at the opportunities offered by the current market conditions.

The company must be prepared to exploit the crisis by investing in the future, and there are already detailed plans on the CEO's table outlining a number of growth options.

- The best strategy is to invest in recessionary times if company finances permit, and if the company deserves the confidence of its owners. We must therefore make the most of the challenges facing every company in the business to strengthen Tulip's position. If we adopt the right strategy, it will - combined with Tulip's strong organisation and competent employees - put the company on a sound footing for the future, says Flemming N. Enevoldsen.

DESPITE MARKED
INCREASES IN
COMMODITY PRICES,
TULIP FOOD COMPANY
POSTED ITS SECOND-
BEST RESULTS EVER



TULIP'S ITALIAN EYE-OPENER

It certainly looks very romantic. Young tourists in Rome enjoying a tasty pasta dish in the heart of the Italian capital. And the quality is excellent. Especially if the dish is spaghetti carbonara, with delicious diced bacon as the culinary highlight.

In Rome, a lot of restaurateurs have got it just right and use bacon from Tulip in their kitchens. And this is a trend which Pietro Collivadino, General Manager of Tulip Italy, would like to see taking off in the rest of the country.

Today, food service accounts for only 5pc of revenue, but

there is a desire to see a marked increase in this figure. This will be achieved through a targeted campaign which will be launched jointly with the Italian chef Walter Pedrazzi, who has developed a number of recipes for Tulip.

- The purpose is to draw attention to the advantages of our product. Many professional kitchens buy whole bacon joints which they then slice themselves. It leads to considerable waste and also adds to payroll, investment and cleaning budgets, and so it actually makes more sense for them to buy ready-sliced products from Tulip, says Pietro Collivadino.

One campaign element is recipe folders featuring a chef with bacon in front of his eyes and the text 'Open your eyes to Tulip Bacon.'

Tulip has been posting double-digit annual growth rates in Italy for several years, and as a result the general manager believes that Tulip holds a strong position on the boot-shaped peninsula.

- Many Italian suppliers are having a hard time at the moment. In this situation, Tulip is seen as a strong and competitive supplier, says Pietro Collivadino.

A number of traditional Italian dishes are based on bacon, and here Italians are increasingly using Tulip.



General Manager of Tulip Italy, Pietro Collivadino, eating lunch at Osteria Salumeria Poretti in Milan. The spaghetti carbonara has been made with diced bacon from Tulip, which has become a popular ingredient with Italian chefs.

SPAGHETTI CARBONARA

450 g spaghetti
200 g diced bacon
2 fresh eggs
butter
5 tbsp grated Pecorino Romano
salt and pepper

METHOD

Bring a pot of water to the boil for the spaghetti. Fry the diced bacon in a frying pan with a little butter. Turn off the heat once the bacon is crisp.

Now you just need to cook the spaghetti. Add salt to the boiling water, put the spaghetti in the pot and cook until al dente. Drain off the water. Tip the spaghetti into the pan and mix with the bacon. Season the spaghetti well with plenty of pepper, and add more butter if it is too dry. Take the pan off the heat.

Break the eggs into a bowl, beat with a pinch of salt and tip directly onto the spaghetti. Without turning on the heat, carefully stir the eggs into the hot spaghetti until it has a creamy consistency.

Sprinkle the grated Pecorino Romano cheese onto the dish while it is still piping hot.

Serves 4



Osteria Salumeria Poretti
Via Pietro Micca, 37
IT-20025 Legnano (MI)

“Is the juice worth the squeeze?”

PLUMROSE USA ACHIEVES IMPRESSIVE ORGANIC GROWTH IN A YEAR WHERE RESULTS ARE NEGATIVELY IMPACTED BY A LOST COURT CASE.

With organic growth of a staggering 6.9pc, Plumrose has yet again demonstrated that the company's products enjoy very strong demand from American retailers.

Moreover, the high growth is especially impressive in light of the fact that the total market for bacon and cold cuts has been shrinking after big price increases have forced many consumers to buy less.

CEO Dave Schanzer is satisfied with the results and the way they have been achieved.

- Our substantial organic growth is based on several orders from both existing and new customers. It shows that Plumrose commands a strong position in the market, says Dave Schanzer.

EARNINGS UNDER PRESSURE

Despite the increased volume and revenue, Plumrose's results are basically the same as last year.

- We have seen record-high commodity price increases,

and even though we have passed many of these increases on to our customers, we have not been able to follow suit completely, says Dave Schanzer.

In addition, the results have been negatively impacted by a court case heard by the Danish Supreme Court. The case involved a product recall in 2005 which, according to the Supreme Court, was not justifiable on health grounds and was therefore not covered by the group's recall insurance policy despite the fact that the products were contaminated with gear oil. The lost court case results in a loss of DKK 50 million, a non-recurring item which markedly weakens the overall results for the year.

Finally, Plumrose has had high overtime costs because the company has worked hard to meet the increased demand.

NEW FACTORY IN THE USA

- Capacity at two of our factories has been more than fully utilised for a long time. Therefore I am very happy that Danish Crown has decided to build a new cold cuts factory in Iowa. When it is finished in 2013, it won't just solve our capacity problems. It will also ensure more high-quality products, a more environmentally friendly production and lower costs, says Dave Schanzer.

The first sod was cut at the beginning of October, and the factory will improve both Plumrose's competitiveness and the company's reputation.

It will thus be LEED-certified by the American authorities, which means that the most modern technology available will be used to ensure the least possible pollution and the lowest possible energy consumption.

- For many of our biggest customers, the environmental impact of their suppliers is very important, so the new plant will also make Plumrose a more attractive business partner. Today, Plumrose produces both private-label and branded Plumrose products while the collaboration with the American Heart Association on producing low-salt products is increasing the value of the Plumrose brand, says Dave Schanzer.

ON THE RIGHT TRACK

There is every reason to feel optimistic about Plumrose's development.

- The general trend is that fewer consumers are eating out at restaurants, but buying their foods in shops, which is obviously unfortunate for the food-service industry, but good for us. At

the same time, many consumers have switched from brand products to private-label, which represents a very big chunk of our business, says Dave Schanzer.

And even though he thinks the US economy is finding its feet again, he sees no reason to change Plumrose's strategy.

- We continue to see very strong demand. The new financial year is primarily about completing the new factory on time and within budget. At the same time, we must work with sales to ensure

that both the new and existing factories are working to capacity as soon as the new factory is finished. This is a key focus area, and I expect to achieve both goals, says Dave Schanzer.

WHY NOT SELL?

He also takes the opportunity to address the question of whether, in fact, Danish Crown's owners ought not to sell Plumrose.

This has been discussed on several occasions by the Board of Representatives, and Dave Schanzer acknowledges that it is a relevant issue.

- There is no doubt that, being located in the USA, Plumrose is of far less strategic importance than many of the other companies in the group. However, we have become more

strategically important in recent years because today we only buy spare-ribs from Danish Crown and canned products from Tulip Food Company, yet our situation is nevertheless special, says Dave Schanzer.

However, Dave Schanzer has his own answer to the question.

Is the juice worth the squeeze? I believe it is. Plumrose is good business for the company's owners, and will be for many years to come, he says with a smile.



Plumrose USA's CEO Dave Schanzer serves the main dish for his executive colleagues in Danish Crown during last summer's strategy meeting.

In May, a financially well-consolidated Danish Crown published solid results for the first six months of FY 2010/11. The huge efforts made by the food group in recent years are reflected directly in the results.

SOLID INTERIM RESULTS

9 May 2011

The group posted revenue of DKK 24.7 billion in H1 against DKK 21.8 billion last year. Net profit in H1 was DKK 742 million compared with DKK 661 million last year.

The competitive prices have meant an increased supply of animals for slaughter, which is a major contributory factor to higher revenue and increased volume.

However, CEO Kjeld Johannesen indicates that considerable challenges lie ahead – also in the short term.

- We need to continue our hard work to ensure competitive prices for our owners, while the increasing prices in the market may pose challenges for the company's processing activities, which make up 40pc of revenue, he says.





Solid growth for DAT-Schaub

THE STRATEGY PURSUED FOR THE PAST TEN YEARS HAS BEEN REWARDED IN THIS YEAR'S RESULTS FROM DAT-SCHAUB.

It is virtually impossible to think of anything negative to say about DAT-Schaub's results for the year. The company has increased earnings within all business areas, and according to CEO Jan Roelsgaard, this is ultimate proof that our strategy for the past ten years has been right.

- Organic growth is not enough for DAT-Schaub because we are hampered by the availability of meat supplies. Consequently, we have spent the past ten years making strategic acquisitions around the world, and this is what is at the bottom of our record results, Jan Roelsgaard explains.

DAT-Schaub has not made any acquisitions in the past financial year, but that does not mean that DAT-Schaub is going to stop growing. Therefore, Jan Roelsgaard has set his eyes on new potential candidates which may contribute to strengthening the company.

- We still operate in a very fragmented market which is set to undergo further consolidation in the coming years, and therefore we are keeping an eye on any interesting candidates. Today, customers see DAT-Schaub

as a company with one of the best distribution systems and some of the best products in the world. This is what is behind the record earnings, and it is therefore incredibly important for us to safeguard this position, says Jan Roelsgaard.

DAMPENED EXPECTATIONS

He expects DAT-Schaub to continue to deliver good results if the current strategy is maintained.

- This year, our earnings are several times higher than three or four years ago, and we obviously cannot repeat this performance every year. It is therefore important to say that earnings will probably be slightly lower next year, but results may still be quite satisfactory anyway, says Jan Roelsgaard.

He also points out that the incorporation of DAT-Schaub as a limited company may well entail additional structural changes in the coming years.

- Of course, we must focus strongly on our daily operations, but we also need to take a close look at our organisational structure to make sure that it remains just right, says Jan Roelsgaard.

CEO of DAT-Schaub, Jan Roelsgaard, takes a break from cooking during this summer's strategy meeting.



DC FLEISCH IS A REALITY

In January, Danish Crown officially acquired D&S Fleisch, which is now called Danish Crown Fleisch.

With 3.5 million slaughterings a year, Danish Crown Fleisch is the fourth-largest slaughterhouse in Germany. The CEO of the new company is Steen Sønnichsen.

- We are pleased that the agreement has now been finalised, and we look forward to getting to know the company in more detail in the coming months. We will now be taking an extremely close look at things to identify anything which may need changing to suit Danish Crown's operations, said Steen Sønnichsen in January.

Danish Crown Fleisch is located in Essen, (Oldenburg) close to some of Danish Crown's other departments in northern Germany. The company also has slaughterhouse facilities in Cappeln near Oldenburg.

The north German company has recorded strong growth for a number of years and supplies the retail trade, the processing industry

and the export markets. Only German pigs are slaughtered at the two slaughterhouses, and pig deliveries are based on contracts which Danish Crown is now taking over.

- We look forward to continuing the very close working relationship with the German suppliers. A German slaughterhouse for German pigs will offer access to the market and benefit the entire group, said Steen Sønnichsen.

INCREASED SOLIDITY

- In recent years, the German market and the operating economies for German slaughterhouses have represented a significant challenge for Danish Crown. Therefore, as far back as eighteen months ago we were realising that we could achieve a significant impact by being active in the German raw materials market, and now we have found the optimum solution, said Kjeld Johannesen, CEO of Danish Crown, when the agreement was signed.

With this acquisition, Danish Crown is gaining a presence in the German market and also strengthening its international sales.

17 January 2011

CEO Kjeld Johannesen visits DC Fleisch together with Factory Manager Ole Lyngesen and Steen Sønnichsen, CEO of DC's German activities.







‘VALGFLÆSK’ RAISES TEMPO AT DANISH CROWN

IN DENMARK, ‘VALGFLÆSK’ HAS A DUAL MEANING: A TRADITIONAL PORK AND YELLOW PEA DISH, AND THE PROMISES THAT POLITICIANS DISH OUT TO CITIZENS DURING THEIR ELECTION CAMPAIGNS. SO IN THE RUN-UP TO THE GENERAL ELECTION IN AUTUMN 2011, DANISH CROWN’S ‘VALGFLÆSK’ BACON WENT ON SALE, BOOSTING REVENUE BY MORE THAN 70PC.

Fried bacon. A Danish culinary tradition, which has seen a revival on the back of the retro wave, has been a particularly popular dish in recent weeks. With a general election coming up, fried bacon is on the menu with

sales winning ground by more than 70pc relative to the same period last year.

More than half a million more bacon slices were sold to consumers during the election campaign, with extra slaughterings necessary to meet demand.

- In connection with annual festivals etc., many Danes have very fixed dining traditions. General elections are no exception, and many people insist on serving fried bacon while the election results tick in, says Danish Crown’s Director of Communications Anne Villemoes.

14 September 2011

FRIED PORK AND APPLE

- 600 g pork belly, roasting joint, cut into ½ cm thick slices salt and pepper
- 4 large onions
- ¾ kg cooking apples, e.g. Belle de Boskoop fresh or dried thyme

Dab the slices of meat dry with kitchen roll. Season with salt and pepper. Heat the frying pan on a high heat.

Brown the slices for approx. 1 minute on each side. Reduce the heat to medium and turn the slices regularly until they are crisp and golden. Remove the meat from the pan. Pour off most of the fat in the frying pan. Thinly slice the onions. Cut the apples into wedges, but not too thick. Put the onions and apples in the pan and fry until tender. Season to taste with thyme, salt and pepper, and arrange the meat slices on top.



Elections and bacon go hand in hand, and for Per Clausen, a member of the socialist Red-Green Alliance party, fried pork and apple will grace the table on election night. - On such an occasion, I like organic pork and apples, and we ignore any mention of the recently introduced food fat tax, as the meat needs to drip a bit, he says. To accompany the apple and pork dish, Per Clausen serves a good organic beer.

On the threshold of a new financial year, ESS-FOOD could not only present a satisfactory set of results, but also a new face. The well-known, 40-year-old logo has been modernised to highlight the company's strong position in a modern world.

Morten Holm, Managing Director of ESS-FOOD, takes pleasure in heading a company which is one step ahead of the competition, and which in the past year has seen massive growth in a number of new growth markets, including China.

- We have had a satisfactory year with strong growth in both tonnage and revenue. This is, among other things, due to a marked increase in sales to China, while sales to the rest of the Far East are also up. We have seen the same trend in several other markets, says Morten Holm.

ESS-FOOD not only has exports from Denmark to other markets. The company has also established an interesting business exporting a variety of foods from China to other parts of the world.

EVERYWHERE

ESS-FOOD is everywhere.

- It is important to keep your eyes open to new opportunities at all times, also in markets which some people mistakenly write off as uninteresting. This applies, for example, to Africa, which many companies see as one big poor area instead of looking at it as a continent consisting of many different countries like Europe, where we like to assess the specific potential of each individual country. This is what we do in



Global growth

ESS-FOOD, and not only has it already paid off – there is still plenty of potential, says Morten Holm.

FEW THREATS

In South America, ESS-FOOD is also seeing an increase in demand for Danish pork at present, and Morten Holm is expecting joint ventures in several countries to lead to increased levels of activity.

He does not expect as much from this market as he does from China and the rest of the Far East, but he still regards South America as an area where ESS-FOOD has a chance of generating increased growth and earnings in the coming year.

All in all, Morten Holm is quite optimistic about the future.

- As far as I can see, the only real threat is that of the economies in the EU and the USA grinding to a complete standstill, thereby halting growth in China. However, I consider it very unlikely because growth in China is driven by a marked increase in demand. I would therefore say that the future of ESS-FOOD looks bright, something which I expect will be reflected in the results for the coming year, Morten Holm concludes.

AFRICA AND
CHINA ARE TWO
COUNTRIES WHERE
ESS-FOOD HAS
SEEN STRONGEST
GROWTH IN THE
PAST YEAR, A
GOOD ONE FOR
THE COMPANY.



Managing Director of ESS-
FOOD, Morten Holm, happily
shows off the company's new
logo at the ANUGA trade fair,
here in a sofa version.

Jean Michel Foucault, head of Raynal Petersen, now DC Beef, is responsible for supplying beef to the French.



RAYNAL PETERSEN STARTED OUT AS A SUPPLIER TO NATO'S HEADQUARTERS IN PARIS, BUT CHARLES DE GAULLE CHANGED THAT PARTICULAR BUSINESS MODEL.

From NATO to French lunches

True to French tradition, every day between 12 noon and 2 pm, workers leave their offices in droves and make their way to the local restaurants to have lunch with their colleagues. Most order a meat dish, and many are served steaks from Raynal Petersen, a company in the Danish Crown group.

- The French eat meat for lunch almost every day. The restaurants can source this attractively priced meat from us because we get the beef from Denmark, Germany, the Netherlands and Poland, where the proportion of dairy herds is very high. In Denmark it is 85pc for example, while the distribution in France is approx. 50pc dairy herds and 50pc beef herds. This means that we

can supply a reasonable quality more cheaply than our competitors, explains Jean Michel Foucault, head of Raynal Petersen.

So far, Raynal Petersen has been attached to Danish Crown's subsidiary ESS-FOOD France. As of 1 October, the company has been transferred to DC Beef, and Raynal Petersen thus starts a new financial year as DC Beef. This was the third time in his 22 years as head of Raynal Petersen that Jean Michel Foucault had a new boss as the company has changed hands numerous times since its foundation 47 years ago.

NATO SUPPLIER

Back then, the company primarily supplied meat to the NATO headquarters in Paris.

Danish meat had been approved by NATO, and the Americans in particular preferred pork and beef from Denmark. However, in 1969 President Charles de Gaulle decided that France should leave NATO, and its headquarters therefore moved to Brussels, effectively putting an end to Raynal Petersen's business model.

MULTIPLE DANISH OWNERS

- After this, the company devoted itself to importing pork and beef for the French market, and it has had many different Danish owners over the years. The company is now part of DC Beef, but its focus remains the same: Buying beef from European suppliers and selling it to the French market, explains Jean Michel Foucault.

However, while Raynal Petersen sells very little to the biggest French supermarket chains which generally prefer to sell French meat in their primary stores, the company is a popular supplier to many small shops and to food-service and catering businesses.

MANY ADVANTAGES

And Jean Michel Foucault is confident that the company will see increased growth in the coming years thanks to its solid foundations.

- In my view, there are five things which a company needs to make money. We have strong and rich customers who can and will pay for our products. We are backed by a robust company in the form of Danish Crown, which

also guarantees regular deliveries. Moreover, we have excellent employees and a well-run logistics set-up at our terminal in Paris, and all in all that makes Raynal Petersen a very solid company, says its head.

GOOD STAFF

Jean Michel Foucault is thus convinced that Raynal Petersen has both the right business model and the right employees to take the growth seen in recent years even further.

The end of the 2010/11 financial year also marked the end of ESS-FOOD France as we know it. From 1 October 2011, the company became fully incorporated as a part of Danish Crown.

ESS-FOOD FRANCE CHANGES NAME TO DANISH CROWN

The Danish Crown group has decided to change the former structure of ESS-FOOD France, which comprises Raynal Petersen and Desfis. From 1 October 2011, the company's name is Danish Crown France S.A., with its activities falling under DC Beef and the Pork Division in the group's parent company.

From the office in Orléans, Tommy Jensen stays on as Managing Director of Danish Crown France S.A., which is responsible for the pork-related activities. He is

pleased with recent results as he looks towards the future.

- The former ESS-FOOD France generally performed well last year. However, sales in Russia were rather disappointing in relation to expectations, but on the other hand we significantly increased sales from Denmark to France. We have attached a lot of importance to increasing volumes shipped from Denmark, and have been successful in doing so with a 50pc increase relative to last year. In the longer term, our goal is to reach further out to retailers. In addition, China and Hong Kong have been bright spots as we have sold considerable volumes at high prices, says Tommy Jensen.

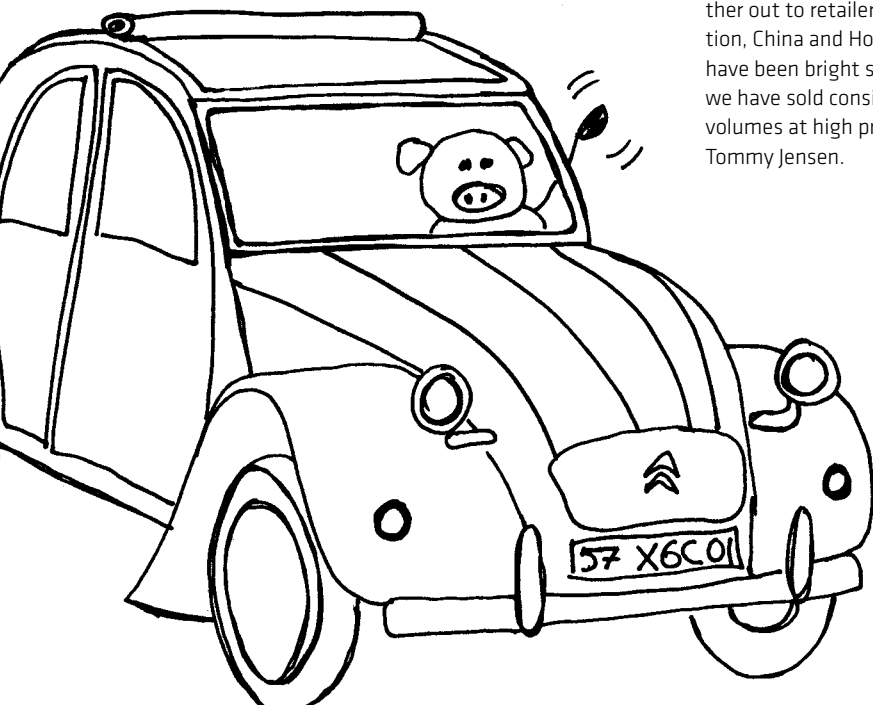
AN ADVANTAGE

Tommy Jensen expects the new structure to ensure greater security of supply of raw materials to the two divisions.

- We concentrate mainly on pork activities in Orléans and Bonnétable, where the results are satisfactory. Customers are willing to pay good prices, and we have again increased volumes at the factory by 10-15pc. We see an exciting period ahead of us in the pork market, because France is the European country lagging most behind in terms of slaughterhouse consolidation. We expect a lot to happen in the next few years, foresees Tommy Jensen.

Focus is also on the group's goal of keeping inventories to an absolute minimum, thereby improving the operating economy.

- It is a big and exciting project. At the same time, following Danish Crown's acquisition of D&S Fleisch, we now have a foothold in the German market, which will open up new opportunities in France, says Tommy Jensen.







In June 2011, the group's 25 CEOs from all over the world met for a strategy seminar. As a natural part of the proceedings, they all spent time in the kitchen – for a hands-on experience of the Danish Crown values.

Five delicious dishes were produced one beautiful Danish summer's evening.

IT'S ALL ABOUT FOOD



BRAISED PORK JAWS

WITH SOY SAUCE, CINNAMON AND STAR ANISEED - SERVED WITH MANGO, MUSHROOMS AND MORNING GLORY

- INGREDIENTS**
- 600 g pork jaws
 - salt
 - black pepper
 - 2 tbsp vegetable oil
 - 40 g ginger
 - 1 onion
 - 3 garlic cloves
 - 1 red chilli
 - 1 cinnamon stick
 - 1 star aniseed
 - 100 ml soy sauce
 - 4 tbsp oyster sauce
 - 2 tsp sugar
 - 2 tbsp rice wine/dry sherry

- TO GARNISH**
- 400 g mixed mushrooms: oyster mushrooms, field mushrooms and beech mushrooms
 - 200 g okra, optional
 - 2 tbsp vegetable oil
 - 1 mango
 - 1 tbsp tamarind*/1 tbsp lemon juice
 - 200 g Morning glory (water spinach)* or spinach
 - salt
 - black pepper

*Can be purchased from Asian grocery stores.

Serves 4



- 1** Season the pork jaws well with salt and pepper, and brown in oil in a saucepan.



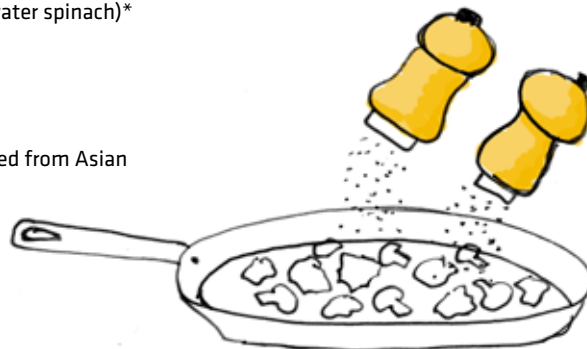
- 2** Finely chop the onion, garlic and ginger, and add it to the pan together with the chilli, cinnamon and star aniseed, and mix well. Add the soy sauce, oyster sauce, sugar, rice wine and 300 ml of water. Bring to the boil, and then simmer, covered, for 1½ hours, until the jaws are very tender.



- 3** Chop the mushrooms, chop the okra into small pieces, and dice the mango (2 x 2 cm).



- 4** Fry the okra in oil in a hot pan with the mushrooms, seasoning with salt and pepper. Add the mango, tamarind and morning glory. Serve with the braised jaws and rice.



CHINA





As Danish Crown has developed into an increasingly international business, the distribution of workplaces between Denmark and abroad has also tipped. Today, two thirds of the group's employees work outside Denmark, providing an insight into other cultures. At the same time, Danish Crown is now one of the biggest production workplaces in Denmark, putting the company under certain obligations – both in terms of occupational health and safety and reducing the number of work-related accidents.

THE GLOBAL WORKPLACE





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DC LIFE

- it's your life too

FOCUS ON THE EMPLOYEE TO COMBAT WORNOUTNESS. THIS IS AT THE CORE OF DC LIFE, A THREE-YEAR HEALTH PROJECT LAUNCHED IN AUTUMN 2010 FOR ALL EMPLOYEES IN SÆBY AT DANISH CROWN AND DAT-SCHAUB AND AT THE CATTLE SLAUGHTERHOUSE AND TULIP IN AALBORG.

It is the first health and well-being project in the slaughterhouse industry where the aim is preventative, and this has encouraged 98pc of employees to participate.

- This is an incredibly high take-up rate in comparison with similar projects in other industries, says Randi Madsen, Work Environment Manager at DC Insurance and coordinator of the ambitious project.

DC Life kicked off with a health check of the participating employees. Here, some had a positive surprise, while others were asked to contact their doctor as they might need treatment for high blood pressure. In this way, DC Life is looking beyond only work-related issues.

Pernille sheds pounds and gains years

As part of the health check, employees undergo a body age test which reveals whether you are physically older - or younger - than your actual age. For Pernille Froholdt from the back department in Sæby, it was a bit of a wake-up call.

- I'm 31, but my body age was 46. I thought "Wow, you've got to watch it", says Pernille Froholdt, who immediately joined the Weight Shedders' Club.

This was resurrected in November when DC Life was launched in Sæby. Over a three-month period, Pernille Froholdt lost 8.7 kg and won the club's first prize. Altogether, members of the Weight Shedders' Club have lost 45.7 kg.

- I'm now back at my right age, which has meant I've even had to buy new work trousers, smiles Pernille Froholdt.

Pernille's sons Andreas, aged 5, and Oliver, aged 1½, enjoy helping their mother in the kitchen with her healthy lifestyle.



recipe for the good life

We want DC Life too

The idea is for DC Life to serve as an inspiring pilot project for the entire industry, which in three years' time will be extended once the trial in northern Jutland has finished. However, so much

interest has been expressed in the project from employees in, for example, Herning, Esbjerg and Horsens, that efforts are now being made to speed up the roll-out by applying for further funding.

DC Life is an important project

CEO of the Prevention Fund, Charlotte Fuglsang, was clearly impressed when she visited Danish Crown's slaughterhouse in Sæby to take a closer look at the DC Life health project. The Prevention Fund is a big contributor to this large-scale project, and during her visit Charlotte Fuglsang was able to study the slaughterhouse employees' working conditions.



During her visit to Sæby, CEO of the Prevention Fund, Charlotte Fuglsang, ate a healthy lunch at the canteen's 'Green Corner'.



Out with the sweets - bring in the veg

Previously, one corner of the canteen in Sæby stocked a wide range of sweets. Now the sweets are gone, replaced by a salad bar with lots of vegetables. The new 'Green Corner' has been set up to support the DC Life project.

In Sæby, 30pc of employees eat in the canteen, of whom about 10pc eat in the Green Corner. Changing eating habits is not easy. To begin with there was a lot of resistance to the green initiatives. People wanted to know whether they worked at a slaughterhouse or in a horticultural business.

Café keeps up spirits

Every six months, the employees are given a health check. However, this can be a long time to wait if you are not sure that what you are doing is right. Consequently, employees can drop in to a 'health café' where health consultants are ready to offer advice and guidance. If the issue is losing weight, employees can also take their families along to the health

café so everyone can get involved.

- The consultants have never seen such a high level of interest. The guidance is individual, but so many people have been registering at the health cafés that we have started putting people into groups, says Randi Madsen from DC Insurance.

French TV crew visits Sæby

What on earth was a Franco/German TV crew doing at the slaughterhouse in Sæby in May? Well, as it happens, rumours had spread across Europe that Denmark knows a thing or two about occupational health and safety and prevention. And this was the very topic which the well-known TV station Arte wanted to make a programme about, focusing on DC Life.

- Our research on the issue led us to Denmark. You are way ahead in terms of occupational health and safety and prevention. So it was just a question of heading northwards, said TV journalist Simone Hoffmann from Arte.

15 November 2010

November 2010 saw the publication of the Danish Working Environment Authority's report on accidents at work for 2009, and for the second consecutive year, the slaughterhouse industry achieved a marked reduction in the number of work-related accidents. In just two years, the number of accidents has almost been halved.

At Danish Crown, there has been a lot of focus on this issue in recent years. Through targeted efforts, the company reduced the number of accidents by 34pc between 2006/07 and 2008/09.

SUCCESSFUL PROJECT

The project to reduce accidents started six years ago at the slaughterhouse in Ringsted, on Zealand, but has since been rolled out to include as many as seventeen Danish Crown facilities.

Dramatic fall in accidents

For the second year running, the number of reported accidents at work is falling at the slaughterhouses. Danish Crown is making a very positive contribution to improving the statistics.

- We have learnt that increasing safety in the workplace is primarily a question of changing people's attitudes. Deep down, we know how to conduct ourselves at work and what precautions to take as employees. In our experience, it therefore actually takes very little to markedly reduce the number of work-related accidents. And then, of course, we also use the carrot-and-stick method, explains Randi Madsen with a smile. Randi Madsen is the initiator of the project and Work Environment Manager at DC Insurance.

- Moreover, we are determined to get people back to work as soon as possible after an accident. All in all, this means that we have halved the number of working days lost due to accidents, Randi Madsen concludes.





Green electricity to power slaughterhouse

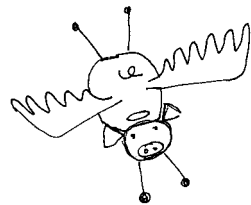
Danish Crown has plans to erect two wind turbines beside the slaughterhouse in Horsens. The idea is that one turbine will supply electricity to the slaughterhouse while neighbours will buy shares in the other, enabling both the slaughterhouse and private families living nearby to benefit from environment-friendly production while reducing their respective CO₂ emissions.

- This is a completely new venture for us. We have decided to do this because, as a major consumer of electricity, we want to shoulder our share of the responsibility for sustainable

production, and also because it makes good business sense, says Danish Crown's Technical Director Søren F. Eriksen.

The plan to erect two 2.3 MW wind turbines is still at an early stage. Danish Crown has submitted a planning application to the Municipality of Horsens, which is already drawing up a general plan for wind turbines in the municipality, and at the same time the company is preparing more detailed plans for the turbines, among other things visualisations and technical specifications.

25 November 2010



16 December 2010

Green smileys at all departments

In December, Danish Crown in Tønder won a green smiley when the Danish Working Environment Authority came to conduct a special screening inspection. This makes a full house of green smileys for all the DC and Tulip departments which have been subject to special inspections since the summer holidays in 2010. Danish Crown's Work Environment Manager, Randi Madsen, is delighted.

- It is wonderful and rather unusual in the industry that so many departments pass through the eye of the needle without any comments, says Randi Madsen.



ANTHROPOLOGIST ON FIELD TRIP IN HORSENS

14 March 2011

Can a slaughterhouse teach a hospital anything about cleaning?

- It always makes sense to find inspiration elsewhere, said the anthropologist Marlene Møller when, early one morning in March, she visited Danish Crown in Horsens to accompany the DC inspectors on their rounds.

Normally, Marlene Møller works for Concept-making, a company which is collaborating with the Regional Hospital of Randers on a research and innovation project about hygiene in hospital toilets, and it was for this purpose that Marlene was in Horsens.

- It was a very different experience following the cleaning checks compared to seeing the slaughterhouse while production was in full swing. Everything was washed down and gleaming, and there was rather a special, calm atmosphere with everyone concentrating on their work. It was a memorable experience, albeit early in the day, said Marlene Møller.

As an anthropologist, Marlene Møller is used to conducting field studies. Her task this time is to carry out the investigative work, which will, among other things, provide a basis for developing hygiene-improving measures.



Prince Consort visits Danish Crown

DURING THE ROYAL COUPLE'S SUMMER TOUR, PRINCE HENRIK VISITED DANISH CROWN'S SLAUGHTERHOUSE IN HORSSENS, WHERE HE TASTED SUSHI WITH PORK.

The red carpet was rolled out and the flag was flying when HRH Prince Henrik visited Danish Crown's slaughterhouse in Horsens in May.

Factory Manager Per Laursen, Chairman of the Board of Directors Niels Mikkelsen and CEO Kjeld Johannesen welcomed Prince Henrik and took the royal party along the visitors' gallery.

On the tour, Prince Henrik, who is a passionate gastronomist, asked many questions about the production line, the pigs and exports of various parts of the animal.

Prince Henrik also came face to face with Ferdinand the Young Bull and Frida the Happy Pig, Danish Crown's

official mascots. Initially they just waved to each other, but later Frida shook hands with the Prince Consort.

IT'S ALL ABOUT FOOD

After the tour, Prince Henrik was served three gourmet dishes: Two kinds of sushi with pork, and Jerusalem artichoke foam with Danish Crown's spider steaks, which are beef or veal collarbone cuts.

- The Prince Consort thought it tasted delicious, said Per Laursen, as Prince Henrik, 30 minutes later, left to continue with the day's programme, taking with him a couple of pig backpacks for his grandchildren.

27 May 2011

HRH Prince Henrik met Chairman of the Board Niels Mikkelsen, CEO Kjeld Johannesen and Factory Manager Per Laursen. And Frida the Happy Pig and Ferdinand the Young Bull also greeted the royal visitor on his arrival.





PORK SUSHI

- 100 g sushi rice
- ½ tsp rice vinegar
- ½ tsp sugar
- 1 pork tenderloin
- nori seaweed
- wasabi
- 2 carrots
- 1 leek

Rinse the sushi rice in cold water until the water runs clear. Allow the rice to sit in clean, cold water for 20 minutes. Drain off the water, and rinse the rice again with cold water. Tip the rice into a saucepan with 100 ml water, and bring to the boil. Cook for 10 minutes, covered, until the rice has absorbed all the water. Remove the pan from the heat, and allow the rice to cool.

Mix ½ tsp rice vinegar with ½ tsp sugar until the sugar has dissolved, and add the mixture to the rice. Shape the rice into 10 small oblong 'bricks' (approx. 3½ cm x 5 cm x ½ cm).

Quickly brown the pork tenderloin in a frying pan in a little oil, and then place it in the oven at 185°C for approx. 20-25 minutes until it has an internal temperature of 68°C. Allow the meat to cool, and then cut into thin slices.

Cut the sheets of nori seaweed into long strips slightly less than ½ cm wide and wrap them around the edge of the shaped rice bricks. Moisten both ends of the seaweed strips with a little water so they stick to one another.

Fold and place two slices of meat on each small rice brick. Place a small piece of wasabi on top of the meat and top with four carrot julienne sticks tied together with a thin strip of blanched leek. Blanch the leek by boiling a little water in a saucepan, removing the pan from the heat, and placing the leek in the water for approx. 1 minute.

Instead of pork tenderloin, you can use Tender Pork ham mignon, which is quickly browned and then cooked in a preheated oven at 180°C for approx. 25-30 minutes until it has an internal temperature of 72°C.

Recipe for 10 pieces of sushi.

Bent W. Nielsen is Danish Crown's canteen manager in Randers. Here is his recipe for the pork sushi served when the Prince Consort visited the slaughterhouse.



Back to work June 2011

An accident at work can spell unemployment for a slaughterhouse worker. However, not so for Peter Keller from the loading department in Skærbæk. In March 2010, his right thumb was caught between a metal hook and a gliding rail, an accident which meant that he lost the end of his finger.

- I was really unhappy because I thought I would lose my job as a result. I have been with DC for more than 30 years, and don't really want

to be anywhere else. So I was thrilled when I was told that I could stay, says 57-year-old Peter Keller.

Ten months after starting up slowly, Peter Keller was back working full-time.

- It is the best arrangement ever. Instead of being either on sick leave or not, I was able to start working, initially for just a couple of hours a day, Peter Keller explains.



Fit for flex

Surrounded by rolls of labels, 52-year-old Helle Marvig Hansen sits at the computer. A roll is loaded onto the machine, and 200 labels are ready for use.

- If you'd told me ten years ago that I would be sitting in front of a computer today, I would have said you were crazy, says Helle Marvig Hansen.

She has arthritis in her whole body, but it doesn't stop her from coming in to work every day. For more than 30 years, she has worked at Tulip in

May 2011

Faaborg and been involved in many different productions, but because of her arthritis, master journeyman Jesper Lorenzen helped find her a less strenuous job.

Jesper Lorenzen talks to the employees who are off sick about what he and the company can do to help them.

- It soon became clear that we had to find a solution which was less arduous for Helle, says Jesper Lorenzen.





Slaughterhouse run for a good cause

450 RUNNERS SPENT THEIR SUNDAY RUNNING AROUND THE SLAUGHTERHOUSE IN HORSENS.

18 April 2011

The spring sun shone on all the panting runners as they participated in a run around Danish Crown's slaughterhouse in Horsens last April. With 450 runners – four times as many participants as the previous year – the run was a tremendous success.

- There was a fantastic atmosphere, almost like at a carnival. I've never experienced anything like it at a running event. Everyone could join in, from novices to ultra runners, said a delighted Lars Mose, union

representative and Horsens Run organiser.

The route round the slaughterhouse measures exactly 1,363.11 metres, and participants could run a six-hour race, a marathon, a half marathon and various circuits right down to just two rounds.

PROCEEDS DONATED TO DISABLED SPORTS

The run generated proceeds of, provisionally, DKK 21,000, which were presented to the

Danish Sports Organisation for the Disabled.

- This is sport for sport. We support others so they can engage in sports, explains Lars Mose.

Sixteen disabled runners participated in the Horsens Run on special running bikes.

Many spectators cheered the runners along the route, and also grabbed the chance to tour the slaughterhouse at the same time.



MEAT
FLEISCH
KØD

ME
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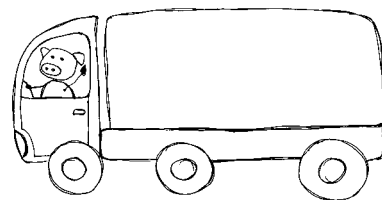
Viseritall



1-06 Kotelet
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THOMAS
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November 2010

Once the pigs have been slaughtered and butchered in Denmark, the German factories take over on a large scale. This has reduced the cost of deboning fore-ends by about 50pc. Every day, 16-17 trucks arrive with cuts from Denmark, and the factory in Boizenburg near the River Elbe is a hive of activity. Factory Manager Ole Lyngesen quickly gets an overview.

- It's going really well. At the moment, we are deboning 150,000 fore-ends a week. That is a fivefold increase in relation to when we started in 2003. And we are doing it at half what it would cost in Denmark per fore-end, says Ole Lyngesen.

FRESH GOODS ALWAYS

- We are the extended arm of the production activities in Denmark. When the day shift in Denmark has finished cutting up the animals, the evening shift down here takes over. And likewise with the evening shift's output, which is deboned by the day shift down here. This ensures a very high level of freshness, says Ole Lyngesen. He explains that the cuts are destined for markets in Europe, Russia and Asia. Some are ready-packed and others frozen, but they are always of the highest quality and ready by the agreed time.

Quality always comes before volume, and it must be the Danish Crown standard, says Ole Lyngesen.

Danish Crown's deboning of Danish raw materials at the group's German factories is hugely successful.

German factories deliver on their promises

April 2011

Now it's fun going to work

After Danish Crown took over the slaughterhouse in Germany, the way employees relate to each other is markedly different.

- NEIN!!

Defensively, Günther Köhler holds his hands in front of him. He shakes his head, repeating his answer loudly.

- No, no. No, I do NOT want a return to how it used to be.

For the past five years, Günther Köhler has been working at the slaughterhouse which Danish Crown took over at the beginning of the year.

- It's the same walls, the same pigs and the same colleagues, but working here now is completely different. The way everyone speaks to each other is more civilised, and now it's fun going to work, says 44-year-old Günther Köhler.

- Today we talk in a civilised manner with one another if mistakes are made. It creates a far better atmosphere, and it doesn't cost anything to speak nicely to each other, he says.

NEW MANAGEMENT STYLE

The way people conducted themselves also surprised Steen Sønnichsen, who is responsible for DC's German departments.

Today, employees pop their heads into the office as the most natural thing in the world - which wasn't the case to begin with.

- We have obviously brought our Danish management style with us to Essen. We want ideas, views and employees who assume responsibility and who think for themselves, he says.

In connection with the acquisition of DC Fleisch, Steen Sønnichsen was made responsible for Danish Crown's German activities. One of the main tasks has been introducing a Danish management style. That's Steen, dressed in white.





Man on the move cuts his speed

Head of Production in the Pork Division, Arthur Petersen, stopped after 24 years at Danish Crown.

Head of Production Arthur Petersen was always on the go, and two of his most important tools were his telephone and his car. Driving more than 80,000 km a year, he spent much of his time in his car talking regularly with factory managers and others who needed his advice.

At the beginning of the year, Arthur Petersen decided it was sensible to slow down a bit. The Pork Division's anchorman has pulled in to retire.

Before being promoted to Head of Production, Arthur Petersen was factory manager in Kolding and Odense, but his background is not in fact in the slaughterhouse industry. Originally he was a qualified smith and ship's engineer, but to get a sense of what it feels like to have a knife in your hand, he has taken several butchery courses. Occasionally he has had to wield the knife, so to speak, for example when having to tell employees that Danish Crown had decided to close their department. Not an easy task, but Arthur Petersen diligently shouldered it, just as he has worked hard to optimise production across a broad field.

16 December 2010

June 2011

The bats

When most people are switching off their lights and going to bed, the night shift sets to work in Sdr. Felding.

In Danish Crown, employees on the night shifts are called 'the bats', like the animals which only come out at night. The staff magazine, 'Krogen' took a close look at what happens at the meat-processing factory in Sdr. Felding in the depths of the night.

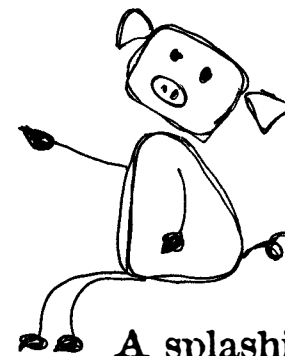
It's 10 pm, and the sixteen employees clock in for a night of producing beef medallions, lunch steaks and roast beef.

Outside, everything is quiet and cloaked in darkness, while in production the lights shine brightly. Here we meet the 'bat' in charge, master journeyman Brian Christensen. He heads the night shift, but has not always been a nocturnal creature.

- I have never worked nights before, but it's what I like best. Everything is a bit calmer. The telephone isn't ringing continuously, and there are not that many of us so we all have a great time together, says Brian Christensen.

Everyone pitches in and helps each other. This particular night, Brian Christensen is topping lunch steaks with herb butter because an employee has fallen ill.

- When an employee is off sick, we can't just call in someone to replace him. Everyone else is sleeping, of course. So we have to cover for each other. However, we don't have a lot of absence due to illness, because the team knows that it hits everyone hard when we are just one person short, explains Brian Christensen.



A splashing idea

At home, he's the sort of person who switches lights off after himself and saves water. Master journeyman Martin René Rasmussen also adopts this environmentally conscious approach when he meets up for work at Danish Crown in Ringsted on Zealand.

Consequently, he was astonished by the large volumes of water which are used every time one of the blue plastic tubs emerges clean from the washer.

- Water sloshed onto the floor, and that sort of waste irritates me. So I thought that it must be possible to do something about it, explains Martin René Rasmussen.

He started by measuring how much water was being wasted, and discovered that for every plastic tub cleaned, 17 litres of 80°C hot water run straight into the drains. With 180 tubs a day, it equates to more than 3,000 litres of water. The solution is a waste-water collection tray. There is a collection grate in the floor, from which the used water is pumped to a filter which cleans the water so it can be re-used in the tub washer. The project has cost approx. DKK 27,000. Total water and energy savings are estimated to be approx. DKK 35,000 a year, so the payback time is only eight months.

September 2011

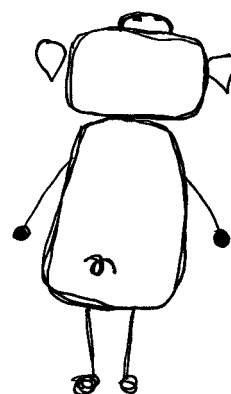
I just wanted to be part of Danish Crown

Many employees choose to devote many years of their working lives to Danish Crown. However, only a few, like HR consultant Edith Poulsen, manage to celebrate their 50th anniversary.

She was only 16 years old when she started her first job as an office assistant at Danish Crown - or rather Bjerringbro Cooperative Slaughterhouse as it was called then.

Now, 50 years later, Edith Poulsen is still with Danish Crown. On 31 October she celebrated her 50th anniversary.

November 2010



CURIOUS GUESTS

DANISH CROWN IS ONE OF THE MOST MODERN AND EFFICIENT SLAUGHTERHOUSE COMPANIES WORLDWIDE. EACH YEAR IT RECEIVES VISITORS FROM ALL OVER THE WORLD LOOKING FOR INSPIRATION, INCLUDING DANISH POLITICIANS WANTING TO SEE THE FACILITIES.

Danish Minister for Science looks at technology in Blans

IN NOVEMBER, THE THEN MINISTER FOR SCIENCE, CHARLOTTE SAHL-MADSEN, VISITED THE SLAUGHTERHOUSE IN BLANS FOR A CLOSER LOOK AT DANISH CROWN'S INNOVATIVE TECHNOLOGY.

At the end of November, the snow-clad Danish Crown facility in Blans in southern Jutland received a visit from the then Minister for Science, Charlotte Sahl-Madsen, who wanted to hear more about Danish Crown's technical innovation. The minister came to take a good look at Danish Crown's innovative technology and to see specific examples of it in Blans's cutting and packaging departments.

- It was exciting to see the technology in use. Visiting

Danish Crown has given me fresh insight into how important production technology innovation is for the company's competitiveness, said Charlotte Sahl-Madsen.

Much of the slaughterhouse in Blans burned down in 2007. Consequently, the Minister for Science saw a new and top-modern slaughterhouse when she toured the production facilities, and all the technology made a big impression.

- I am delighted that the Minister for Science has decided to visit Danish Crown. We understand the minister's interest in the company, as we have a lot to offer in terms of industrial innovation, which is in short supply in Denmark, said Svend Erik Sørensen, Danish Crown Vice President, Chairman of the Centre for Advanced Food Studies (LMC) and a member of the Danish Council for Strategic Research.

29 November 2010



The then Danish Minister for Science, Charlotte Sahl-Madsen, looked at technology at the slaughterhouse.



LO President visits Danish Crown in Aalborg

13 April 2011

HARALD BØRSTING CELEBRATED LO AALBORG'S 125TH ANNIVERSARY BY VISITING DANISH CROWN'S CATTLE SLAUGHTERHOUSE.

Early one morning in April, Harald Børsting, President of the Danish Confederation of Trade Unions (LO), and a delegation from LO Aalborg had a tour of the slaughterhouse in Aalborg to take a closer look at a production enterprise like Danish Crown. Factory Manager Palle D. Sørensen and union

representative Henning Lønstrup showed the party round, telling them about the factory while Head Analyst Karl Christian Møller talked about Danish Crown's plans and challenges.

- It is extremely valuable for me to see what things are like for union representative

Henning Lønstrup and his colleagues, said Harald Børsting.

The recently announced plans to build a new cattle slaughterhouse and invest in about 300 Danish jobs greatly interested the LO President, who was delighted

to hear about the project and all the new jobs.

The reason for the visit was LO Aalborg's 125th anniversary, which was celebrated with visits to the biggest companies in Aalborg, including Danish Crown.

Anders Samuelsen visits world's most modern slaughterhouse

IN APRIL, ANDERS SAMUELSEN, LEADER OF THE LIBERAL ALLIANCE PARTY, VISITED DANISH CROWN HORSENS, WHICH IMPRESSED HIM GREATLY.

15 April 2011

- It is very exciting to see such high-tech production, said Anders Samuelsen.

He lives in Horsens, and has followed the construction of the five-year old slaughterhouse.

- It's nice to see it from inside. It exemplifies a company which is contributing to Denmark's welfare, and therefore it is important that we do what we can for workplaces such as this, he said.

- It's Anders Samuelsen of all people, shouted an employee

in the canteen when Liberal Alliance's party leader was shown around the slaughterhouse, which employs 1,500 people.

Globalisation, logistics and pig's hearts in cream sauce were some of the topics discussed along the way.

Anders Samuelsen from the Liberal Alliance party learned about food production and framework conditions on his tour.





DC's fire engineer
Flemming
Damholdt (left)
and Technical
Manager Niels
Conradsen hold
fires at bay.

'ASKE BRANDT' PREVENTS FIRES

Two major fires have taught Danish Crown everything about fire prevention. Today, the cartoon character 'Aske Brandt' watches over all the DC companies.

RED DOTS DESIGNED TO STOP FIRES

- People smile slightly when I point to a red dot and explain that this is the latest fire-prevention weapon, says André Lorenzen.

He is an engineer at the slaughterhouse in Skærbæk, and points out the red dots on the walls, indicating that the walls are flammable.

- Many people think that a fire at a slaughterhouse is an impossibility because it's just bricks and concrete. But about 75pc of our walls contain polystyrene or foam, which burn easily, he says.

The red dots indicate that pallets, floor cleaning machines etc. must not be placed up against the walls.

FIRE DOOR FOILS THE FIRE

Walking through the department in Ringsted, Niels Conradsen suddenly stops and looks down. A yellow wedge sits under a fire door, preventing it from closing if a fire breaks out. He immediately locates an employee and explains why the door must never be blocked in this way.

- It is important that we always focus on explaining that it is not permitted and why it is not allowed, so employees remember and understand the importance of fire doors and gates, explains Technical Manager Niels Conradsen.

IF YOU LIGHT UP HERE, YOU'RE FIRED

Everyone in Herning had a shock when a rubbish bag caught fire in the smoking room. It happened after the large fires at the slaughterhouses in Skive and Blans, and even a fire in a waste bin can easily prove fatal. Both employees and Factory Manager Kaj Meldgård were well aware of the ultimate threat to their workplace.

- If the factory is destroyed by fire, it will not be rebuilt, and everyone will lose their jobs. So when I take a hard line and refuse to accept people smoking outside the designated areas, the employees know why, he says.

TRUCK LOADERS CAN BURST INTO FLAMES OR EXPLODE

On the face of it, it doesn't seem that dangerous to put the plug on your truck into a socket to recharge its batteries.

- However, it is important to have proper conditions in the areas where truck loaders and floor cleaning machines are recharged, because in the worst possible scenario short-circuiting or an explosion can happen and start a fire, says CEO Klaus Møller from DC Insurance.

TIDINESS AGAINST FIRE

Jens Jørgen Kjeldsen opens the door to the technical room in the basement at DC Beef in Fårvang in central Jutland.

- See, what did I say! Things always find their way in here, says the 49-year-old engineer, before resolutely wheeling the wheelbarrow out of the room.

- We are slightly pushed for space down in the basement, so when people see a large, empty room, they are tempted to put things in here. They don't think about whether things are flammable, and that they may cause the factory to burn down, says Jens Jørgen Kjeldsen.



Record sausage sales

The fine weather at the end of April and in early May was reflected in the sales of sausages. Never before has Tulip experienced such a high demand for sausages as it did in week 18 in 2011.

- Our previous record for sausage production in a single week for the Danish market was beaten by 150 tonnes, and altogether Tulip sold about one million sausages in Denmark, says Tulip's Nordic Sales Director Peter Guldager.

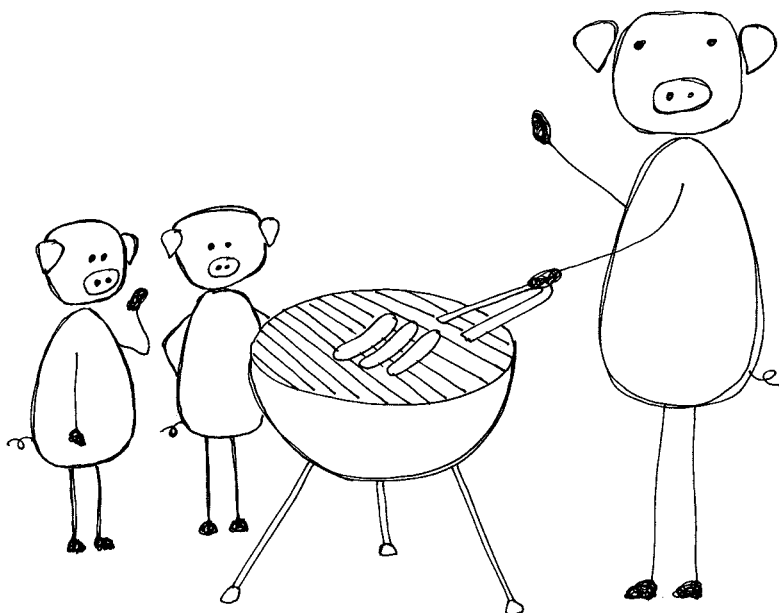
The employees at Tulip's factories didn't have much time to enjoy their own barbecues in May as they volunteered to work a seven-day week in order to keep pace with demand.

May 2011

Consumers light up their barbecues

An early start to the barbecuing season added to the workload at Danish Crown when the warm weather encouraged consumers to grill large volumes of meat, much of it from DC's departments. Both the retail-packaging department in Herning in central Jutland and DC in Hadsund in northern Jutland had to call in reinforcements to keep up with demand.

19 May 2011



Day of records in Herning

Employees at Danish Crown's retail packaging department in Herning have been rushed off their feet, setting two records in March.

Friday 18 March 2011 was a special day for the employees at the retail-packaging department at Danish Crown in Herning after they set no less than two records in the course of the day.

- It was our biggest day ever. We had to ship 322,000 trays, which is a new record, says Production Manager Allan Ernstrøm.

The packs included 139,000 trays of Cumberland sausage, and that in itself is a record - Herning has never packed that much Cumberland sausage before, not even for Christmas.

The hive of activity resulted from three large customers celebrating a major anniversary, a birthday and offering special discounts all within the same brief period.

21 March 2011



Danish Veterinary and Food Administration threatened Danish roast pork

On 20 December, the state-employed inspection technicians at Danish Crown's slaughterhouses threw down their tools because of their frustration at a letter from the Danish Veterinary and Food Administration. This meant that the number of slaughterings had to be halved.

- The fact that the inspection technicians chose to stop work on the busiest day of the year demonstrates a lack of respect for all the slaughterhouse workers who are currently working flat out to guarantee roast pork on Christmas tables across Europe, said Danish Crown's Director of Corporate Communications Anne Villemoes about the strike.

20 December 2010

Expansion in Vejle

While some Tulip employees were enjoying their Christmas holidays, many people were working extra hard in Vejle where, despite the wintry weather, new production equipment was being fitted. The existing line is already running seven days a week, so to ensure that production volumes can be maintained, the new line is provisionally being installed in a newly erected pavilion measuring 328 square metres.

4 January 2011

All-time Christmas in Herning

Christmas is the record-setting season at DC's retail-packaging department in Herning in central Jutland. This has been the case for the past few years, and Christmas 2010 was no exception.

In week 49, 626 tonnes of loins, tenderloins, mince, Cumberland sausage and other Yuletide goodies poured out of the department to Danish consumers.

- That's an all-time record for us. We have never produced so much in a single week before, and the record might well hold for many years, says Production Manager Allan Ernststrøm.

15 December 2010



ROAST PORK

WITH SPICY RED CABBAGE

1½ kg	boneless pork loin
1½ tbsp	sea salt
	fresh thyme and oregano
1	red cabbage, 2-3 kg
500 ml	elderberry juice
100 ml	honey
1	onion
1 tsp	cumin
1	bay leaf
1 tbsp	redcurrant jelly
1 tbsp	vinegar
3	apples
1 tbsp	fat from the pork loin

Score the rind right into the meat (½-1 cm down into the meat) at ½ cm intervals. If the butcher has scored the joint, check the cuts. Sometimes they are not deep enough - especially at the sides. Chop the herbs.

Carefully push the salt and herbs down into the meat between the strips of rind.

Place the joint on a grid in a small roasting tin so the rind is as horizontal as possible. Use a piece of rolled-up tin foil or a peeled potato to support the joint at its thinnest point to ensure the rind is horizontal.

Pour half a litre of water into the roasting tin, and place on the middle shelf in a cold oven. Set the oven to 200°C, and roast the joint for approx. 1½ hours.

Finely chop the red cabbage.

Cook the red cabbage in the elderberry juice, honey, sliced onion, cumin (if required), bay leaf, redcurrant jelly, vinegar, salt and pepper for about an hour. Add the unpeeled apple wedges for the last 15 minutes of cooking time. Season to taste, and stir the cooking fat into the red cabbage just before serving.

Serves 6



18 August 2011

PRODUCTION TRANSFERRED FROM HADSUND

The production plant in Hadsund is quite old, and the factory site does not permit expansion or production optimisations. Danish Crown has therefore decided to close the department and shift production.

In December 2010, Danish Crown announced that it would endeavour to move production in Hadsund to new premises in the closed Tulip factory in Sdr. Borup in East Jutland, but that agreements would have to be reached which would ensure a sound economic footing, and efforts are still being made to achieve this.

- At the moment we are looking at the possibility of moving production to other Danish Crown departments as an alternative - either in Denmark or abroad. Unfortunately, this may entail the loss of Danish jobs, says Kjeld Johannesen.

The department in Hadsund will be phased out in step with production being moved to other plants.



150 new employees for Danish Crown

THE NUMBER
OF PIGS
RECEIVED FOR
SLAUGHTER BY
DANISH CROWN
FROM DANISH
FARMERS
INCREASED IN
EARLY 2011.
AS A RESULT,
THE COMPANY
WELCOMED
150 NEW
EMPLOYEES
IN DENMARK.

In summer 2010, Danish Crown started reaping the benefits of DC Future in earnest with about one million more pigs being delivered for slaughter, which helped safeguard more than 400 Danish jobs. The positive trend continued, and Danish Crown saw an influx of new cooperative owners, among other things thanks to the competitive prices offered by the group.

3 February 2011

In early 2011, Danish Crown therefore took on 150 new employees at slaughterhouses and deboning facilities across Denmark.

- We are currently seeing an increase in demand from several of our export markets, including South Korea. This confirms that Danish Crown is maintaining its position as a competitive slaughterhouse business, said Kjeld Johannesen, CEO of Danish Crown, in February.

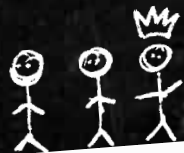
Higher feed prices meant that pig producers wanted to reduce the slaughter weight. This increased the pressure in a situation where many suppliers were having to wait to have their pigs collected for slaughter following the Christmas and New Year bank holidays and because of the challenging road conditions caused by the winter weather.

Creating the new jobs was therefore also a sign that Danish Crown was doing its utmost to catch up on the backlog of pigs awaiting slaughter.



The Hadsund department produces a number of specialities - such as these rolls for Japan. This production is being moved to other departments.

Recipe for a successful job bank ...



Successful job bank in Skærbæk.

When Paul Sejer, union representative and manager of the job bank in Skærbæk in western Jutland, totted up his figures, he could see that the job bank had helped 33 out of 36 employees to find new jobs. This equates to 92pc.

Sixteen of the employees made redundant had been re-employed by the Danish Crown group.

April 2011

$$\begin{array}{r} 36 \\ -33 \\ \hline 3 \end{array}$$

Almost everyone has found their feet after the closure in Rødding.

There were less than ten unemployed left in Danish Crown's job bank in Rødding after the department closed on 11 March. Thus, 97pc of the original 309 employees had found new work or enrolled on study or training programmes.

- I have less than ten active job seekers at the moment, which is really good, said job bank manager Niels-Henrik Sørensen one week before the job bank was due to close.

The Rødding department closed at the end of October 2010. Many of the employees have found work at Danish Crown departments elsewhere while others have found new employers. Finally, many have decided to retrain, but are eager to return to the job market.

Since 2004, 30pc of employees who have lost their jobs following the closure of a department have returned to Danish Crown.

4 March 2011

304 out of 328 employees from the discontinued evening shift in Esbjerg have successfully moved on.

Last summer, 328 employees were out of work after the evening shift at the slaughterhouse in Esbjerg had to stop. By the time the job bank closed nine months later, in June, 304 employees had found new work or started on a study or training programme.

- Already after five months, 156 had found jobs, which is far more than we had expected. The job bank has worked extremely well, said job bank manager and former union representative for the evening shift Henning Christiansen.

Several employees have hung on to their knives and found work at Danish Crown slaughterhouses in Horsens, Blans and Esbjerg.

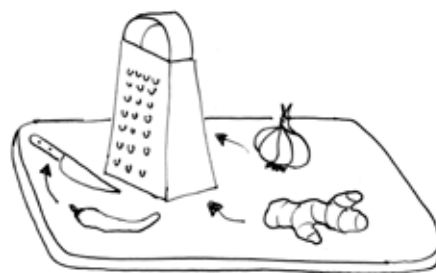
A large proportion of employees have seized the chance to do a course, and a number have started studying after a friendly kick up the backside from Henning Christiansen.

When the job bank closed on 10 June in Esbjerg, HR consultant Lotte Lind Holm took over the task of helping to find work for the last remaining employees.

10 June 2011

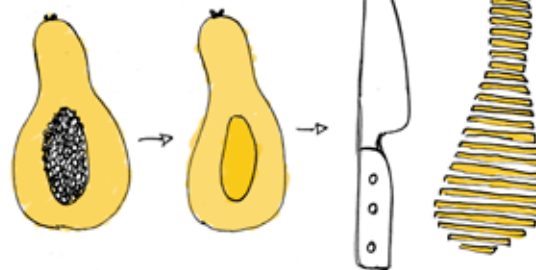
$$\begin{array}{r} 328 \\ -304 \\ \hline 24 \end{array}$$

1 Braise the rolls well in oil in a pot. Add the tamari, mirin and 800 ml of water, and bring to the boil. Simmer for 1¼ hours until the rolls are tender. Season the cooking liquid to taste with tamari.



2 Finely grate the ginger and garlic, and add it to the saucepan together with the finely chopped chilli and the soaked shiitake mushrooms, and bring to the boil.

3 Peel the papaya, remove the seeds and slice thinly.



BRAISED BELLY ROLLS

WITH TAMARI, GINGER, MIRIN,
SHIITAKE MUSHROOMS AND
GREEN PAPAYA

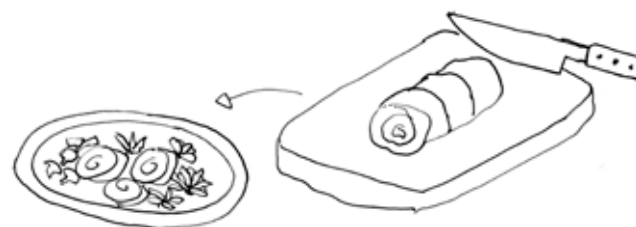
Serves 4

INGREDIENTS
500-600 g belly rolls (4 pcs)
1 tbsp vegetable oil
100 ml tamari
2 tbsp mirin
50 g ginger
1 garlic clove
½ red chilli, finely chopped
10 g dried shiitake mushrooms, soaked

TO GARNISH
300 g green papaya or cucumber, peeled and deseeded
300 g shiitake mushrooms
1 tbsp vegetable oil
4 spring onions, finely sliced
1 tbsp roasted sesame seeds
edible flowers, optional



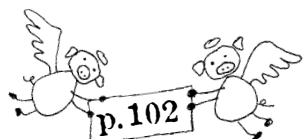
4 Slice the mushrooms, and fry them in oil in a hot pan. Then mix in the papaya, spring onion and sesame seeds.



5 Arrange the slices of belly in the pot or in a bowl together with the papaya, mushrooms and cooking liquid, and decorate with edible flowers.



JAPAN



For the second consecutive year, Danish Crown is offering competitive prices. However, this does not mean that the challenging times are over - especially for the company's owners. Much of the year has been spent discussing Danish Crown's ownership structure - and considering the options should foreign capital one day be needed to ensure future growth. And thereby want a say in the decisions made. This discussion is ongoing ...

A COOPERATIVE WITH VALUES





105 How do we secure Danish Crown's future? **107** Massive yes to Danish Crown A/S **108** More Danish Veal **109** Frida and Ferdinand go visiting **109** Fillet of veal **110** Flying the colours of Danish Veal **110** Contract calves off to a good start **114** Settlement checks pay **117** Pig Producer of the Year is from Falster **117** Study trip to Germany **117** Optimum delivery of pigs for slaughter **117** New transport agreement with unchanged prices **118** Insurance in place **120** Prince of Wales visits organic farm **124** Grilled pork chops





HOW DO WE SECURE DANISH CROWN'S FUTURE?

The district meetings held in the summer had one overriding item on the agenda - should others sit round the table at Danish Crown?

The district meetings held all over Denmark in the summer left Niels Mikkelsen, Chairman of Danish Crown's Board of Directors, with a clear impression that the owners take a very keen interest in the company's development. However, at the same time they are sorry that they are not in a position themselves to implement the growth strategy which will place Danish Crown in the premier league of European food companies.

- Ours is a time of historical challenges for Danish Crown and Danish pig production, and only the smartest and most competitive have a future in this business. The fact of the matter is that unless you develop your business, you will be left behind, says Niels Mikkelsen, who is thrilled with the positive spirit which pervaded the district meetings and the principal debate about the future of Danish Crown.

Niels Mikkelsen points out that being on the ball is particularly important at the moment:

- Simply resting on one's laurels will leave a gap in the market which will soon be filled by our competitors. For a company like ours, standing still will quite simply undermine our competitiveness. Growth on the other hand will do exactly the opposite - strengthen

our competitive edge and enable us to offer higher prices, says Niels Mikkelsen.

RECOGNITION FROM OWNERS

True to tradition, owners met again for a number of district meetings in December and a presentation of the results for the year, among other things.

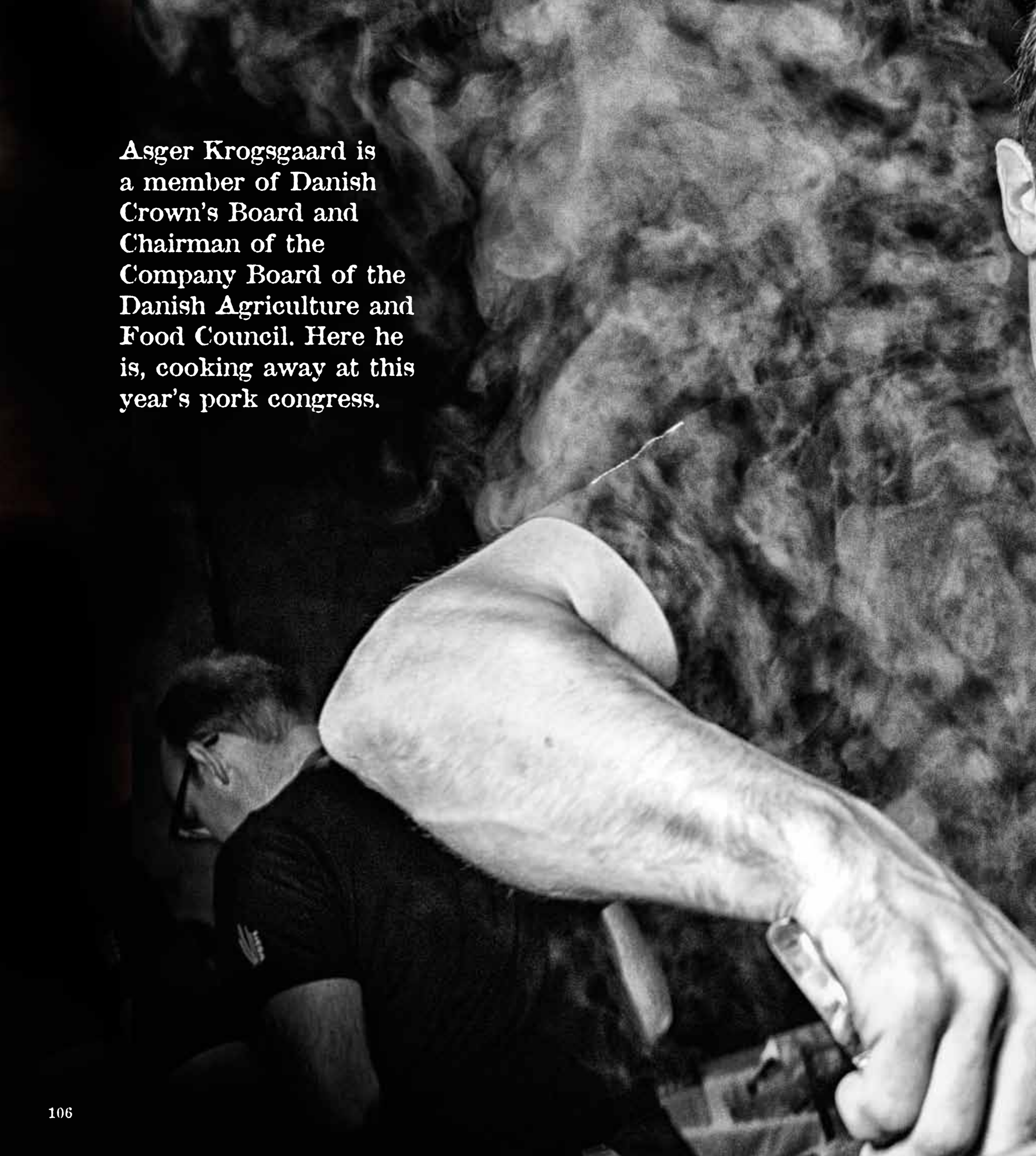
At sixteen meetings across Denmark, the Chairman of the Board of Directors Niels Mikkelsen and CEO Kjeld Johannesen presented the results. And they can look back on a constructive debate with interested and widely supportive owners.

- At a time when the competitiveness of Danish production companies is under immense pressure, we have succeeded in reversing the trend and remaining competitive. We were therefore very pleased to hear the owners' praise for the financial results, says Kjeld Johannesen.

- The owners were very appreciative of all the hard work which has gone into DC Future, and extremely interested in Danish Crown's new strategy plan, DC2015, which will help secure a steady supply of animals in the coming years, concludes Kjeld Johannesen.

December 2010, July 2011

Asger Krogsgaard is a member of Danish Crown's Board and Chairman of the Company Board of the Danish Agriculture and Food Council. Here he is, cooking away at this year's pork congress.





Massive **yes** to Danish Crown A/S

In October 2010, Danish Crown's Board of Representatives voted massively in favour of the formation of a limited company.

- In practice, the decision does not entail any changes for the company's owners. What it means is simply that the cooperative will establish a limited company which will be wholly owned

by the cooperative. The limited company will thus not replace the cooperative in any way, explained Niels Mikkelsen, Chairman of the Board of Directors of Danish Crown.

The debate about the proposed step started in February 2010 when it was presented at a meeting of the Board of Representatives. Since then, it has been on the agenda of all meetings of the Board of Representatives, and was also debated at this summer's meetings for members across the country, culminating in the decision made in October to establish Danish Crown A/S.

- It is a question of ensuring that we have the tools which will be needed in the long term to fulfil the growth strategy adopted by the Board of Representatives. Initially, we have decided to set up a limited company, which will open up other options in the longer term. However, these are options which must now be analysed in greater detail. They must be discussed with members, and will also have to be adopted by the Board of Representatives, says Niels Mikkelsen.

At the October 2010 meeting, the plan for the coming years - DC2015 - was presented and met with unanimous praise and support from the Board of Representatives.

13 October 2010

8 February 2011

More Danish Veal

THE NUMBER OF ANIMALS SUPPLIED UNDER DANISH CROWN'S DANISH VEAL CONCEPT IS UP 5,000 SINCE LAST YEAR.

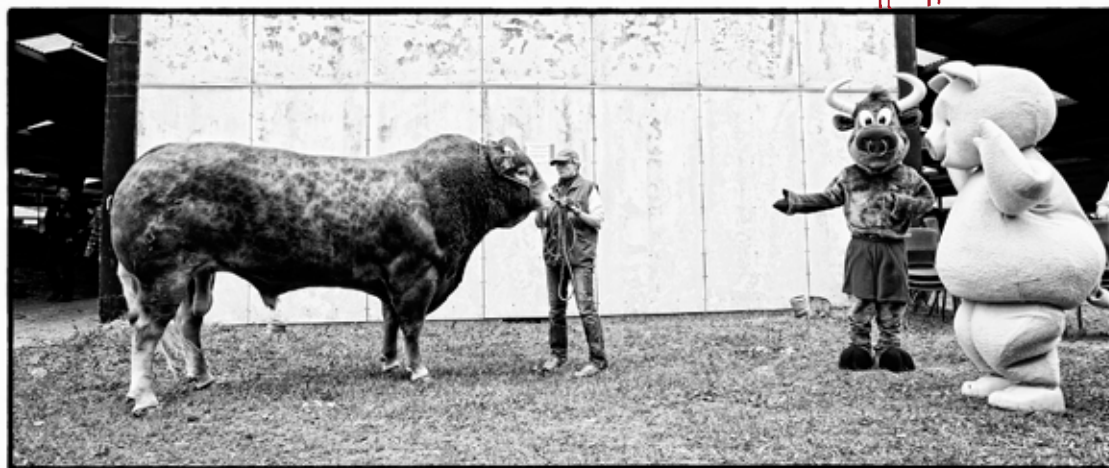
Danish Crown's Danish Veal concept is attracting a growing level of interest. DC Beef has received registrations for 2011 which are landing at just over 70,000 calves for the year as a whole. This is over 5,000 more calves than last year.

The increase is attributable to a strong belief in the concept among producers. The challenge is to maintain this optimism in the coming years as bull premiums are already being cut markedly next year.

Danish Veal is primarily sold to the Danish market with only limited exports. The meat is marketed by a broad range of shops.



At the national agricultural show in Herning, Ferdinand the Young Bull took Frida the Happy Pig to meet one of the really big bulls.



FRIDA AND FERDINAND GO VISITING

"Gosh, he's huge," exclaims Frida as Ferdinand the Young Bull takes her to see the prize bull Hammel Calvado's.

And she's right.

Weighing in at 1,430 kg, Hammel Calvado's took the prize as the handsomest bull at the national agricultural show in Herning where Danish Crown's Frida

the Happy Pig was strolling around with her new friend. First they went for a ride in a horse-drawn carriage, and then they went visiting the real heavyweights, as Ferdinand calls them.

Ferdinand is just a young bull, but very eager to impress Frida with his beefy muscles nonetheless.

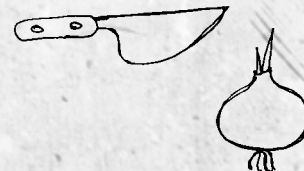
Summer 2011

FILLET OF VEAL

WITH GRILLED COURGETTES

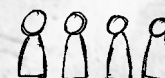
- 1 kg fillet of veal, whole or as steaks
- 2 green courgettes
- 4 garlic cloves
- ½ red onion
- 4 sprigs fresh thyme or a bit of dried thyme
- olive oil
- salt and pepper

Score the fat of the fillet of veal if prepared whole. Brown in a pan and place in an oven-proof dish and cook in the oven at 170°C until the meat thermometer shows 65°C. If cooking the fillet as 200-250 g steaks, brown the steaks in a frying pan (preferably a grill pan) and cook in the oven at 170°C for approx. 10-15 minutes depending on their thickness.



Wash the courgettes and trim the ends. Split lengthways and cut into chunks (approx. 2 cm). Fry in olive oil in a sauté pan with the thyme, garlic and thinly sliced red onion. Stir carefully until they colour, and season to taste with salt and pepper. Serve with sweet potato mash.

Serves 4



21 June 2010

Flying the colours of Danish Veal

The farming couple Henriette and Johannes Nielsen from Varde have had flags featuring the Danish Veal logo made to hoist at their farm. The enterprising calf producers find that primary production is becoming too distanced from consumers, and only the farmers themselves can change that.

- Thousands of cars pass our drive every day, and after we have erected the flagpoles we have noticed that drivers actually slow down a bit to look at the flags. And the clever thing is, of course, if they recognise the logo when they next go shopping, says Johannes Nielsen.

11 January 2011

Contract calves off to a good start

Since autumn 2010, Danish Crown has financed contract calves, and according to DC Beef, the scheme has got off to a promising start.

By January, 600-700 calves were financed via DC Beef.

- The scheme was introduced last autumn as we registered a need for alternative financing, explains Ejvind Kviesgaard, DC Owner Relations.

The scheme is intended for members buying calves up to three months old. They are then financed by DC Beef on contracts. Once the animals are slaughtered by Danish Crown, the borrowed amount with interest is deducted from the farmer's settlement. The interest rate is set by Danish Crown. In addition, an administration fee of DKK 20 per calf is paid on signing the contract.







MEAT

MEAT

ME

ME



Settlement checks pay

MANY OWNERS HAVE OPTIMISED THEIR SETTLEMENTS AFTER ATTENDING DC WORKSHOPS.

In early 2011, members were invited to workshops organised by DC Owner Relations throughout Denmark. The purpose of the workshops was to check up on settlement arrangements. And this proved to be well worth it for the owners.

Higher feed prices have meant that many farmers have been allowed to reduce the slaughter weight of their animals, thereby optimising earnings. Thus, taking a closer look at the figures can be a very worthwhile exercise for owners.

- We are under the impression that many farmers have learnt something useful, says Per Hjort, a consultant at DC Owner Relations.

STRENGTHENED SENSE OF OWNERSHIP

At the workshop in Randers, several owners were having a cup of coffee together while waiting for a consultant to become available. One of them was a DC owner, Jens Peter Jensen, from Brønderslev in northern Jutland. He was there to find out whether he was using the right settlement method.

- I am quite keen to know whether this is the best settlement method for me, said Jens Peter Jensen, who was pleased with the event.

- It shows that the company cares about our finances, and it helps to reinforce the sense of ownership, explained Jens Peter Jensen.

8 February 2011

A farmer supplies 15,000 pigs
 to Danish Crown a year. After a meeting with a consultant
 from DC Owner Relations, he has optimised his pig production
 and added DKK 307,500 to his annual settlement.

	Before	After	DKK per Kg
Weight optimisation	84 kg	82 kg	0.05
Excess weight	12 øre	6 øre	0.06
Meat percentage	60 %	60.5 %	0.05
UK supplement	35 øre	40 øre	0.05
Comments	2 øre	2 øre	0
Logistics	4 øre	1 øre	0.03
Collection requirements	3 øre	2 øre	0.01
Loading	2 øre	2 øre	0
Early delivery	2 øre	2 øre	0
Sum			0.25
Increased annual settlement			DKK 307,500

Deputy Chairman of
Danish Crown's Board
of Directors Erik
Bredholt helping with
the cooking at this
year's pork congress.



11 November 2010

Pig Producer of the Year is from Falster

The farm Stærsminde on the island of Falster is owned by father and son Villy and Kristian Jensen, and is managed by their son/brother-in-law Henrik Berg. The three of them have just been named Pig Producer of the Year by the Danish Pig Research Centre.

In fact, Stærsminde only started up its current pig production in 2007, when its new livestock building was completed. At the time, Villy, Kristian and Henrik were all quite inexperienced with the modern production of pigs for slaughter, but after three years, efficiency is first-class. And efficiency is the very reason why the three former 'novices' can now call themselves Pig Producer of the Year.

The three of them have been members of Danish Crown for as long as Henrik Berg can remember, supplying approx. 8,500 pigs to Danish Crown a year.

Study trip to Germany

7 June 2011

In May, 176 members of Danish Crown's Board of Representatives went on a two-day study trip to Germany to see the cattle slaughterhouse in Husum, the newly acquired pig slaughterhouse in Essen/Oldenburg and the large factory in Oldenburg which is run by Danish Crown and Tulip.

- It is important that the members of the Board of Representatives should be given in-depth knowledge of Danish Crown's activities abroad. Not only because the company's activities are growing outside Denmark, but also because much of Danish Crown's revenue is generated abroad, explains Niels Buhl, Chairman of the Committee for Information and Competence, who was very pleased with the trip.

Optimum delivery of pigs for slaughter

14 April 2011

A lot of factors must be taken into account when planning the optimum delivery of pigs for slaughter. DC Owner Relations has therefore prepared a so-called quick guide.

- The one-page guide contains the most important information and can be pinned up on the wall in production. It provides the farmer and the farmworkers with a useful overview which can hopefully help ensure the optimum delivery of pigs for slaughter, says Anders Nørgaard, a consultant with DC Owner Relations.

New transport agreement with unchanged prices

27 June 2011

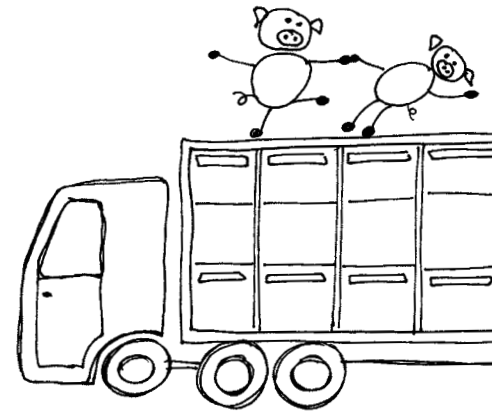
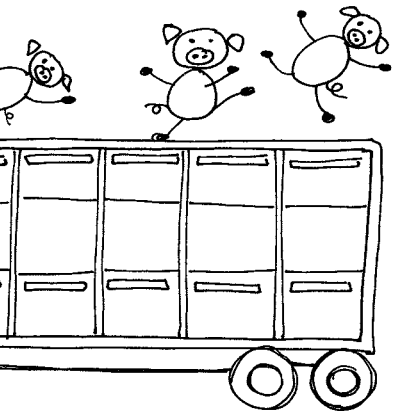
In the spring, Danish Crown drew up a new three-year transport agreement, which will apply from February 2012. The agreement was sent to existing hauliers, but other hauliers were also welcome to submit bids.

- It is always exciting to see the outcome when we invite bids for such a big and important element of our business as the transporting of pigs and sows. We expect the agreements to be in place by the end of June, said Deputy Chief Executive of DC Owner Relations, Vagner Bøge.

The bids resulted in the following:

- Price levels are unchanged.
- 15 districts will have new hauliers.
- 64 districts will be handled by 14 hauliers.
- Contracts with four hauliers are terminated, reducing the number of hauliers to 14 in all.

Although price levels are unchanged, the contract provides for adjustments along the way to reflect increases in payroll and diesel costs.





INSURANCE IN PLACE

All pork producers and suppliers of pigs for slaughter to Danish Crown have now taken out product liability insurance.



May 2011

Since 1 April, all pork producers and suppliers of pigs to Danish Crown have been required to take out product liability insurance.

- It is good news that all members and suppliers to Danish Crown are now insured, said Vagner Bøge, Deputy Chief Executive in Danish Crown.

Vagner Bøge is under the impression that farmers have been positive about having to be insured when supplying pigs to Danish Crown:

- I am very pleased to announce that the necessary insurance is now in place, says Vagner Bøge.

The reason for the new rule is that Danish Crown sees the delivery of pigs with drug residues as a serious problem. When it happens, it is by accident, and in most cases the

farmer realises in time and is able to contact the slaughterhouse so that the animal can be intercepted and sent for destruction.

But in those rare cases when drug residues are found during the slaughterhouse's extensive safety inspections, the costs are huge.

- It is not fair that all the owners should have to foot the bill when one farmer supplies a dodgy animal for slaughter. The farmer is therefore asked to pick up the bill, and this is where the insurance comes in, explains Vagner Bøge.

However, the insurance does not mean that failing to comply with Danish Crown's rules is now free.

In a recent case, a sow was caught by Danish Crown's comprehensive inspection system, and the member in question had to foot the bill.

- The rules in this area are very clear. If an animal with drug residues is delivered for slaughter and not intercepted in time, the supplier gets a bill corresponding to the product liability insurance excess of DKK 40,000, says Vagner Bøge.

- We mustn't forget that our business is food production, and food must not contain drug residues, Vagner Bøge points out.

PRINCE OF WALES VISITS ORGANIC FARM

HRH Prince Charles was full of praise as he visited an organic farm in Norwich in England which supplies pigs to Danish Crown subsidiary Tulip Ltd.

8 August 2011

Bunkers Hill Farm is one of the largest organic pig farms in the UK and supplies organic pork for the 'Duchy Originals from Waitrose' product range. The Waitrose supermarket chain and Tulip Ltd work closely together via the Tulip subsidiary BQP/Dalehead Food, and it is a very successful partnership, stressed the owner of Bunkers Hill Farm.

Prince Charles also works with Waitrose, and given his strong interest in organics, the visit to the farm made a lot of sense. The Prince recounted how the Duchy Originals brand started 20 years ago with just one biscuit product and clear ambitions, and he emphasised that consumers would buy more organic produce if they understood the many advantages of organic farming.

During the visit, the Dalehead Foods and Waitrose managements talked about the whole string of pork products sold under the Duchy Originals for Waitrose brand, among other things stressing the importance of the meat content of the slaughtered pigs.

The Prince of Wales takes a keen interest in organic farming and works with the Waitrose supermarket chain himself. He visited one of the suppliers to Danish Crown's subsidiary in the UK.

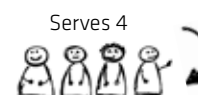
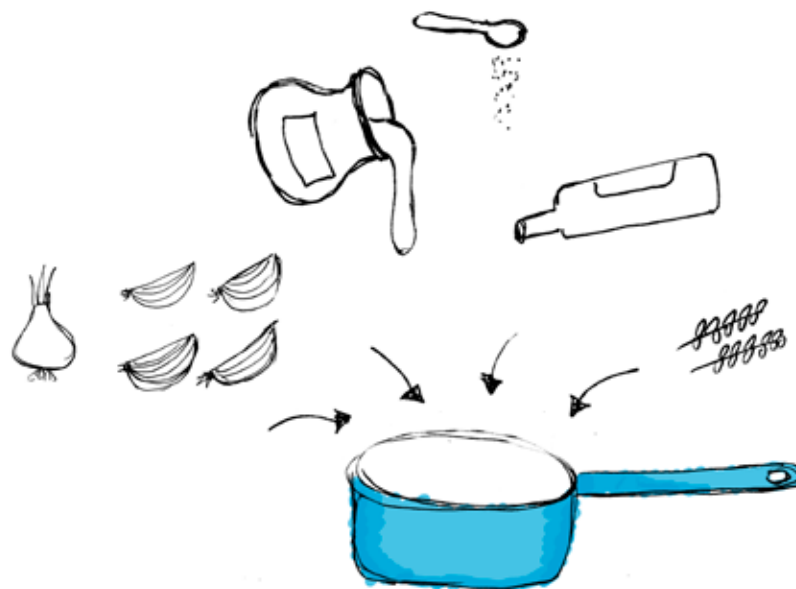








1 Cut the onions into quarters and place them in a small saucepan with thyme, honey, vinegar and salt. Cover and leave to simmer for 20 minutes, until the onions are soft.

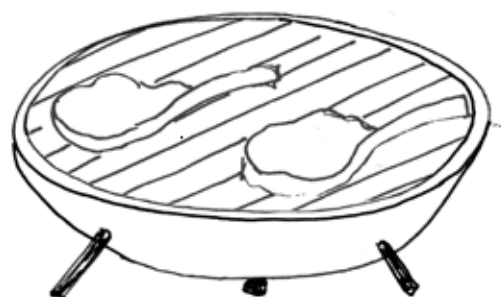


INGREDIENTS
 600-800 g pork chops
 1 tbsp olive oil
 salt
 black pepper

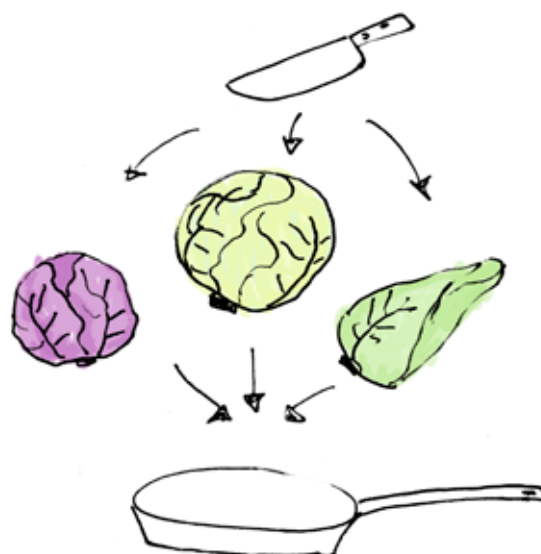
TO GARNISH
 150 g red onions
 150 g spring onions
 4 sprigs thyme
 2 tsp honey
 1 tbsp apple cider vinegar
 1 tsp salt
 350 g pointed cabbage
 300 g red cabbage
 1 tbsp olive oil
 30 g curly-leaf parsley
 salt
 black pepper

GRILLED PORK CHOPS

WITH ONIONS, THYME, POINTED CABBAGE, RED CABBAGE AND PARSLEY COOKED IN BUTTER

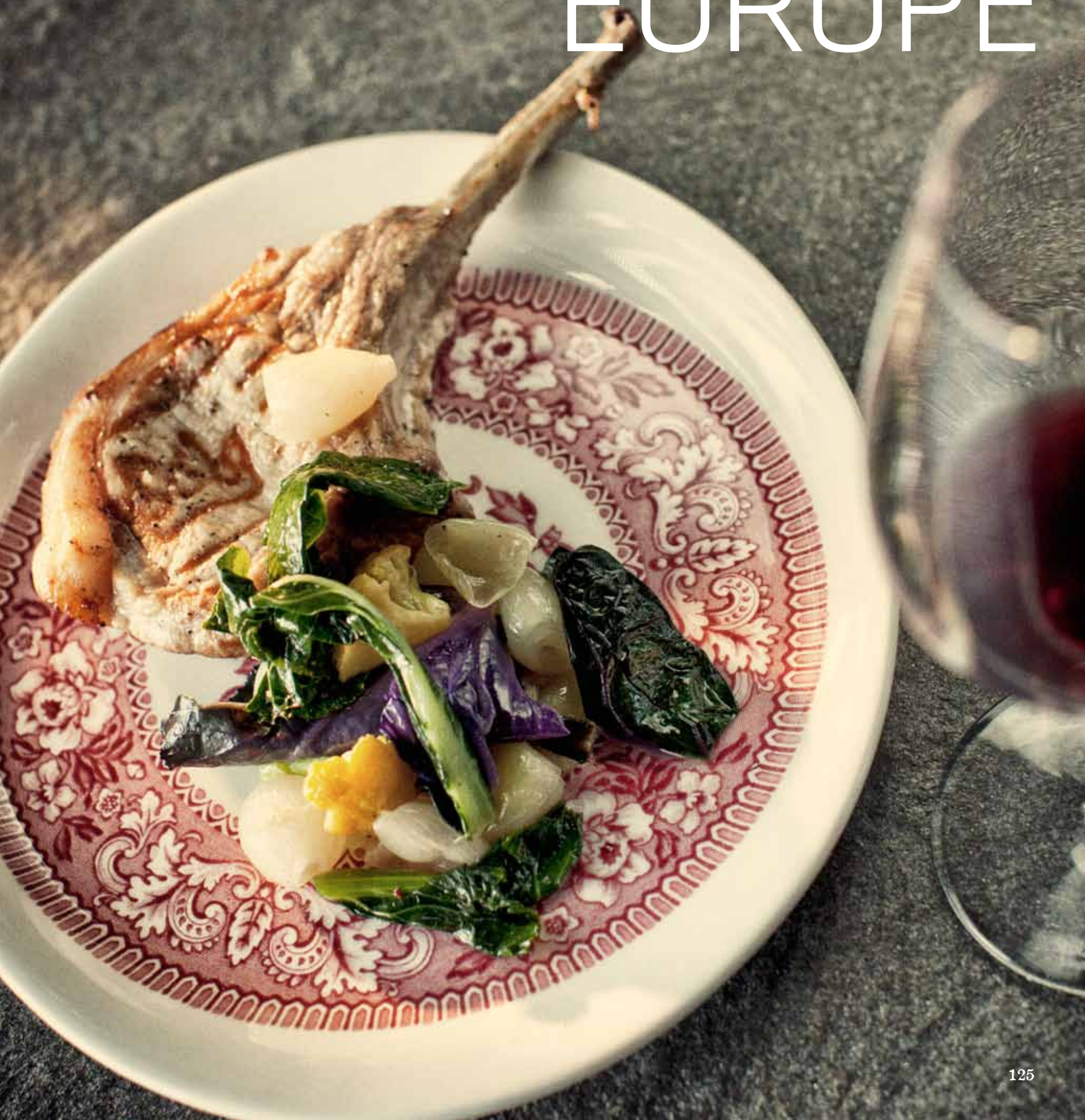


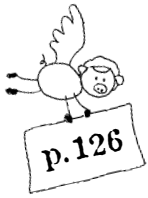
2 Turn the pork chops in oil, salt and pepper and grill on a hot barbecue for approx. 2 minutes on each side.



3 Cut the cabbages into chunks (3 x 3 cm) and fry in butter in a large frying pan over a high heat for approx. 2-3 minutes. Do not allow to brown. Add the onion mixture and parsley, and season to taste with salt and pepper. Arrange the grilled chops with onions and cabbage and serve with rice or potatoes.

EUROPE





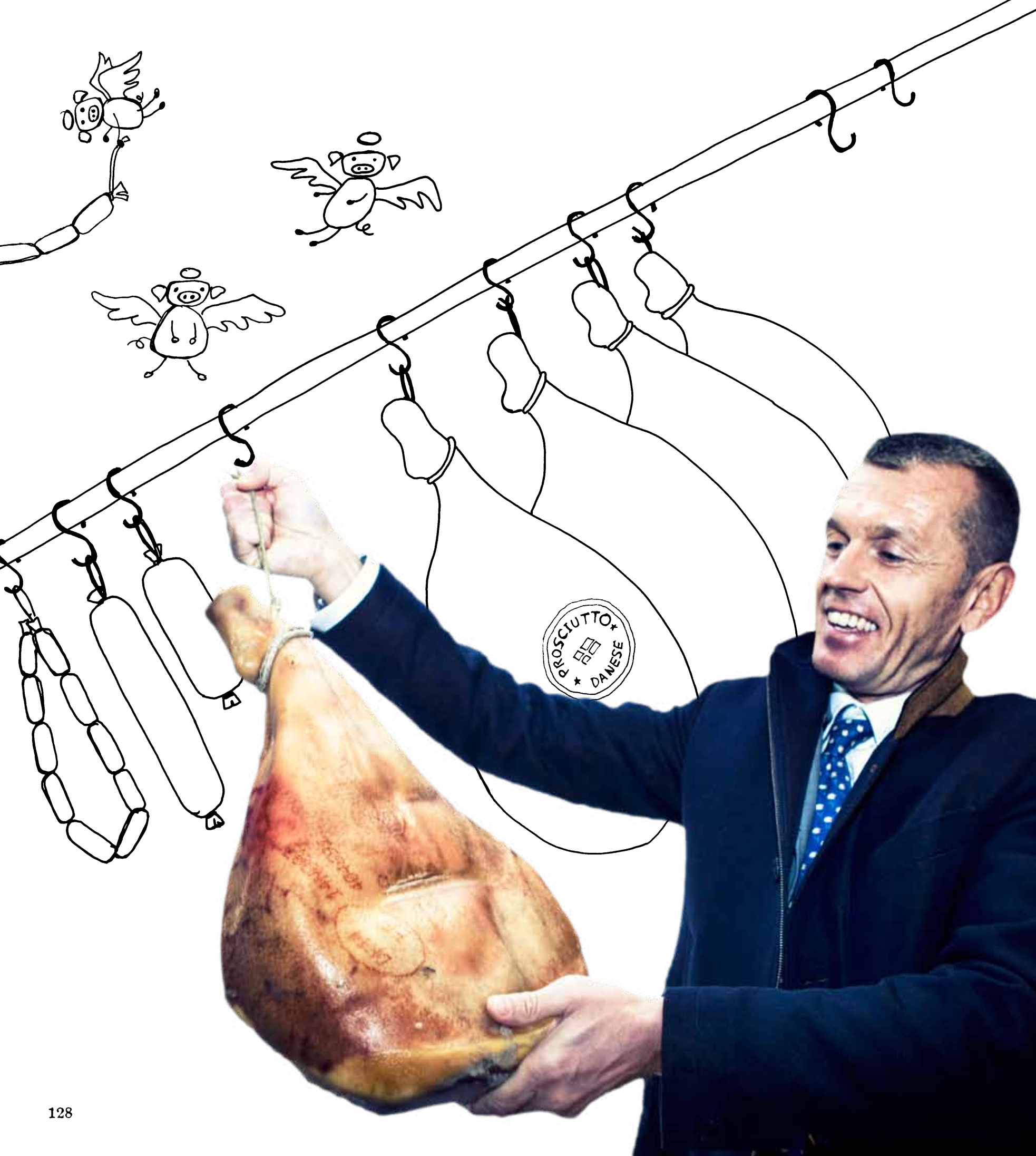
Gourmet in the cold counter.
Supporting a worthy cause in
Denmark's Most Beautiful Pigsty.
Consumers in the kitchen. And
pork with famous TV chefs.
Delivering DC quality is at the
heart of product development and
the story of the world's largest
meat exporter - in Denmark and
internationally.

BRINGING DC QUALITY HOME





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DANISH HAM THE ITALIAN WAY

Danish Crown is a popular business partner in Italy thanks to the uniform quality of its meat and its punctual deliveries.

He gesticulates wildly, pronounces each word perfectly and even his wife is Italian. In other words, it's hard to see that Managing Director Peter Snedker from Danish Crown's in Italy is not a full-blooded Italian after 25 years in the boot-shaped peninsula.

However, in a country where you never know when the buses are going to show up, Peter Snedker's Danish roots are a valuable asset. In particular, the ability to keep your promises. Since Peter Snedker moved to Italy, the number of trucks arriving in the country with meat from Denmark has increased from 15 trucks a week to about 100, which have since been augmented with 50 trucks from Danish Crown Fleisch in Essen, Germany.

For even though Danish pigs are too Danish and too lean to end up as genuine Parma hams, Danish pork is still in high demand in Italy.

- Danish Crown has some peculiarly Danish qualities which the Italians set great store by. Among other things, Danish Crown always delivers the agreed volumes and on time. Also, the quality of the Danish hams is incredibly uniform, which makes it easier for Italian cold cuts producers to use Danish meat because it is easier to work with, says Peter Snedker.

OUT INTO THE WORLD

And it's all about hams. Most of Danish Crown's pork exports to Italy consist of hams, which are cooked and sold either as large joints in butcher's shops or to the meat-processing industry, where they are sliced and sold in cold cut packs in supermarkets.

This is also the reason why Danish Crown does not share offices with Tulip Food Company, which has a Milan office.

- It sounds good in principle, but Tulip competes directly with many of our customers, and they wouldn't be too happy bumping into Tulip employees at our offices when coming to sign a new contract. So our relationship with Tulip is not something we advertise, says Peter Snedker with a smile.

However, it's not just Italian consumers who end up sinking their teeth into hams from Danish Crown. Many of the Danish hams are actually dried in Italy before being sold on as Italian hams to France and the USA, for example, so American consumers can find themselves enjoying an Italian ham made of Danish pork from Danish Crown.

GOOD OUTLOOK

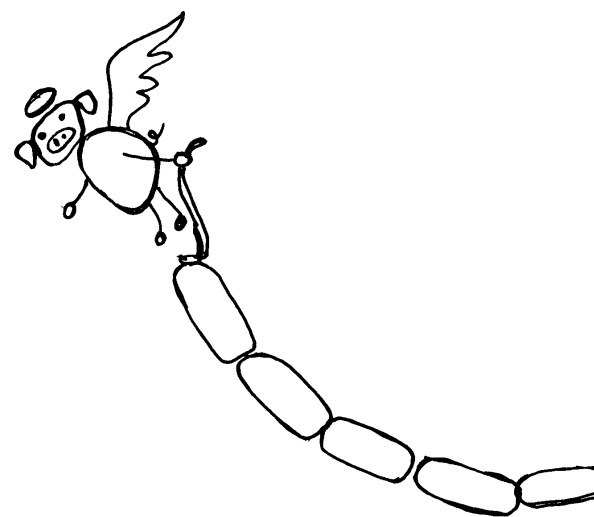
Peter Snedker sees a bright future as long as Danish Crown wants to sell hams in Italy.

- I regard our business in Italy as being very stable. Italy is only 63pc self-sufficient, and is thus obliged to import more than 800,000 tonnes of meat a year. At the same time, Italian pigs have a slaughter weight of 160-170 kg, because this produces the best Parma

hams, but it also makes the pigs fat and more expensive to rear, says Peter Snedker.

- There is a limit to the number of pigs supplied to Danish Crown, and recently we've found that the kilogram price has gone up in other markets, which therefore pay more than our Italian customers. So we can't say that it's just a question of getting bigger. Our task, of course, is to sell the meat at the highest possible price, regardless of whether it is in Italy, China or somewhere completely different. But I'm convinced that in future we will also have a strong and profitable business in Italy. Our customers just have to realise that the price increases are here to stay, and our Italian customers both will and can pay, no matter what people are saying about the Italian economy, says Peter Snedker.

Peter Snedker, Managing Director of Danish Crown in Italy, has visited his local butcher to buy Danish ham from Danish Crown.



Huge hit on the BBQ

The Italian porchetta rolled pork roast became a hot favourite with Danes and with Danish Crown in 2011.

The inspiration came from Italy where a record large roast was donated to charity, and in Denmark the dish was presented on air by the popular TV chefs, Adam and James Price.

And porchetta was also on the menu when Danish Crown's Group Management took to the kitchens to discuss strategy in summer 2011.

Porchetta galore in fund-raising for children with cancer

28 June 2011

At the end of June, a party was held in the town square of the Italian town of Bergamo, with Danish Crown being a main contributor to the festivities.

The star attraction was a 16-metre-long porchetta which Salumificio Lorenzi – a good DC customer – grilled in the middle of the square with the proceeds going to the Paolo Belli organisation, which fights leukaemia.

A porchetta is an Italian speciality made from pork loin and herbs rolled into middle cuts and prepared on a barbecue for 12-14 hours. And there was plenty of Danish meat from Danish Crown in the impressively long porchetta.

Pork with the Price brothers

In a special edition of their popular show, the TV chefs Adam and James Price went on prime-time national television to present their take on a number of pork-based dishes. One of the recipes was home-made and spit-roasted Italian rolled pork roast – also known as porchetta.

May and August 2011

The weekly food programme is a rich source of inspiration for Danes – and has a clear impact on sales when pork is on the menu.

Adam and James Price loved the porchetta – as do many Danish Crown customers.

Danish Crown has launched an Italian-style rolled pork roast, and it has gone from strength to strength. Sales of the herb-salted loin fillet with rosemary, thyme and pepper are shooting up.

- We sell between three and four tonnes a month, which is extremely good for such a brand new product. It is a huge success, says Henrik Rosbjerg, Sales Manager with DC Nordic.





CFD Preben Sunke mixing vegetables.



Morten from ESS-FOOD and Johannes from DAT-Schaub rolling up the pork, which is then barbecued by Boguslaw and Peter from Tulip.



Porchetta calls for concentration.

PORCHETTA

ROLLED PORK ROAST WITH GARNISHING

- 1/2 rindless pork middle (loin, belly and flank in one piece)
- 2-3 tbsp cumin
- 200 g grated 48+ hard cheese
- 20 new onions with tops
- 40 carrots with tops
- 60 green asparagus
- 5 kg new potatoes
- 20 chive flowers
- 400 ml cold-pressed sunflower oil
- a drizzle of light fruit vinegar or beer, if desired
- salt
- a little blue-mould cheese or smoked cheese, if desired

Debone the middle section of the belly and loin, or ask the butcher to do so. Remove the biggest sinews and the thickest fat and score the less fatty bits. Sprinkle the inside with cumin, salt and grated cheese.

Roll the loin into the belly section, and tightly tie the roast in several places with butcher's string. Grill the roast on a medium-hot barbecue, covered. The roast should not sit directly on top of the coals as the string will break.

Turn the roast every 15 minutes until the temperature reaches 55°C in the middle. Remove the roast from the barbecue, and add some extra hot coals for the vegetables.

Remove the outer layer of skin from the onions and cut off the roots. Quarter the onions and place in a large bowl. Cut the carrot tops off, approx. 4 cm up, and rinse the carrots. Rinse the carrot tops and place in the bowl with the onions.

Snap off the bottoms of the asparagus spears, and discard them. Place the asparagus together with the onions and carrots. Rinse all the vegetables and scrub the potatoes. Leave the vegetables to drip-dry.

Toss the vegetables with a little olive oil and salt and grill on a hot barbecue. Once the vegetables are tender, place on a large serving dish. Cut the flowers off the chives and roughly chop the carrot tops. Mix the onions, carrots, asparagus, potatoes, chive flowers and chopped carrot tops with oil, salt and a drizzle of vinegar or beer.

TO SERVE

The idea is that you first barbecue the meat. Once the meat is done, remove it from the barbecue and allow to rest.

Recipe for the entire Group Management





Airline passengers love sausages

VISITORS FROM
AROUND THE
WORLD KICK OFF
THEIR VISIT TO
DENMARK WITH
A SAUSAGE.

Danes love sausages – as do many of the foreigners touching down each day at Copenhagen Airport.

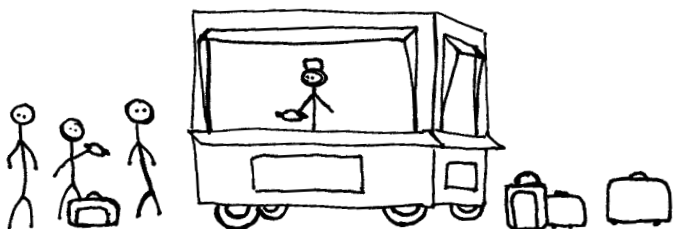
This is evident from the sales figures for the four Steff's Place airport outlets, which often welcome people to Denmark with a hot sausage.

Despite the Icelandic ash cloud, which closed down the airport for several days, sausage sales were up 10pc in 2010. If you put all the sausages sold at Copenhagen Airport in 2010 in a long line, it would be 20 times as long as the combined length of the runways.

– Steff's Place is really popular, and lots of Danes immediately make for the sausage kiosk when returning home from their holiday or business trip to other parts of the world where it is impossible to buy a Danish hot dog with all the trimmings, says Michael Kristensen, District Manager at Steff-Houlberg.

In addition to the outlets at Copenhagen Airport, passengers can now also tuck into Steff-Houlberg sausages at Incheon International Airport outside Seoul in South Korea, where Steff-Houlberg's sausages are just as popular as in Denmark.

13 January 2011



29 August 2011

Crowds at UNICEF's hot-dog stand

Famous artists and other volunteers met for a sausage when the Danish Broadcasting Corporation (DR) and TV2 raised 110 million Danish kroner for Africa in a televised Saturday-evening show at the end of January.

A string of well-known Danish artists came together at UNICEF's Supply Division Warehouse in Copenhagen to make their contributions to the entertainment at the large-scale fund-raising show staged by DR and TV2.

And the new UNICEF hot dog with tomato salsa, guacamole and red onions was an instant success.

15 April 2011

Hot dogs and hound dogs in Randers

On 15 April, the Graceland event centre in Randers finally opened its doors. Denmark's Biggest Barbecue was there to serve the new GØL Gourmet sausages to the hungry visitors.

On the menu were a number of 1950s bands, lots of impressive American cars and not least GØL's new exotic and Nordic sausages prepared on Denmark's Biggest Barbecue.

6 September 2011

Steff's Place dealer won Danish Championships

Silkeborg in central Jutland is not only famed for its canoe trips down the longest river in Denmark, Gudenåen – it is also the town to visit for the tastiest hot dog in the country. That is if the panel of judges at the Danish hot dog championships, which were held in September at Tivoli in Aarhus, are to be believed.

Gold went to Steff's Place dealer René Kristensen from Trianglens Pølsevogn in Silkeborg for a most tasty performance.

- It is a bit like reaching the finals in a sporting discipline, so of course I thought I could win, and actually doing so makes me feel extremely proud, and is something which nobody can take away from me, René Kristensen said after the victory.

The winning hot dog was a bratwurst served with, among other things, René Kristensen's unique soft-fried onions.

1 April 2011

Vegetable bacon on the barbecue

Tulip is not ready to launch its very own vegetable bacon based on the *raprarsiln* plant. It was an April Fool's joke, with 'raprarsiln' being the jumbled letters of 'April Fool' in Danish.

Tulip's innovation department is working extremely hard to present new and innovative bacon products to consumers. However, news about the new vegetable bacon variant announced on 1 April was a prank.

On the other hand, the news that Tulip Bacon is behind Denmark's best new barbecue product in the form of two new barbecue bacon variants is absolutely true.



Gold Room at the centre of French sales drive

Danish Crown participated at the big French food fair Sirha in Lyons on 22-26 January. Here, many French and foreign representatives from the food-service sector met to hear about the latest food trends.

Danish Crown's stand was part of a large exhibition, where Denmark's Trade Council had gathered together a string of Danish food companies as part of a joint initiative.

Danish Crown presented products from its Gold Room in Kolding, which supplies meat to a wide range of Denmark's best restaurants as well as several foreign Michelin restaurants.

SPIDER STEAKS ON THE MENU

Gold Room products included 'spider steaks' or 'araignée bifteck', a French speciality.

13 January 2011

- A spider steak is the small circle of meat above the hump on a cow or calf's collarbone. It is a particularly prized cut in France, but we are also presenting pork jaws, veal tenderloin and veal sweetmeats from the Gold Room. It is all taking place on a stand where we have tried to create a relaxed and friendly atmosphere for visitors, said Project Coordinator Kirsten Meisner from Danish Crown's Communications Department.

The meat from Danish Crown's Gold Room was also used by three Nordic chefs who prepared food for people visiting the joint Sirha stand. Tulip Food Company was also there, displaying processed products from its Tender Pork range.

On 25 January, the Danish Crown stand was honoured with a royal visit. Prince Joachim and Princess Marie dropped by, together with the then Danish Minister for Food, Agriculture and Fisheries Henrik Høegh, for refreshments and a talk about Danish Crown and the company's products with Karsten Deibjerg Kristensen, CEO of Danish Crown Nordic.





Danish Crown in the Kitchen

It's all about food – also when Danish Crown meets consumers round and about. Even experienced cooks learn something new in the kitchen.

Autumn 2010
Summer 2011

Szzzzch! It splutters and sizzles as the meat hits the six glowing-hot frying pans. And the perfect smell of fried meat fills Ridehuset in central Aarhus. We are in the Danish Crown kitchen, and the people wielding the pans are visitors to the My Authentic Denmark (MAD) food fair.

- Isn't it just incredible! I've been cooking for years, and there is still something for me to learn, declared Lizzi, while keeping a keen eye on her meat and carefully following the instructions and advice dished out by Jytte Krebs, a member of DC's professional kitchen staff.

AT ONE WITH YOUR MEAT

- Our farmers produce absolutely excellent meat, but sometimes something happens between when it is produced and when it

is served for supper, and usually it is the cook who is to blame, explained Jytte Krebs, adding:

- I have ruined so much meat in my life, but as from today it will never happen to you again! However, to succeed, it is incredibly important that you stay by the cooker and do not try to fold the washing at the same time.

Danish Crown's kitchen also attracted a lot of people at the national agricultural show in Herning in central Jutland. There was a frying workshop, and simmer food on the menu.

- This year, we decided to do summer simmer food. Simmer food has been out of fashion for a while, but some of these beautiful cuts still make delicious dishes. We selected

cuts which are particularly suited for summery dishes, explains Project Coordinator Kirsten Meisner from Danish Crown's Communications Department.

- The other half of the kitchen was taken up by workshops on how to fry beef, veal and pork. Here, visitors could learn all about frying meat to tender and juicy perfection. It's always a hit with the visitors, says Kirsten Meisner.

Apart from the kitchen staff, Danish Crown's stand was manned by DC members who were eager to tell visitors about the company. The new couple in Danish show-biz – Danish Crown mascots Frida and Ferdinand – also dropped by to welcome adults and children.



Fruit expert Lasse Overgaard Frandsen from Frugtformidlingen provides professional advice when Danish Crown opens the doors to its kitchen.



SUMMER SIMMER FOOD

ROLLED PORK ROAST IN APPLE JUICE WITH SEASONAL VEGETABLES

- 1 rolled pork joint from shoulder or flank
- salt and pepper
- finely grated peel of ½ an organic lemon
- ½ bunch of parsley
- 400 g root vegetables, for example celeriac, parsnip, Hamburg parsley and carrots
- 1 onion
- 2 garlic cloves
- 1 tbs olive oil
- 600 ml water
- 400 ml apple juice
- 1 handful fresh herbs, for example sage, thyme, rosemary or parsley
- 1 bunch chervil

TO GARNISH

- 750 g seasonal vegetables, choose three kinds
- 1 kg boiled potatoes
- A bowl of green salad or raw salad

METHOD

Dry the meat with kitchen roll. Season with salt and pepper, sprinkle with grated lemon peel and finely chopped parsley. Roll the roast tightly and tie with butcher's string.

Peel the root vegetables and chop roughly. Peel the onion and cut into quarters. Roughly chop the garlic.

Heat the oil in a saucepan and brown the meat on all sides. Add water and apple juice, root vegetables, onion, garlic and herbs. Reduce the heat and leave to simmer under a lid for approx. 1-1½ hours until tender. Turn the meat a couple of times while cooking. Rolled joints made from the flank need to simmer for approx. 2 hours.

Rinse the seasonal vegetables and cut into mouth-size pieces. Remove the meat and herbs from the pot. Discard the herbs. Purée the root vegetables with the liquid to make a smooth purée sauce (add water if the sauce is too thick). Return the sauce to the pan, add the raw vegetables and leave them to simmer in the sauce until tender with a bit of bite. Season the sauce to taste with apple vinegar, salt and pepper. Carve the roast and gently place the slices in the sauce. Sprinkle with finely chopped chervil. Serve the meat, sauce and vegetables with boiled potatoes and a bowl of green salad or raw salad.

As an alternative to rolled roast made from loin or flank, use a neck fillet weighing approx. 1.5 kg. Season the meat with salt and pepper, and brown like the rolled pork joint, and leave to simmer for 1½ hours. Cut the meat into larger-than-mouth-sized chunks so you still have to eat with a knife and fork.

Serves 4



DANISH JERSEY ON THE MENU

DANISH JERSEY MEAT IS A HIT WITH DANISH RESTAURANTS.

14 April 2011

- Our diners are served quality beef which is perfectly flavoured and tender.

This is how Café Victor's chef, Paulo Guimaraes, describes the steaks from Danish Jersey short loin which the restaurant serves to its delighted guests every day.

And Café Victor's chef is not the only one who is aware of the excellent Danish Jersey meat.

Each week, Danish Crown selects 150 so-called 'pistols' of Danish Jersey for deboning at its facility in Skjern. From there, the pistols are dispatched to Inco for long-term maturing,

before finally being supplied to a number of quality-conscious Danish restaurants.

- The pistol contains the very best cuts. When the Jersey cow is fattened, you end up with the most fantastic meat, which is tender and extremely tasty, explains Sales Manager Henning Sønnichsen from DC Beef.

- Jersey meat is a relatively unknown quantity among consumers in general, but the product has been doing really well for a number of years, thanks to our collaboration with Inco. In fact, we feel it is a story which deserves to be told, says Henning Sønnichsen.

6 September 2011

Danish Veal hits Føtex and Bilka supermarkets

Walking through the Bilka hypermarket on the western outskirts of Aarhus, you notice a lot of signs suspended from the ceiling. But above the cold counters, one sign stands out a mile with its promise of Danish veal from Danish farms – Danish Veal.

Since the end of August, the special meat has been on sale in Føtex, and now it has also arrived at Bilka supermarkets with a different shop and recipe concept.

- Føtex and Bilka are giving DC Beef a fantastic chance to sell some of the very best that Danish Crown has to offer – Danish Veal. It is a unique opportunity for selling veal to Danish consumers, says Finn Klostermann, Sales Director at DC Beef.

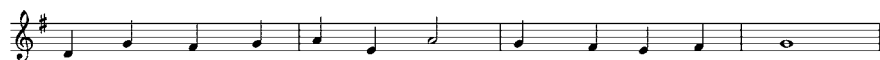
The idea behind Danish Veal is to offer a unique product which guarantees a good culinary experience. This is achieved through the collaboration between Danish Crown, the retail trade and the farmers, who ensure a high level of animal welfare throughout the calves' lives.

TENDER LOVE

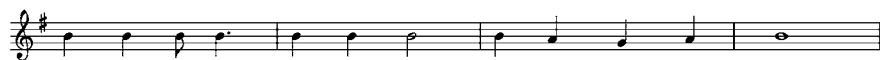
7 April 2011



Danish Crown's food-service concept,



Tender Pork, is a winner



with European palates.



The concept is seeing strong growth.



Austria, the UK, Germany, the Nordic countries and now the Netherlands. The food-service concept Tender Pork is making great strides across Europe. Lars Albertsen, Deputy Chief Executive in the UK, explains the success:

- Tender Pork is, quite simply, an outstanding product which tastes fantastic, and, thanks to the tender and unusual cuts we offer, fills a gap in the market. For example, we have just been added to the menu at two of the biggest gastropub chains in the UK, which serve both good beer and good food. You can now order bone-in pork chops or legs of pork with barbecue marinade, says Lars Albertsen.

DUTCH INTEREST

Most recently, Dutch consumers have been introduced to Tender Pork, and here it looks as if another sales success is in the making, says Sales Manager Jacob Soegaard from the sales office in Germany:

- The products have been very well received, and we have high hopes for the Dutch market. Even though Tender Pork was originally developed for the Danish market, we are finding that the concept holds international appeal, says Jacob Soegaard.

Danish Crown's goal is to double exports of Tender Pork within the next three years.



TENDER PORK BONELESS BIRDS WITH BACON

- 8 Tender Pork boneless birds with bacon (approx. 110 g each)
- butter
- salt and pepper
- 700 ml stock
- 200 ml red wine
- 150 ml cream (sauce thickener, if necessary)
- 2 courgettes
- 2 fennel
- 2 red peppers
- olive oil
- fresh rosemary

Melt the butter in a saucepan and braise the boneless birds on all sides. Sprinkle with salt and pepper – do not add too much salt as the Tender Pork marinade already contains salt. Add the stock and wine, and leave the meat to simmer, covered, over a medium heat for approx. 60 minutes. Remove the boneless birds, add the cream and season to taste. Add sauce thickener, if necessary.

Cut the courgettes, fennel and peppers into chunks and brush with olive oil to which rosemary has been added. Grill briefly – possibly using a grill pan – and make sure the vegetables remain crisp.

Serves 4







FESTIVAL 2011

UNIQUE YEAR AT FESTIVAL

THIS YEAR'S SMUKFEST IS OVER. DANISH CROWN CAN LOOK BACK ON A WEEK OF RECORD SALES IN THE BACONBAR AND A HUGELY POPULAR BEEF SALOON.

Lots of mud, lots of smiles and lots of meat – that sums it up. The most beautiful festival in Denmark, Smukfest in Skanderborg, has drawn to a close, and while dismantling the Pigsties and the Beef Saloon, the team can look back on quite a unique festival.

- Friday was UNICEF day, and we have never experienced such generosity. Also, we have never had such a big presence at the festival, this year with both the BaconBar and the Beef Saloon. We have been twice as many volunteers, and we have fed twice as many festival-goers, says Agnete Poulsen, head of Bacon.

RECORD SALES IN THE BACONBAR

On Friday, the Most Beautiful Pigsty in Denmark was clad in UNICEF blue, and just over 100,000 Danish kroner was raised for the organisation, which was far in excess of expectations. The same thing happened on Saturday, when the BaconBar served a record number of BaconBrunches.

- Last year, we did 968 brunches on the Sunday – last Saturday, a record 1,189 brunches were served. The pressure on the kitchen was enormous, but it all went extremely well, says Agnete Poulsen.

In addition to the BaconBar, Danish Crown also cooked for 2,400 VIPs, laying on a delicious three-course meal in the white dome on Thursday, Friday and Saturday.

DC BEEF'S FIRST YEAR

This year, festival-goers were offered prime-quality beef at DC Beef's Beef Saloon. And they took a keen liking to the Angry Ox and Pet Calf sandwiches.

- The festival-goers were extremely positive, so we are very pleased. It was a new venture for us, but it went really well and there was no end to the praise, says Finn Klostermann, Sales Director at DC Beef

More than one tonne of meat was used to fill the more than 5,000 burgers sold. Sales culminated on Saturday with staff and equipment working to their absolute limit, producing more than one burger a minute.

- We will definitely be back next year, says Finn Klostermann.

15 August 2011





Fantastic first year. It was the first time for DC Beef at Smukfest in Skanderborg, and what a time!



ANGRY OX

- 150 g porterhouse steak from Danish cattle, thinly sliced
- 1 sandwich bun
- 100 g horseradish coleslaw
- 50 g tomato/thyme relish
- 25 g lettuce
- 5 slices cucumber

Total weight: 500 g of meaty food for a man

PET CALF

- 120 g porterhouse steak from Danish Veal, sliced
- 1 carrot sandwich bun
- 30 g dill dressing
- 10 g marinated red onions
- 5 g fried onions
- 30 g piccalilli
- 100 g lettuce

Total weight: 350 g of wonder food for women

RUN ON PLACES AT MOST BEAUTIFUL PIGSTY

Frida the Happy Pig and Ferdinand the Young Bull both read the many applications from 1,000 hopeful bacon-lovers eager to join Danish Crown at Smukfest.

- I am absolutely thrilled that so many people want to stay with me at the Most Beautiful Pigsty. It is almost impossible to choose, oinked Frida, who was in the happiest of moods.

Some of the most creative included odes to bacon, a bacon skirt, new takes on Hans Christian Andersen's story about the Swineherd and other stories with happy endings.

- We are looking for a genuine beef and bacon-lover with a sense of fun who will win the right to stay in the last pigsty as well as two festival tickets. It won't be easy choosing between all these entries, said Ferdinand, adding that he was slightly disappointed by the little mention of beef.

Another competition was held for a combined prize of a pigsty and the popular barbecue range Grill'it. This attracted more than 10,000 entries.

Weather, romance and a craving for bacon were some of the reasons given by entrants in the competition for the last available pigsty.

9 August 2011



Lucky Pigs



A selection of the porkiest entries



"Even though I am quite an old pig, I am a happy pig with a curly tail and an appetite for porky festival life. The shelters look as if they have been built by Practical Pig and solid enough to keep both the wolf and swine flu out."

"Dear goddess of fortune, please pick me soon. Staying in a pigsty is so much less of a muddle than having to sleep in a muddy puddle. Throwing a party with FRIDA and FERDINAND would be yummy, like wonderful breakfast with bacon in my tummy."

"Love, love and more love! Before my boyfriend and I start living 100 km apart at the end of August, we hope to spend a fantastic week in the Most Beautiful Pigsty at the Most Beautiful Festival!"

"You organise the coolest events and are really good at innovating. The slaughterhouse business is often severely criticised and has a bad reputation – by being at Smukfest you create really positive vibes about your brand!"

"I deserve a pigsty because I simply love the cool combination of festival life and bacon at its best..."

- I simply don't know what to say. This is totally unexpected. Brian was totally overjoyed, said an emotional Jeanette Nielsen, when the Most Beautiful Pigsty telephoned her early one morning in August.

Out of 1,148 entries, her story about a man who always helps others without asking for anything in return was picked as the winner. And Danish Crown's prize was a stay in the pigsty, two festival tickets and BaconBrunch in bed.

- It is really hard giving Brian anything because he never expects anything in return. When I ask him what he would like, he always says: "I have everything I could possibly want," said Jeanette Nielsen. However, two years ago, she came across something he really wanted.

- We were at the festival and walked past the pigsty. He suddenly said that he would love to stay there, so now he can finally be given something which he will really treasure, said a joyful Jeanette Nielsen.

“We
love
playing
pigs”

In-between shows,
children’s television
presenters Anders and
Katrine stayed at the
Smukfest pigsty.



Enjoy the ride

This year, festival-goers could
enjoy their BaconBar meals
sitting astride a pink pig.

EMBRACING COMMUNICATION

- Oh, what fun! Did you see Frida giving Harry a good bashing just then?

Frida the Happy Pig and DSB Harry are having a go on the dodgems at Tivoli in Aarhus where all sorts of mascots from Danish companies and organisations are meeting up for a weekend of fun.

And, of course, Danish Crown's Frida is there with Ferdinand the Young Bull.

- They have tremendous communicative value. With Ferdinand and Frida, we can show up and make people smile in the most unexpected situations, for example when the Prince Consort visits the most modern

slaughterhouse in the world, or with the children at Tivoli. It is our way of showing that big companies also like having fun, says Anne Villemoes.

WE LOVE HUGGING

For five years, Frida the Happy Pig – Danish Crown's first mascot – has been charming and hugging Danish consumers. Not so long ago she was joined by Ferdinand the Young Bull.

- We meet consumers with a twinkle in our eye and are able to show a different side to our business, says Anne Villemoes, Danish Crown's Director of Corporate Communications.

22 August 2011



23 June 2011

Pig with friends

FRIDA'S POPULARITY IS SOARING, AND SHE NOW HAS MORE THAN 500 FRIENDS.

In June, Danish Crown's mascot hit the magical 500 friends on Facebook.

- I am just thrilled to be friends with so many wonderful people. I am particularly pleased when they tag me in photos from Smukfest, where I go dancing every year, says a happy Frida.

FERDINAND NOT FAR BEHIND

The DC Beef bull Ferdinand is also on Facebook. In less than a month, 159 people signed up to be friends with the chunky fellow.

- Ferdinand is my best friend. He is so muscular, I can easily understand why so many want to be friends with him. He's such a hunk, sighs Frida.



27 January 2011

Green sausages for a good cause

DANISH CROWN LIFTED SPIRITS AT THE NATIONWIDE CHARITY SHOW *DANMARKS INDSAMLING* IN COPENHAGEN WITH FRIDA AND SAUSAGES THE COLOUR OF HOPE.

On a cold Friday in central Copenhagen, a festival site was created complete with plastic beech trees, green sausages and music. And no festival without Danish Crown, which had brought both a soup kitchen and a sausage stand to the capital.

Together with the P3 radio channel, Danish Crown was fund-raising for Danmarks Indsamling, which this year supports young people in Africa. For one Danish krone, people could buy a green sausage or a cup of pumpkin soup, while anything paid on top was donated to young people in Africa.

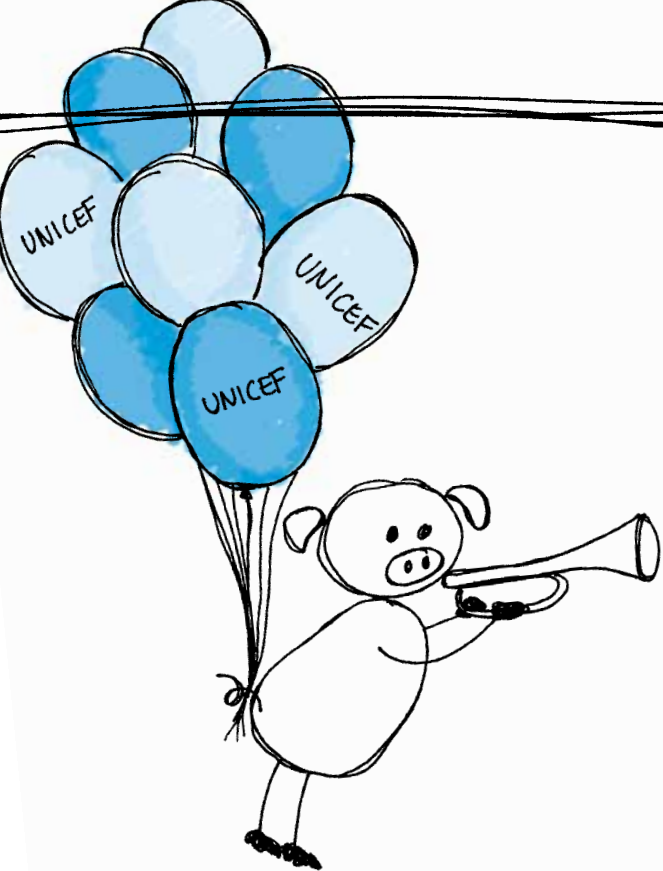
- I am a student, and I donated 50 kroner, but I would have liked to have given more, says one young man with a smile and half a sausage in his mouth.

31 January 2011

Pigsty auction raised 161,500 kroner for Africa

The charity show *Danmarks Indsamling* in January raised more than 87 million Danish kroner for young people in Africa, and Danish Crown also noticed the Danes' eagerness to support a good cause.

The auctioning at lauritz.com of 18 shelters from the Most Beautiful Pigsty raised 161,500 Danish kroner for the charity show, well above last year's result of 126,960 kroner.



The BaconBar trumpeting for UNICEF

THE PIGSTY DWELLERS WERE IN FOR A SURPRISE WHEN THE MUSICIAN MEK PEK AND THE STAND-UP COMEDIAN SEBASTIAN DORSET WOKE THEM WITH BRUNCH AND A TRUMPET TUNE.

12 August 2011

"Bacon against hunger. Buy bacon brunch for a good cause", announced the stand-up comedian Sebastian Dorset on Friday morning as he woke the pigsty dwellers, accompanied by Mek Pek and his trumpet.

And a blue trumpet at that, to highlight the fact that Friday's revenue from the BaconBar is being donated in support of UNICEF's work in the Karamoja province in Uganda.

And even though it was mostly for fun that the people staying in the pigsty and elsewhere in the camp were woken by the two UNICEF ambassadors together with Danish Crown mascots Frida and Ferdinand, Sebastian Dorset is confident that the funds raised will make a difference in Africa.

- For every bacon brunch served, we can feed 40 children, so there is every reason to tuck in with a clean conscience, he explained, as people emerged from the shelters having been roused by the trumpet and showered with hugs from Frida and Ferdinand.

The event in Skanderborg is part of the UNICEF City Randers 2011 activities organised by the municipality to raise money for the Karamoja province in Uganda.

Thirty-two people can squeeze into a pigsty shelter - at least if it's to support a good cause. On the same day, the Most Beautiful Pigsty tested how many people can fit into a pigsty shelter, donating 1,000 Danish kroner for each person who squeezed in. In this way, festival-goers not suffering from claustrophobia were able to do their bit for UNICEF.

Children's television presenters Anders and Katrine made their shelter available for the event, with UNICEF ambassador Sebastian Dorset helping to push as many people in as possible.

- Come on, there is plenty of space for more, said person no. 18 - and there was ... 32 people fitted in, giving 32,000 Danish kroner.

All in all, the proud BaconBar team raised just over 100,000 Danish kroner that Friday.







DC part of Weber camp

7 June 2011

As the Danish National BBQ Team got going at Weber camp 2011, it was with delicious beef from Danish Crown on the barbecues. Danish Crown is the main sponsor of the popular event, which each year draws increasing numbers of barbecue enthusiasts to Give in central Jutland for the biggest barbecue event in Denmark.

- Weber camp attracts a lot of meat-loving barbecue enthusiasts. It is an excellent chance to promote our brand to an attractive target group, explains Klaus Tonny Hansen, Product Manager at DC Beef.

Red sausages for the royal yacht

8 June 2011

Red sausages were served on board the royal yacht after the Prince Consort's visit to the Danish Crown slaughterhouse in Horsens. Knud the Hot Dog Man in Horsens took on a job slightly out of the ordinary when he was asked to deliver red sausages to the royal yacht Dannebrog. Escorted by the police, he immediately set off for the harbour bearing the best sausages in Denmark.

Incredible soup record in week 1

10 January 2011

In the first week of the year, deliveries from Tulip in Esbjerg were up 60pc on a normal week.

of soups and minced-meat soup balls filled more than 50 lorries to the brim.

This exceeds Tulip's previous record by more than 300 tonnes, and the week's production

An amazing feat made possible only by first-class collaboration between all Tulip departments.

Welcome to an all-Danish Christmas

5 November 2010

If you want to celebrate Christmas in true Danish style, the roast pork, Cumberland sausage, tenderloin and all the other Christmas classics must, of course, be 100% Danish. That was the message of a large-scale Christmas campaign launched by Danish Crown in November 2010. The campaign targeted a broad range of consumers with spots on the channels TV2 and TV3 and on a number of radio stations nationwide. Also, banner ads on some of the most popular websites in Denmark and full-page ads and competitions in popular women's magazines were part of the campaign.

Green soup for music

11 July 2011

This year Tulip was ready to serve watercress soup to concert-goers at the green concerts.

- In the past, we have launched green sausages, but this year's innovation was green soup as a new, extremely tasty and healthier alternative to the conventional concert grub. In addition to presenting a brand new product, the idea was, of course, also to show consumers that fast food is much more than sausages and burgers, and I'm sure that many concert-goers were pleasantly surprised, says Morten Christensen, Sub Category Manager at Tulip.

Pork from Bornholm

June 2011

Bornholmergrisen played a key role when four of Denmark's best chefs competed at the 'Sun over Gudhjem' event on the island of Bornholm in June. Danish Crown was the main sponsor of the event, with the chefs having to use meat from Bornholmergrisen for the main course to prove their skills.

The winner was Jesper Kirketerp from restaurant Geranium who, among other things, created the dish 'Summer pork from Bornholm with beach, smoke, elder and asparagus'.



29 March 2011

Five new stars

Danish Crown supplies a string of the best restaurants in Denmark. In March, Danish Crown proudly presented the five most recent additions to its Star Route of the very best gourmet restaurants in Denmark on its website. The restaurants were Restaurant AOC/aarø & co, Restaurant Orangeriet, Grønbech & Churchill, Raadvad Kro and Restaurant Karoline Amalie.

12 January 2011

Undercover boss in Svenstrup

On 1 February, Danish viewers were given a glimpse of Tulip's sausage and salami production as the company's International Sales Director René M. Olsen went undercover in the Undercover Boss programme broadcast by DR1.

15 June 2011

Danish women love bacon

Tulip bacon hits on Facebook. That was the conclusion after 10,000 Danes signed up on the Tulip bacon page in just over two months.

Of these, 62pc were women, and Junior Brand Manager Eli Lundberg Thomassen is pleased that the many fans have been both loyal and active on the page.

- It is not just about getting a lot of fans, but about holding on to them. Generally speaking, very few people have deregistered for Tulip Bacon news, and every time we post something on the wall, more than 100 consumers tick the 'Like' button, says Eli Lundberg Thomassen.

In particular, the competitions are popular, but Tulip's April Fool joke about the launch of vegetable bacon also generated a marked increase in visitor numbers, with many people clicking on tulip.dk, which had eight times as many hits as normal.

CHEF OF THE CHEFS

In June, Rasmus Kofoed was named 'Chef of the Chefs' by his colleagues. Danish Crown is behind the Fund for the Promotion of Danish Gastronomy.

2 June 2011

On Wednesday 1 June, Rasmus Kofoed was elected 'Chef of the Chefs' (or Kokkenes Kok) at a fund-raising event at Restaurant Koch in Aarhus.

Chef of the Chefs is a title bestowed by Danish chefs as a mark of respect on a colleague who has made a special contribution to Danish gastronomy.

- Through his fantastic gastronomic achievements, Rasmus is a big role model for young Danish chefs, and all of us have every reason to be proud and impressed with his gastronomic skills and qualities, concluded the panel of judges in selecting Rasmus Kofoed.

This is the ninth time that the award has been presented. The Fund for the Promotion

of Danish Gastronomy, which was formed on the initiative of a number of leading chefs and Danish Crown, is behind the award.

A proud and happy Rasmus Kofoed acknowledged the accolade.

- This award will be put on display as it means a great deal to me, said Rasmus Kofoed at the awards ceremony.

FUND BEHIND THE AWARD

Karsten Deibjerg Kristensen, CEO of Danish Crown Nordic and vice-chair of the Fund for the Promotion of Danish Gastronomy, and then Mayor of Aarhus Nicolai Wammen presented the award to Rasmus Kofoed.





26 January 2011

RASMUS KOFOED IS WORLD'S BEST CHEF

The Danish chef is backed by Danish Crown at the Bocuse d'Or.

For the first time ever, a Dane can call himself the world's best chef. After his third attempt in January, Rasmus Kofoed won the unofficial world championship for chefs, the Bocuse d'Or in Lyons, France.

The victory was won after a convincing performance by the Danish master chef, with his meat dish in particular proving a hit with the panel of judges, which included the Dane Jacob de Neergaard, head chef at Søllerød Kro.

- Rasmus has, quite simply, delivered an exceptional performance. He has spent many years and thousands of hours training for this event, and his victory today was very well-deserved, said Jacob de Neergaard.

SOLID DANISH SUPPORT

Danish Crown backed Rasmus Kofoed's participation in Bocuse d'Or as sponsor.

FILLET OF VEAL

WITH KING CRAB,
BABY CARROTS, RYE
BREAD CROUTONS
AND CORIANDER-
MAYONNAISE

1 kg	fillet of veal, Danish Veal
100 ml	olive oil
200 g	king crab
5	garlic cloves
1/4 bunch	lemon thyme
20	baby carrots
3	oranges
1 tsp	honey
	rye bread
1 bunch	coriander
	Dijon mustard
400 ml	grape seed oil
	lemon
100 ml	pasteurised egg yolks
	sea salt

Brown the fillet of veal in a bit of olive oil and cook in the oven at 100°C until core temperature reaches 58°C.

Remove the crab meat from the shells and fry in olive oil with the whole cloves of garlic and lemon thyme.

Mix the egg yolk, mustard, lemon juice and a pinch of sea salt and whip in the grape seed oil, a little at a time.

Finely chop a suitable amount of coriander and mix with the mayonnaise.

Cut thin slices of rye bread (may be cut out), brush with olive oil and sprinkle with sea salt. Bake in the oven at 145°C for approx. 10 minutes. Clean the carrots and marinate with a little orange juice, olive oil, honey and salt.

Serves 4



The recipe was developed by
Rasmus Kofoed, gold medal-
list at Bocuse d'Or 2011.

26 September 2011

Help with the cooking from Tulip

Many Danish families lead extremely busy lives, juggling work, children and leisure-time pursuits, while at the same time wanting both children and grown-ups to eat proper suppers.

Therefore, Tulip is now launching a range of meat rissoles, Cumberland sausage and Greek meatballs which only need heating before serving. With these products, Tulip also wants to challenge the Danes' sceptical approach to convenience food.

- We know that many consumers believe that ready-made meals are full of additives. It has therefore been very important for us to prepare the food in exactly the same way that consumers would normally do. This means that the products are based on well-known and tested recipes, explains Sub Category Manager Morten Christensen from Tulip.

26 September 2011

Nordic tapas

Tulip has launched a number of exciting products which unite Nordic open sandwiches with southern European tapas traditions.

Rolled pork roast with lovage and leeks, beef top round with juniper berries and ham lightly smoked over beech wood. These are three new products in a popular series now being launched by Tulip which are inspired by southern European tapas.

- The southern Europeans have some wonderful traditions, which the Danes have embraced with open arms. We have therefore developed a number of new tapas products based on delicious Nordic ingredients and herbs. The result is a tasty combination of southerly lightness with traditional Nordic foods, explains Lotte Simonsen, Category Manager at Tulip.

At the end of a busy week, Nordic tapas is perfect for a light and delicious evening meal at the weekend.

- We have taken a good look at Nordic cuisine, which is currently enjoying a revival. At the same time, a survey which we have conducted shows that 23pc of Danes eat a cold meal in the evening. We would like to cater for them with our new products, says Lotte Simonsen.



21 January 2011

QUALITY STEAKS FOR ANNE

Huge cows and quality steaks were in store for Anne Kejser, a former Dancing with the Stars contestant and currently a presenter with the ANR radio station in Aalborg, as she arrived at Danish Crown's cattle slaughterhouse in Aalborg one Friday morning in January.

The local radio station had been campaigning all week to get listeners to support the Danish Red Cross Youth organisation and its work for children and young people in northern Jutland. Together with Geo, a Danish stand-up comedian, and Niarn, a Danish rapper, Anne Kejser had volunteered to donate her time. A joke about Niarn's ignorance about meat led to Danish Crown joining in the fun to explain where the good meat comes from, and Anne Kejser immediately seized the opportunity.

CARCASS SPLIT IN TWO

At the slaughterhouse, she first had to saw a carcass in two, assisted by the usual saw handler Michael Henriksen. She enthusiastically threw herself into the job, but afterwards was forced to admit that it was harder than it looked. She then proceeded to the deboning department to have a go at cutting short loin steaks.

- It looks easy as pie, and it is so impressive how they do it. I probably felt slightly pressurised by the fact that everybody is on piece-work contracts. I'm afraid I probably slowed them all down a bit, she said afterwards, smiling apologetically.

In return for her efforts, Anne Kejser took home her own steaks, while the Danish Red Cross Youth organisation received a donation of DKK 5,000 from Danish Crown. So far, the campaign has raised DKK 258,000 for the excellent cause.





Faroese and East Jutlanders crazy about wagyu

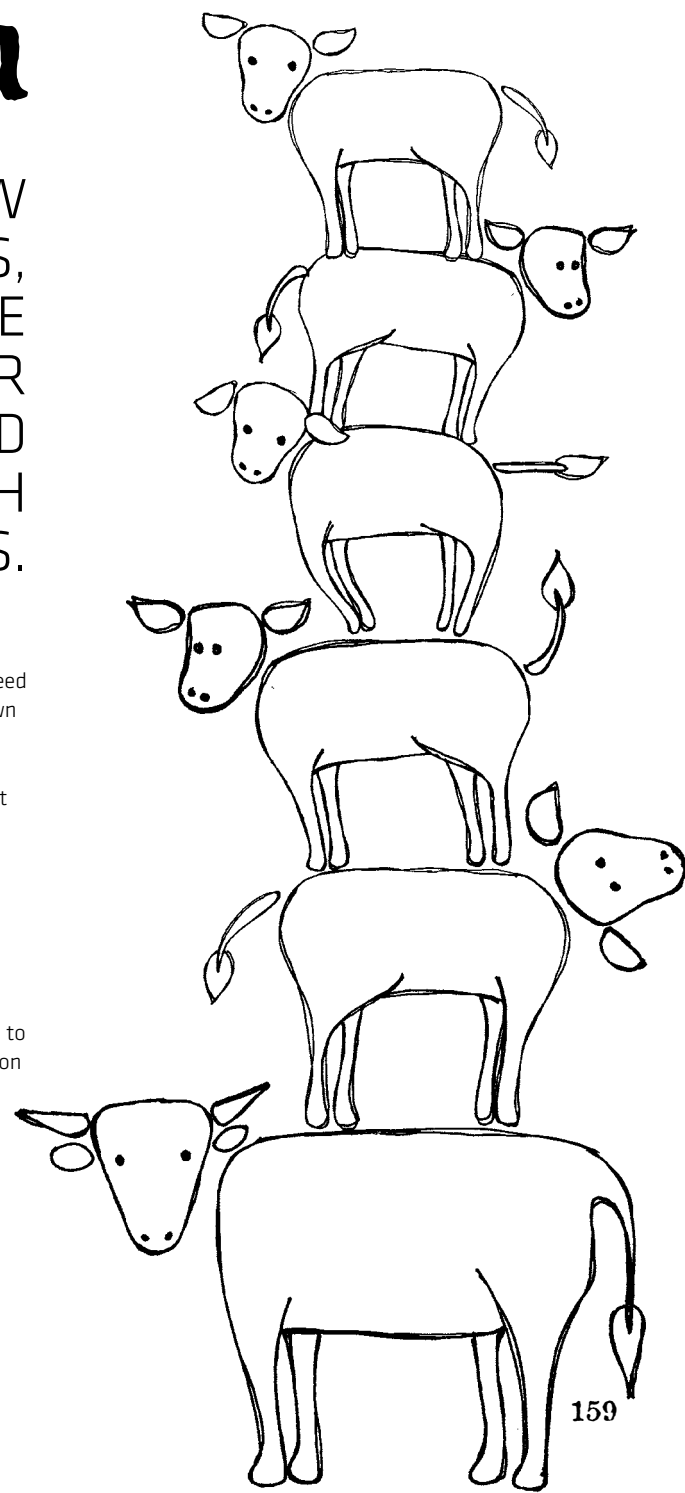
BETWEEN CHRISTMAS AND NEW YEAR, TWO SUPERMARKETS, ONE IN EAST JUTLAND AND ONE ON THE FAROE ISLANDS, FOR THE FIRST TIME INTRODUCED DANISH WAGYU MEAT – TO MUCH ACCLAIM AMONG CUSTOMERS.

7 January 2011

Wagyu is the name of the finest and most expensive beef from the Japanese cattle breed of the same name. The meat is better known as Kobe meat, and between Christmas and New year, customers were for the first time able to buy Danish-produced wagyu meat at the supermarket – and they did.

Friland is behind the first pure-bred wagyu production in Denmark. In spring, the first animal slaughtered was sold to restaurant Umami in Copenhagen, while the second animal slaughtered went to the SuperBest supermarket in Hadsten in East Jutland and to the Miklagardur supermarket in Thorshavn on the Faroe Islands.

In both supermarkets, the wagyu meat caused a real stir and sold like hot cakes. Shoppers were simply crazy about the exclusive meat.



DANISH CROWN GOES GOURMET

THREE STAR CHEFS DEVELOP NEW PRODUCT SERIES FOR DANISH CROWN, BRINGING THE GOURMET RESTAURANT EXPERIENCE INTO THE HOMES OF ORDINARY PEOPLE.

Everything is ready. The table has been beautifully laid, candles lit and delicious ingredients lined up. And then, a slight distraction, and the sauce burns and the whole meal is ruined.

Danish Crown has launched the 'Stjernekokken', or 'Star chef' label, which is designed to bring the gourmet restaurant experience reliably and effortlessly into people's homes, minimising the risk of any 'hitches' in the kitchen.

IRMA FIRST

Irma is the first supermarket to introduce the 'Stjernekokken' label with carré of pork cut into chops with steamed pointed cabbage and sauce blanquette with smoked cheese. Other retail chains will soon be launching their own special recipe developed by Danish Crown's three star chefs.

The three star chefs are Thomas Pasfall, Kenneth Hansen and Francis Cardenau.

They have combined their very best ideas to create a number of unique products based on high-quality fresh pork and a gourmet sauce, adding a recipe and a shopping list.

In developing the 'Stjernekokken' label, Francis Cardenau says:

- We want to help draw attention to Danish gastronomy by offering new categories of fine ingredients to Danish consumers. We are therefore keen to develop professional products from scratch which can help consumers succeed in the kitchen.

8 September 2011

The three star chefs are Thomas Pasfall, Kenneth Hansen and Francis Cardenau.





Danish Crown at Bella Center

TASTE BUDS WERE
TICKLED WHEN DANISH
CROWN OPENED
ITS STAND AT THE
LARGE FOOD FAIR
IN COPENHAGEN.

28 February 2011

There was something for every taste when Danish Crown's professional cooks took to their pans at the large food fair in Bella Center in Copenhagen one Sunday morning.

Here, the many visitors could sample a new series of organic products, including brunch sausages and bacon sold under the Friland brand.

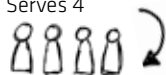
- The demand for organic products is growing, and it is therefore natural for us to develop new products to provide our customers with a wider choice, says food-service consultant Jesper Eggert.

Another product launched at the Bella Center fair is a new porchetta made from belly of pork and herb-salted loin fillet with rosemary, thyme and pepper.

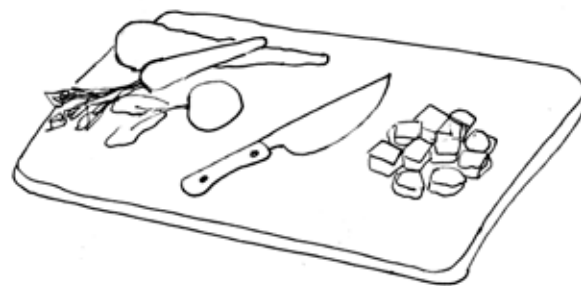
INGREDIENTS
4 short loin steaks (600-800 g)
1 tbsp oil
salt
black pepper

TO GARNISH
1 kg root vegetables: carrots, parsnip and beetroot
15 green penja peppers, crushed
1 tsp salt
2 tbsp rapeseed oil
2 sprigs rosemary
4 sprigs thyme
80 g butter
100 g cowberries

Serves 4



1 Clean the root vegetables and chop roughly. Place the vegetables on a baking sheet lined with baking paper and mix with the penja peppers, salt, oil and finely chopped herbs. Bake the root vegetables in a pre-heated oven at 200°C for approx. 35-45 minutes until tender, but still crisp.



2 Rinse the cowberries and press through a sieve to obtain a bit of juice - keep 1 tbsp of berries to decorate the dish, if desired.



SHORT LOIN STEAKS

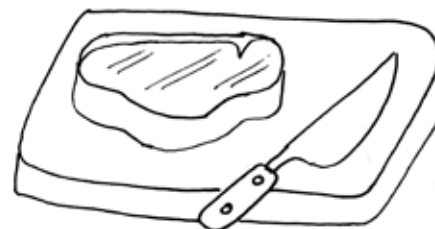
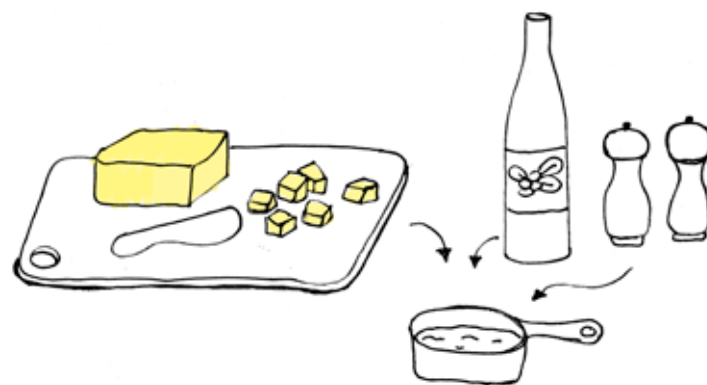
WITH OVEN-BAKED VEGETABLES
WITH ROSEMARY, LEMON AND
GREEN PENJA PEPPER

4 Fry the steaks in oil in a very hot frying pan for approx. 2-3 minutes on each side.



5 Leave to rest for approx. 3 minutes before cutting into slices. Arrange slices of meat with the baked root vegetables and browned butter with cowberries and gravy.

3 Dice the butter and place in a small saucepan. Melt the butter and let it brown. Add the cowberry juice and season with a little salt and pepper.



DENMARK



SVEND ERIK SØRENSEN knows a thing or two about meat. He also knows pretty well everything there is to know about the slaughterhouse company Danish Crown, where he has been since 1990, since 1999 as vice president. He has been the brain behind six strategy plans, and in June 2011 Svend Erik Sørensen decided to start working normal hours.



LORENZ HANSEN understands beef, and has an eye for spotting top-class quality. He is also Division Director of DC Beef, a position he has held since 1987. Today, DC Beef slaughters 63pc of Danish cattle, and at the end of 2010/11 set a new slaughter record. In the coming years, Lorenz Hansen is likely to be busy, building a new cattle slaughterhouse in Denmark.



FLEMMING ENEVOLDSEN is the man behind the best results in Tulip's 125-year-long history. He is a true globetrotter - since he started as an apprentice at the East Asiatic Company in 1980, he has lived and worked in a string of countries worldwide. Flemming Enevoldsen was appointed CEO of Tulip Food Company and became a member of Danish Crown's group management team in 2006, and today he is also Chairman of the Board of Directors of Tulip Ltd, Plumrose USA and ESS-Food.



The chefs

PREBEN SUNKE has handled money and finances most of his life. He joined the Danish Crown group as finance manager in Tulip in 1991, and since 2001 he has been CFO of Danish Crown.

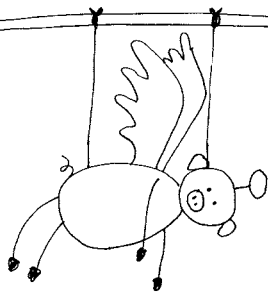


NIELS MIKKELSEN is a sober-minded Jutlander. However, he is also a farmer with clout, and a man who is greatly respected in both Danish agriculture and Danish business circles. For thirteen years he has been Chairman of the Board of Directors of Danish Crown, concurrently with being Deputy Chairman of the Danish Bacon and Meat Council, as well as holding several honorary offices in the industry and the group.



KJELD JOHANNESEN has, since 1990, been CEO of Danish Crown. He started his career as an office trainee at Sydthy Cooperative Slaughterhouse in 1971. Kjeld Johannesen has been a driving force behind a number of the mergers which have resulted in the establishment of Europe's biggest pig slaughterhouse business, and he continues to drive the implementation of new strategies.





CONCEPT

Anne Villemoes/C'ZOO

DESIGN/GRAPHIC PRODUCTION

C'ZOO

TEXT

Corporate Communications, Danish Crown
Rasmus Thirup Beck (stories from South Korea)

CHEF, INITIATOR, TEACHER AND CHARMER

Thomas Rode Andersen, Kong Hans

AESTHETICS AND STYLING

C'ZOO

LOCATION AND KITCHEN

Anne Villemoes

FOOD STAR

Trine Krebs, Frugtformidlingen

STAGE MANAGEMENT AND LIGHTING

Kasper van Deurs, Outback Company
Per Danbo, Per Danbo Belysning

PHOTOS COOKBOOK

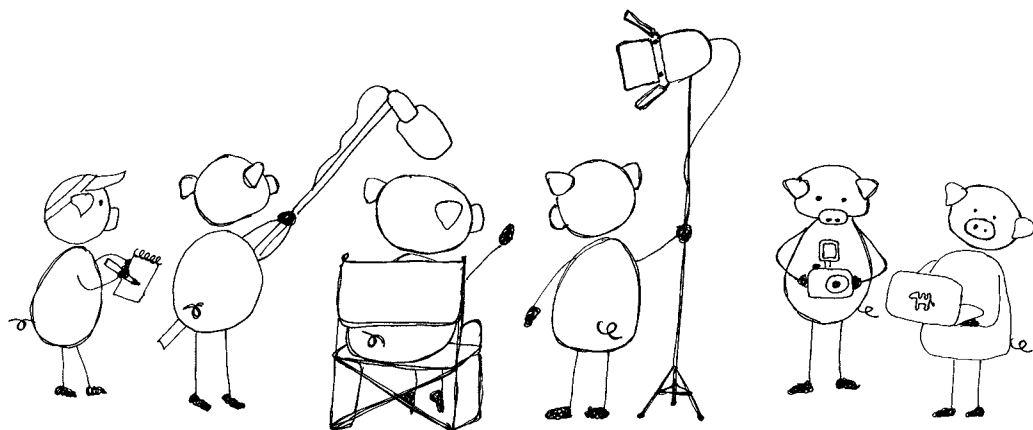
Morten Fauerby
David Bering

PHOTOS FROM THE YEAR

Morten Fauerby
Claus Petersen, CPhotography
Per Gudmann
Pelle Rink (photos from South Korea)

THANKS TO...

CPH Square
and many others...







Thank
you





DANISH CROWN GROUP

ANNUAL REPORT 2010/11

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RESULTS FOR 2010/11

Growth and competitiveness despite economic crisis

Financial highlights for Danish Crown

	DKKm	
	2010/11	2009/10
Revenue	51,754	45,211
Operating profit	2,029	1,857
Net profit for the year	1,762	1,648
Total assets	23,935	22,615
Equity	5,391	5,101
Subordinated loans	6,444	6,098
Supplies from members, million kg	1,450	1,377
Supplementary payments, DKKm	1,394	1,316
No. of members	9,577	9,847
No. of employees, end of year	23,576	23,085

In 2010/11, the Danish Crown group realised growth in consolidated revenue and maintained results at last year's record level – despite the intensified competition due to weak growth in demand, especially in Europe. At the same time, Danish Crown has further strengthened the competitiveness of the prices offered for animals for slaughter. This development is not least attributable to Danish Crown having further reinforced its market position in the overseas markets.

Danish Crown has, over a number of years, increased its commitment to the international meat industry, while at the same time divesting non-core business. Moreover, the supply of Danish animals for slaughter has been declining in recent years. Consequently, no net growth has been realised for some time.

This year, this has changed significantly with a 14pc increase in consolidated revenue to DKK 51.8 billion. This is the result of both the acquisition of new activities and organic growth in the parent as well as an increase in the value of the group's core products.

Consolidated earnings before interest and tax (EBIT) are up from DKK 1.86 billion to DKK 2.03 billion. However, at the same time the prices paid for the animals supplied by the cooperative members have been strengthened relative to the international market price, leading to a considerable increase in the total creation of value. Net profit is DKK 1.76 billion, up 7pc on the previous year and the highest net profit realised in the history of the group.

The results are attributable to a targeted strategy of cutting costs, especially in Denmark, of increasing introduction of higher-value products and of further developing the group's international business portfolio, both within the processing and fresh meat segments, which again this year account for a very substantial share of consolidated earnings. At the same time, it has been possible to ensure a competitive basis for financing.

This year, the fresh meat sector contributed 56pc (47pc) of primary earnings before tax, interest and group costs, with the processing sector contributing 41pc (50pc) and the trading sector accounting for 3pc (3pc). The increased contribution to earnings by the fresh meat sector is primarily attributable to growth in volumes and a positive development in prices.

This year, a recommendation is made for supplementary payments of DKK 0.95, DKK 0.80 and DKK 1.30 per kg for

pigs, sows and cattle, respectively. At the same time, the proposed distribution of profit includes increased consolidation through a transfer to equity to enable the group's development and in light of the economic situation.

Pork Division

The Pork Division has strengthened its earnings in the past year, while also offering increasingly competitive prices for the animals supplied, reflecting a marked improvement in earnings. Also, considerable growth was recorded this year. This can be ascribed partly to the supply of Danish animals for slaughter, where Danish Crown has won market share and seen a 5pc increase in volumes, and partly to an increase in revenue due to higher pork prices and the acquisition of a major slaughterhouse business in Germany.

Earnings are positively impacted, in particular, by stronger overseas sales, not least in Asia, and improved capacity utilisation as well as considerable growth within the area of by-products, especially through the subsidiary DAT-Schaub which, is again realising record earnings. In the past year, considerable resources have been devoted to integrating the newly acquired slaughterhouse business in Germany, which therefore has not contributed to earnings this year. The Pork Division's Swedish activities as a whole have been at a lower level than expected due to a pressurised Swedish market for raw materials. Finally, the further streamlining of cost levels in Denmark continues.

All in all, the results realised by the Pork Division are regarded as satisfactory. The average price paid for pigs for slaughter was DKK 10.57 per kg including supplementary payments, which is DKK 0.74 higher than last year's average. Despite the higher settlements, the financial situation of the Danish pig producers, like that of their European colleagues, remains under pressure.

Beef Division

The Beef Division has again this year been highly competitive, both winning market share and seeing growth in absolute volumes in Denmark. The Beef Division's many processing activities and slaughterhouse operations in Germany contribute significantly to earnings, which must be described as extremely satisfactory.

Prices also increased during the year, with the average price for animals supplied, including supplementary payments, being up by as much as 13pc at DKK 21.04 per kg.

The results enable the Beef Division to distribute high supplementary payments while at the same time strengthening its balance sheet. In combination with a strong supply base, this provides a strong foundation for the plans devised in the course of the year for a strategic investment in a large Danish cattle slaughterhouse which would both tune the Beef Division for the future and increase earnings.

Processing sector

Increasing raw material prices and a weakening of consumer demand have generally put the international processing industry under considerable pressure in the past year. Despite the difficult market conditions, Danish Crown's processing sector has realised organic growth of 3pc.

Seen in relation to previous economic slowdowns, we are pleased that the group's processing sector has significantly strengthened its ability to handle such market situations.

Despite a slight decline in earnings, which can be ascribed partly to extraordinary items, the results are satisfactory.

UK-based Tulip Ltd, the largest company in the Processing sector, has maintained its strong market position in the UK market and realised earnings close to last year's level, thereby fulfilling the group's expectations. Tulip Food Company has achieved moderate growth in revenue, and earnings are not significantly below last year's satisfactory level, thereby presenting the highest profit margin for the sector.

Plumrose Inc. in the US has realised considerable organic growth, but capacity shortages and intensifying competition in the US market have reduced earnings. The results for the year are also impacted by a loss of DKK 48 million relating to a lost court case concerning a product recall several years ago. A decision has been made to invest in new production facilities with a view to strengthening both productivity and capacity and thereby increase earnings.

Sokołów in Poland is continuing to realise organic growth, not least due to its strong brand products, but has not fully been able to repeat last year's record earnings. Sokołów has also made important investments.

Despite the fact that market conditions have not favoured the processing sector this year, the sector continues to contribute significantly to consolidated earnings, which shows considerable robustness.

Trading sector

Both the ESS-FOOD group and the separate company ESS-FOOD France have realised satisfactory earnings this year, all in all boosting results relative to last year. Revenue has also increased substantially due to ESS-FOOD's role as a supplier of Danish Crown products to the growing Chinese market.

Group affairs

The associates Daka, SPF Denmark and Hatting-KS are again making a satisfactory contribution to consolidated earnings. Daka is realising improved results due to increasing energy and by-product prices. Earnings in SPF are on a par with last year despite difficult conditions within the live-animals market, while Hatting-KS has realised increased earnings. The group's overhead costs have been maintained at a low level.

Due to acquisitions etc., the group's net debt is up DKK 0.7 billion, while total assets are up DKK 1.3 billion at DKK 23.9 billion. However, equity is also up after the substantial transfer to reserves of profit of DKK 368 million. The capital base, including subordinated loans, corresponds to 27pc of the total assets, which is largely unchanged relative to last year.

Despite financial unrest throughout the year and increased draws on credit facilities, Danish Crown has maintained a satisfactory finance cost level of net DKK 222 million against DKK 257 million last year. Many of the facilities are based on long-term agreements.

At the end of the financial year, Danish Crown had approx. 23,600 employees, which is 500 more than the previous year. More than 9,000 are working in Denmark, probably making Danish Crown the country's largest industrial employer. In addition to the many employees, several

thousand people are working at the group's facilities as the employees of service providers, inspection authorities etc.

Outlook for the coming year

The Danish Crown group expects stable developments in the coming financial year. As a food producer, the group is not highly exposed to the international economic crisis, although the crisis is expected to have a slightly dampening impact on consumption.

Danish Crown's considerable sales to quality-conscious non-EU growth markets will also make a positive contribution to the group next year.

In Denmark, earnings and supplies will remain under pressure from generally high cost levels and unfavourable industrial policies. However, through the DC Compass project new measures designed to strengthen productivity and competitiveness will be launched. Moreover, investments

are expected to be made in new and more efficient beef production facilities. The final decision concerning these investments will be made in spring 2012.

Danish Crown's foreign activities as a whole are expected to see continued growth, for example via an increased level of investments.

In the course of the financial year, Danish Crown implemented a restructuring of the group which will make it possible to invite new owners on board. The debate on this issue which has been initiated among the cooperative members will continue in the new financial year.

The financial markets are still characterised by unrest, which may lead to an increase in the group's finance costs. However, given the expediency of the group's loan portfolio, this is only expected to have a relatively minor impact.

Forecasts are predicting increasing pork and beef prices in the new financial year, which will contribute to stabilising the economy of the primary meat production, which has been under pressure for several years, especially pork production. The price increases are also expected to impact sales channels, albeit with some delay.

For the group as a whole, the outlook is of moderate growth in revenue and a continuing satisfactory level of results.

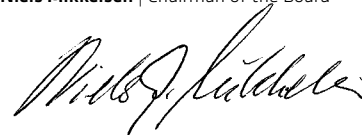
We would like to thank all Danish Crown employees for their efforts in the past year.

Kjeld Johannesen | CEO



DANISH CROWN

Niels Mikkelsen | Chairman of the Board



DANISH CROWN

FINANCIAL REVIEW

Group structure

The group has, in 2010/11, implemented the restructuring of the group decided in autumn 2010, which has entailed a transfer of the operative business – with the exception of supplies by members – from Danish Crown AmbA to Danish Crown A/S. At the same time, Danish Crown AmbA changed its name to Leverandørselskabet Danish Crown AmbA, and the trademarks owned by the group were transferred from Danish Crown AmbA to the sales companies using the trademarks. Tulip Food Company P/S has been incorporated as the limited company Tulip Food Company A/S, while the operative activities in DAT-Schaub AmbA have been transferred to DAT-Schaub A/S.

For the purpose of the financial statements, the restructuring has taken place in accordance with the pooling-of-interest method, which means that assets and liabilities transferred at fair value are revalued and written down to the original carrying amounts, while gains and losses relating to the transfer in the selling company are reversed. The restructuring has therefore not significantly impacted the consolidated financial statements for 2010/11.

In connection with the transfers, a deferred tax asset of DKK 462 million arose. The amount has been recognised in the opening balance sheet.

Moreover, the subsidiary Danish Crown GmbH acquired the slaughterhouse business DC Fleisch in Germany in January 2011. The acquisition has increased the revenue for the year by approx. DKK 3 billion and total assets by approx. DKK 1 billion.

No companies were divested during the financial year.

Results for 2010/11

Consolidated revenue for 2010/11 totals DKK 51.8 billion, up DKK 6.5 billion relative to 2009/10. Approx. half the increase is attributable to the acquisition of DC Fleisch, while the rest can be ascribed to organic growth and price increases for the group's main products.

Gross profit and operating profit are up as a result of the continued focus on cost-savings and the transfer of production to low-cost countries in combination with the introduction of higher-value products. Total depreciation and amortisation is on a par with last year, while the level of other fixed unit costs has been successfully maintained.

Net finance costs are positively impacted by non-recurring income items of DKK 83 million, while the acquisition of DC Fleisch has increased finance costs.

Net profit is DKK 1.8 billion, which is the highest in the group's history, up 7pc relative to last year.

Non-current assets

The group's non-current assets are on a par with last year with the investments for the year, including DC Fleisch, largely equivalent to depreciation.

Current assets

Current assets rose by DKK 1.1 billion, with an amount of DKK 0.4 billion being attributable to the newly acquired slaughterhouse business in Germany, while the rest of the increase can be ascribed to increases in prices and volumes.

Equity

At the end of 2010/11, consolidated equity amounted to DKK 5.4 billion, representing an increase of DKK 0.3 billion relative to equity at the beginning of the year, which is attributable to a decision to increase consolidation.

At the end of 2010/11, the solvency ratio was 22.5pc against 22.6pc last year.

Debt

At the end of 2010/11, the group's net interest-bearing debt was up DKK 0.7 billion, or 6pc relative to the same time last year, and now amounts to DKK 12.6 billion against DKK 11.9 billion last year.

The group's financing structure is mainly based on credits with a maturity of more than one year. Thus, 88pc of interest-bearing debt is long-term debt, of which 55pc falls due more than five years from the balance sheet date. The group's non-current assets and non-current liabilities are now balanced.

Cash flow statement

Cash flows from operating and investing activities in 2010/11 are positive, primarily as a result of the cash flow effect of the profit for the year which exceeds the year's investments, including the investment in the German slaughterhouse business.

Currency risk

As an export company operating internationally, Danish Crown is exposed to currency risks in relation to conversion into DKK.

The group's major currencies are GBP, JPY, USD, SEK, PLN, EUR and DKK. 40pc of the total foreign currency revenue is in DKK and EUR, entailing little or no currency risk.

The group's currency risk policy calls for the ongoing hedging of foreign currency export income, within a framework defined by the Board of Directors.

Danish Crown has a number of investments in foreign subsidiaries, and conversion of the equity in these subsidiaries to DKK depends on the exchange rate at the balance sheet date. The group has a general policy of not hedging currency risks relating to the group's equity interest in foreign subsidiaries, the so-called translation risk.

Interest rate risk

Interest rate risk is the risk of changes in the market value of assets or liabilities as a result of changes in interest rate conditions. For Danish Crown, this risk is primarily linked to company debt, given that the group does not have any significant non-current interest-bearing assets at the balance sheet date. As at 2 October 2011, the group's net interest-bearing debt amounts to DKK 12.6 billion.

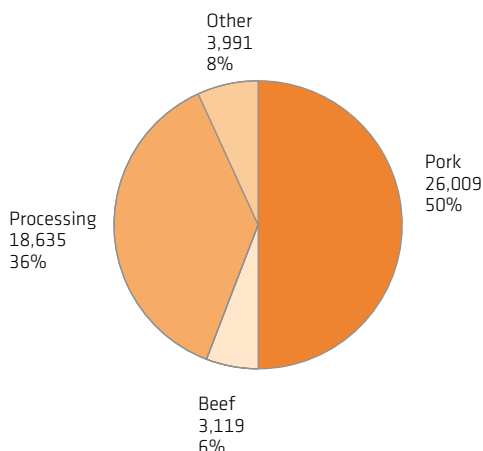
Fixed-rate bond loans, repo transactions, interest rate swaps and combinations of interest rate and currency swaps are used to manage interest rate risk.

As at 2 October 2011, the group's share of fixed-rate loans accounted for 15.6pc of total interest-bearing debt (exclusive of subordinate loan). The remainder is financed on the basis of floating interest rates. A change in the market rate of 1 percentage point is estimated to have a DKK 103 million impact on total annual interest expenses, all other factors aside.

GROUP BUSINESS AREAS

Revenue for 2010/11 by business area

Revenue for the group is divided between the business areas as follows (DKK million):



All comments on the group's core business areas have been prepared based on gross revenue, including internal revenue.

Pork Division

	2010/11	2009/10	2008/09
Slaughtered *A kg (million)	1,376.3	1,308.2	1,335.1
Revenue, DKK million	29,853.9	24,539.8	24,830.6
Operating profit, DKK million	1,089.6	794.6	947.5
Operating profit, %	3.6	3.2	3.8

*Kg supplied by members

Number of cooperative members

At the end of September 2011, Danish Crown had 3,894 members supplying either pigs alone or pigs and sows. This is 382 or 9pc fewer members than at the same time last year.

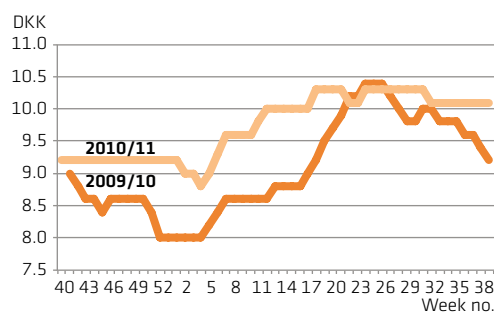
Pig and sow supplies

The number of pigs and sows received for slaughter in 2010/11 totals 16,472,900 including large boars and porkers, up 4.4pc relative to last year. The number of pigs received from members totals 16,006,913 animals, an increase of 795,407 relative to last year. The number of sows received from members totals 363,155, against 344,990 last year.

Quoted prices in 2010/11

The financial year started with a price of DKK 9.20 and ended with a price of DKK 10.10. An average price of DKK 9.74/kg was paid (DKK 9.08/kg in 2009/10) including quantity discounts. The average quoted price for animals supplied by members was DKK 9.60/kg (DKK 8.88/kg in 2009/10). The stated figures are exclusive of supplementary payments.

Price development, DKK/kg



Production structure

On 17 January 2011, Danish Crown acquired the German slaughterhouse business DC Fleisch with two factories in Essen and Cappel. Subsequently, intensive efforts have been made to incorporate the group's production processes and systems where expedient at the two factories. In terms of costs, both direct and indirect production costs are significantly lower at the German slaughterhouses than at the Danish slaughterhouses.

A significant element in the DC2015 strategy plan is reducing both direct and indirect production costs (measured per kg). A reduction has been seen in 2010/11, but focused efforts will continue to be made to reduce costs further. With this in mind, the Pork Division has, at the beginning of October 2011, launched DC Compass as an initiative to ensure the simultaneous optimisation of wages, yield and quality by focusing on knowledge-sharing and uniform working procedures in all factories.

Market conditions

Total volumes sold amounted to 1,532,000 tonnes, up 5pc relative to 2009/10.

Over the year as a whole, sales have been very satisfactory, but there have been considerable variations. The most important factors impacting sales have been EU subsidies for private storage contracts, foot-and-mouth disease in South Korea, a cold summer throughout Europe as well as a strong growth in sales to China.

The EU introduced subsidies for private storage contracts at the beginning of 2011, among other things in the wake of very poor earnings in German slaughterhouses. The subsidies scheme led to raised prices on all markets. As foot-and-mouth disease broke out in South Korea at the same time, resulting in more than 25pc of all pigs in the country being culled, this created a very favourable sales situation. The subsidies scheme led to European countries storing large volumes. As the underlying supply and demand situation did not change during the subsidies period, European prices fell significantly after the scheme ended and stored products needed to be sold on the markets, particularly Germany, Spain and France. This coincided with a cold summer across Europe, which negatively affected demand, putting prices under pressure.

Here, Danish Crown's situation was helped by the fact that sales to Japan and Russia saw growth, much like the Chinese market showing significant growth in both volumes and prices. Altogether, prices in China increased during the year by 30-40pc. The company therefore

redirected sales of many of its principal products to China, thereby easing volumes in Europe and opening up the possibility of going against the current and raising prices in an otherwise weak European market.

For much of the year, exchange rates have been very volatile, making it difficult to control the development in realised selling prices. At the same time, however, the overall quoted price has been successfully maintained above the German price, and Danish Crown has thereby remained competitive.

DC Nordic

The overall results for DC Nordic include considerable variation between the results of the individual companies. Generally speaking, DC Nordic has enjoyed satisfactory growth in terms of both revenue and sales, while the earnings margins have not fully lived up to expectations.

KLS Ugglarps, including Team Ugglarp, has seen satisfactory growth for beef, while the pork market has been under some pressure. Friland has experienced a satisfactory development in both revenue and earnings, primarily due to growth on selected export markets, while the Danish market has been unchanged. The factory in Jönköping is living up to expectations, and has been extended in the course of the year to include a retail service, which was launched at the end of the year. The Danish market has seen satisfactory growth in sales of retail-packed meat – on the other hand there has been a decline in sales to stores with their own butcher. Special breeds and '100% DANISH' have seen satisfactory growth.

DAT-Schaub

The DAT-Schaub group had a particularly satisfactory 2010/11 with group revenue growing from DKK 2.5 billion to DKK 2.8 billion, which corresponds to an increase of 10pc, while the profit improved by more than 50pc. The increase in revenue is primarily attributable to good prices for casings, the company's main product. Moreover, an improved contribution ratio has resulted in an improved net profit for the year.

In DAT-Schaub Denmark, earnings have been generated, among other things, by strong sales of lamb casings at high prices. DAT-Schaub France has again this year returned a record profit, up more than 25pc on last year. The German subsidiary DIF/Küpers has achieved very satisfactory results, but not quite on a par with last year's results. The decline is due to a decrease in both sales and the selling prices for raw heparin.

The group's newest company, Waikiwi Casings Co. Ltd. in New Zealand, has realised satisfactory financial results for the year.

Earnings in the DAT-Schaub group's other companies are on a par with last year.

The company's net finance costs are positively influenced by unrealised translation adjustments. Other than that, the net finance costs are at the same level as previously.

During the financial year, the company's activities have been sold from DAT-Schaub AmbA to DAT-Schaub A/S, in line with the structural changes which have taken place elsewhere in the group.

Beef Division

	2010/11	2009/10	2008/09
Slaughtered *A kg (million)	74.1	68.8	66.7
Revenue, DKK million	3,927.5	3,469.7	3,100.1
Operating profit, DKK million	99.6	113.3	62.5
Operating profit, %	2.5	3.3	2.0

*Kg supplied by members

Number of cooperative members

At the end of September 2011, Danish Crown had 6,077 members supplying cattle against 5,992 the previous year.

Cattle supplies

The number of Danish cattle received from members for slaughter totals 301,751 animals, up 8.3pc relative to last year.

At the end of September, Danish Crown's share of slaughtering in Denmark stood at 62.7pc against 60.4pc last year.

In 2010/11, 95,273 cattle and 45,854 lambs were slaughtered at the slaughterhouse in Husum. Relative to last year, this represents an increase of 7.8pc and a decline of 10.6pc, respectively.

Quoted price

At the end of September, the average quoted price was up DKK 2.31/kg relative to last year, which is primarily due to improved capacity utilisation with more slaughtering as well as general price increases in the world market.

Market conditions

A strong momentum was maintained in the beef and veal market throughout almost all of the past accounting period. The start of the financial year, a period normally characterised by moderate demand, saw a high level of activity, which was driven in particular by the fact that the Turkish market was opened up to European young bull meat through a significant reduction in import tariffs. From the start of the year, these new opportunities distinctly boosted the European market for beef and veal, which has basically been maintained ever since, aided to a large extent by generally increasing prices in the world market.

Exports to third countries are again becoming an important factor after the very long period following the BSE crisis in which basically all destinations banned imports from the EU. Thus, the Russian market has again this year made a positive contribution to stabilising sales. China, the rest of Asia and the Middle East are also focus areas which will no doubt contribute to improving slaughterhouse economies through the improved utilisation of edible by-products.

Contributions from main markets such as Denmark and Germany have been in line with expectations. In particular, an increased presence in the German market is moving in the right direction.

DC Beef's department in Husum acts increasingly as a subsupplier to the German retail trade with the retail-pack factories demanding large volumes of a uniform quality. In northern Germany, the availability of locally produced

products for the food-service sector is also boosting activity levels.

DC Beef's own brands such as Danish Veal, Dansk Kødkvæg (Danish cattle), Marskland Oksekød (Marshland beef) and TenderBeef have developed positively.

In the coming period, DC Beef will continue to focus on furthering growth within specialisation and processing to ensure the delivery of customised products and concepts to customers, thereby strengthening sales in a competitive market and safeguarding earnings during weak periods characterised by a high supply of beef and veal.

In the 'old' main export markets in Italy and Spain, a fine balance still has to be struck between finding and retaining the right customers. Unfortunately, customers who are able to pay an attractive price while at the same time being financially well-consolidated are again becoming few and far between.

However, increased focus on the French market combined with a stronger sales force in the Spanish market has already borne fruit and gives grounds for optimism for the coming year.

A dramatic decrease in beef imports from South America to the EU has again contributed to stabilising sales, and this trend looks set to continue. Many factors impact this process, for example drought, feed prices and an increased demand in new markets. Due also to the fast-growing middle classes in countries such as Brazil and Argentina, the world market price of beef continues to rise and is approaching EU levels.

Optimum utilisation of slaughtering and deboning capacity throughout the year has also contributed positively. This situation is expected to continue in the coming period.

Processing companies

	2010/11	2009/10	2008/09
Sales, tonnes	714,415	697,241	689,441
Revenue, DKK million	18,743.5	18,159.0	18,055.1
Operating profit, DKK million	876.9	978.8	789.3
Operating profit, %	4.7	5.4	4.4

The group's processing sector consists of Tulip Ltd, Tulip Food Company, Plumrose USA and Sokołów.

Total revenue in the processing sector amounted to DKK 18.7 billion. The sector realised an operating profit of DKK 877 million, down 10pc relative to last year. The decrease is attributable, among other things, to increasing raw material prices – which have not been fully compensated by increases in selling prices – as well as a lost insurance case.

Tulip Ltd

Tulip Ltd has over a number of years created a solid platform in the UK market. Thanks to the diversity of its activities, Tulip Ltd enjoys a strong position in the market for meat products.

Commercially, 2010/11 was a challenging year. The general market situation remains seriously impacted by a sense of

economic uncertainty. Consumers are cutting consumption as they are unsure about the future and because soaring inflation is eroding their purchasing power.

Tulip's customers, i.e. primarily the large retail chains and customers in the food-service sector, have tried various strategies to attract consumers to their shops and maintain sales despite the difficult market conditions. An important competition parameter has been the ability to offer the lowest prices as a way of protecting and possibly increasing sales.

During the same period, dramatic increases have been seen in raw material and energy prices.

Surplus capacity within Tulip's market area is a big problem. In combination with the above factors, it has meant that it has been difficult to raise selling prices as a way of compensating for cost increases. Instead, earning margins have been under considerable pressure, while competition for volume within the sector has intensified. Maintaining and increasing volumes has been an uphill struggle.

In the past year, the company's factories have again implemented action plans aimed at streamlining production and cutting unit costs. These are large-scale projects which have a considerable bearing on cost levels in the company. Moreover, substantial investments have been made in streamlining production and ensuring competitiveness at the factories in future.

Through these projects, it has been possible to significantly eliminate external pressures on earnings and show satisfactory results as well as a satisfactory cash flow and a solid return on the invested capital.

Expectations are that the market situation will not change markedly in the coming year. With a view to withstanding market pressures, Tulip will, among other things, reinforce its initiatives within the premium sector where earnings are more attractive. Product innovation is another area where efforts will increase to boost Tulip's attractiveness as a supplier.

Moreover, the strategy aimed at expanding and streamlining production facilities will continue to maintain Tulip's position as the most efficient food company within its market segments.

Tulip Food Company

Tulip Food Company manages the group's sales of processed products within the EU, excluding the UK and Poland. Tulip Food Company also has significant exports to a number of countries outside the EU.

2010/11 got off to a good start, but from Q2 raw material prices, in particular, have increased markedly. This has led to several rounds of price increases in the market in 2011. Despite the changed market conditions during most of the year, an EBIT in excess of the 5pc target was realised, which is, however, lower than last year.

The most important task has been passing the raw material price increases etc. on to the finished products, while also taking account of the tax on fat which became effective in Denmark on 1 October 2011.

In the course of the year, German Nietfeld Feinkost, which was taken over on 1 January 2010, has been integrated further into the Tulip organisation. Thus, the Nietfeld sales function has been transferred to the respective sales functions in the Tulip organisation, while the sales and distribution functions now run on SAP.

Despite price increases and the enduring crisis in a number of market areas, Tulip's sales have developed satisfactorily. Organic growth was approx. 3pc, taking account of the full-year effect of Nietfeld and the transfer of fresh meat sales in Sweden to DC's organisation.

In most market areas, earnings have been under pressure due to the situation with raw materials. Germany has been particularly hard hit as regards 'white meat', while earnings from sausage sales in the Danish market have been affected by strongly increasing prices of casings.

A number of structural changes were implemented by Tulip this year. The corporate structure in Denmark, Germany and Sweden has been simplified via mergers. The partnership company Tulip in Denmark has been incorporated as a limited company.

Plumrose USA

Plumrose USA manages the group's processing activities in the US. Production is focused on the three primary factories in Council Bluffs, Iowa, Elkhart, Indiana, as well as Booneville, Mississippi. Plumrose also has a small factory in Vermont and distribution centres and sales offices in other locations in the US. Principal products are cold cuts and bacon.

Sales of cold cuts are up relative to last year, especially as a result of higher private label sales. Plumrose is continuously expanding its strategic cooperation with major private label customers, which are still growing strongly. Competition from the most important competitors remains fierce, putting sales prices under pressure.

Due to the increasing raw material prices over the year, earnings have been under further pressure. High capacity utilisation and focus on strict cost control have partly compensated for these factors.

The company has therefore had a good year with satisfactory earnings and an influx of new customers. This trend is expected to continue in the coming year.

The operating profit for the year is also negatively impacted by a loss of DKK 48 million relating to a lost court case concerning a product recall several years ago.

However, all in all the operating profit is satisfactory in light of the difficult market conditions.

Sokołów

Sokołów is the strongest meat brand in Poland. In particular, Sokołów has a strong market position within processed products such as ready-packed products, convenience food and cold cuts, and demand is increasing due to the increasing standard of living in Poland.

Consolidation is continuing in the retail trade, leading to larger customers with greater negotiating power. The discount chains and private label customers are also becoming increasingly important.

Together with increasing raw material prices in the course of the year, this has put contribution margins under pressure. Sokołów has partly compensated for this by streamlining both its production processes and its administrative processes. As it has not been possible to fully pass the increasing raw material prices on to selling prices, the gross profit has decreased despite a slight increase in revenue.

Via the Swedish company Saturn Nordic Holding AB, Danish Crown and HK Scan Oy own Sokołów, each holding 50pc. Consequently, Sokołów is pro rata-consolidated with 50pc in Danish Crown's consolidated financial statements.

Trading companies

	2010/11	2009/10	2008/09
Sales, tonnes	393,569	311,708	248,816
Revenue, DKK million	4,009.1	3,100.1	2,879.8
Operating profit, DKK million	61.1	53.8	-0.2
Operating profit, %	1.5	1.7	0.0

The group's trading companies are ESS-FOOD A/S and ESS-FOOD France.

ESS-FOOD A/S

The group's core business is the global buying and selling of meat products.

This year, ESS-FOOD A/S has increased tonnage and revenue as well as earnings. Total revenue amounted to almost DKK 3.2 billion, while tonnage sold was 344,000 tonnes.

The Chinese market has developed very positively, and as the Danish Crown group's primary sales channel in this market, ESS-FOOD has realised considerable growth. ESS-FOOD has also seen satisfactory levels of activity in most other markets. Generally speaking, the financial year was characterised by high levels of activity.

ESS-FOOD France

The companies under ESS-FOOD France operate as sales channels for Danish products. In addition, deboning, sales and the distribution of local and international pork and beef products are also part of their activities.

In 2010/11, ESS-FOOD France saw an increase in both tonnage and revenue. The results realised are satisfactory.

CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility

Corporate social responsibility characterises development in Danish Crown, and with the adoption of DC2015, Danish Crown's CSR policy was introduced as a management tool in all group subsidiaries. Focus areas are identified and targets defined for Danish Crown's activities, which in future will play a more central role in the group's development.

For a food company like Danish Crown, CSR is particularly important in relation to the company's employees, in relation to the live animals received for slaughter, in relation to the environmental and climatic impacts of its activities, and in relation to supplying safe food products to consumers worldwide.

Today, Danish Crown is present in many countries around the world, and locally there is considerable cultural diversity and widely differing labour market conditions. Danish Crown is currently introducing procedures for the external reporting of important key figures and aspects of the implementation of the group's CSR policy. Reporting will start as from 2011/12.

Corporate governance

The Danish Crown group is a cooperative with a democratically elected management. The cooperative is owned by the suppliers and managed with reference to its Articles of Association, the Danish Companies Act and other relevant Danish and international rules and regulations.

The management structure is based on a dual board system and the separation of the Board of Executives and the Executive Board. The management – the Board of Directors and the Executive Board – attaches importance to exercising good corporate governance, to focusing on the interest of suppliers and to long-term value creation, as well as the timely exchange of relevant information between the company's governing bodies.

At the end of 2010/11, Leverandørselskabet Danish Crown AmbA had 9,577 cooperative members.

Board of Representatives

The Board of Representatives is the company's supreme governing body and currently consists of 207 representatives elected by the cooperative members and 22 representatives elected by the employees. The election of cooperative members for the Board of Representatives takes place in geographical districts with members taking part in the election in the district to which they belong. The dialogue with the cooperative members takes place partly at a minimum of two annual meetings in the electoral districts and partly in weekly newsletters communicating relevant information in line with the group's communication strategy.

The communication between the day-to-day management and the Board of Representatives takes place at five annual meetings and supplementary meetings as required in the event of extraordinary situations arising. The Board of Representatives receives general information about the current state of the company and quarterly reports with financial statements and comments on the company's business activities which are further elaborated at the meetings. This provides the members of the Board of

Representatives with the knowledge needed for them to answer questions or in any other way inform the other cooperative members about the company's affairs.

The Board of Representatives' Committee for Information and Competence regularly assesses whether there is a need for an update of the members' competences within certain areas. The Board of Representatives considers and, based on a recommendation from the Board of Directors, adopts matters of significance to the group, including strategy plan, capital structure and not least the annual report and the distribution of profit.

Board of Directors

The Board of Directors is in charge of the overall management of the company and elects a Chairman and a Vice-chairman once a year. The distribution of tasks is set out in the Board of Directors' rules of procedure. The Board of Directors consists of a total of 15 members, of whom 10 members are elected from among the company's cooperative members, three members are elected from among the company's employees, and two independent members are elected by the Board of Representatives upon the recommendation of the Board of Directors.

An introductory programme is organised for all newly elected members of the Board of Directors. Members of the Board of Directors are elected for a period of three years at a time. Not all members are elected in the same year, but according to a rota for the local electoral districts.

The Board of Directors holds regular meetings with the company's auditors in connection with the presentation of the annual report and the auditors' records. Moreover, the Board of Directors holds a meeting with the auditors without the Executive Board being present. The Board of Directors as a whole constitutes the audit committee. The remuneration of the Executive Board is considered by the Chairman and the Vice-chairman.

The Executive Board reports regularly to the Board of Directors on the company's financial position through detailed monthly and quarterly reports. Moreover, budgets, strategy plans and annual reports are reported to the Board of Directors for adoption.

The company's business risks are regularly assessed and reported on in the quarterly reports.

UN Global Compact

Danish Crown joined UN Global Compact in the past financial year. Global Compact is a partnership between the UN and the international business community aimed at promoting corporate social responsibility in a global context. UN Global Compact builds on 10 principles within areas such as human rights, labour, environment and anti-corruption. The 10 principles are incorporated into Danish Crown's CSR policy and are being rolled out in the group companies.

Animal welfare

Danish Crown's primary raw materials are animals for slaughter, and we demand that the animals are treated decently on the farms and during transport to the slaughterhouse as well as in connection with herding and killing so as to prevent unnecessary suffering.

Danish Crown requires that the company's Danish suppliers of pigs comply with a Code of Practice on animal welfare. Similar requirements are being imposed on hauliers transporting pigs to Danish slaughterhouses.

Danish Crown assumes special responsibility for the animals during transport and slaughtering. The collection, transport and unloading of animals for slaughter must be as gentle as possible and must be performed within reasonable time limits. We demand that suitable haulage equipment is used for transporting the animals. Moreover, Danish Crown demands that the people carrying out these tasks are properly trained. Danish Crown's animal welfare principles have been implemented with due regard to local legislation and local norms.

New experience is continuously being gained as regards the best ways of ensuring the welfare of animals during transport and slaughtering. Experience is exchanged between the group companies, contributing to the ongoing optimisation of animal welfare. We find that the group adheres to good animal welfare practices when looking at reported deviations, best practice in the industry and the number of admonitions received from the remarks.

The global workplace

Danish Crown strives to ensure that individual employees enjoy well-ordered working conditions and terms of employment. We focus on ensuring a good physical and psychological work environment and on providing safe and functional workplaces. A number of initiatives have contributed to improving the well-being of employees, training and cooperation for the benefit of each individual employee and Danish Crown.

The Danish Crown group attaches high priority to the occupational health and safety of all employees, and we aim for all employees to have a healthy and safe job.

Danish Crown is focused on reducing and preventing accidents at work. We are actively involved in reducing injuries due to musculoskeletal deterioration. This is done in the planning of work routines and through the introduction of new technology, including more automation.

The proactive approach to health and safety for the group's employees means that Danish Crown meets or exceeds the requirements set out in applicable legislation, rules and regulations in the countries in which it operates.

Employee development

For salaried employees, the employee development tool has been extended to include an assessment of both professional and personal performance. Moreover, an assessment is made of the management potential of current managers with further management ambitions and other employees with management ambitions. Finally, the new employee development system has resulted in targeted training plans based to a greater extent on specific input from the organisation. This year, performance appraisal interviews have been held in Denmark, in parts of Sweden, the UK, Germany, France and Italy.

Job satisfaction survey

This year, job satisfaction surveys have been carried out in the parent for the third time, in Tulip Food Company for

the second time and among the salaried employees in Tulip Food Company's departments in Sweden and Germany for the first time.

The response rate was again high, and employee motivation and commitment remain high compared with other large companies in Denmark.

Group Academy

Danish Crown continuously works on developing the three basic programmes DC Management, DC Leadership and Change Management.

Concurrently with the above, a new international advanced-level programme has been developed for management talents from the group's various units. The programme is called Synergistic Business Management. Its main purpose is to exploit cross-organisational synergies.

The group's strategy, organisational structure and the personal competences of individual participants are challenged to promote synergies, and the programme ends with an exam paper. Participants from Denmark, Germany, the UK and Poland have signed up for the Synergistic Business Management programme.

Working environment

Improving the working environment is important for Danish Crown as accidents, musculoskeletal deterioration and mental strains can have serious consequences for employees. Danish Crown is targeted in its efforts to provide employees with safe and healthy workplaces, for example through the sharing of experience among facilities and companies. In this way, best practice is used to improve the working environment.

A number of activities were launched during the financial year to reduce the occupational risks which lead to accidents at work, deterioration and thereby disease. The most important activities are mentioned below:

Working environment organisation and training

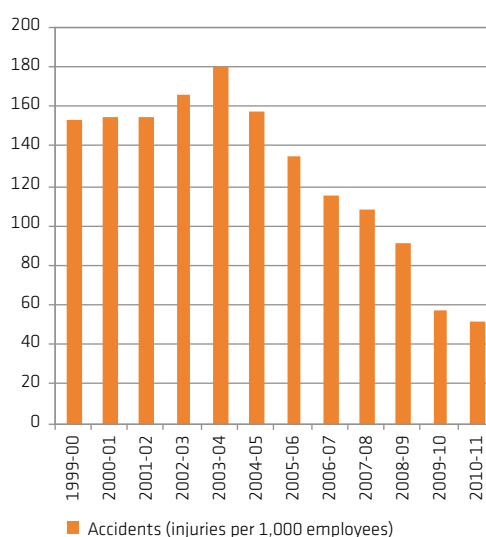
In April 2011, the Danish Crown group invited all Danish working environment groups for a two-day seminar. The object was to strengthen the groups' ability to prevent work-related accidents and to update participants on optimum ergonomic work positions while also introducing microbreak exercises to prevent musculoskeletal deterioration. It was a very active seminar where time was also spent exchanging knowledge among the group companies.

Several of the group companies have changed their working environment planning with a view to strengthening efforts to improve conditions.

Accidents at work

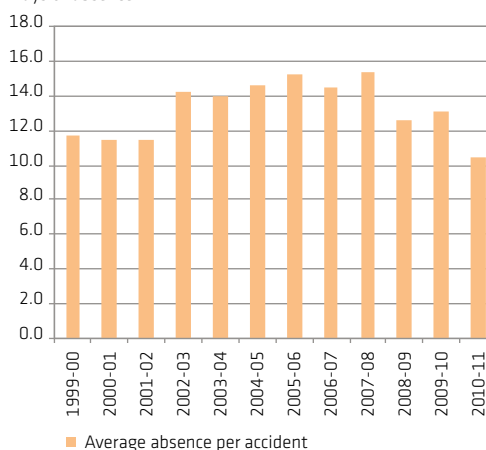
In recent years, intensive efforts have gone into reducing the number of work-related accidents in the group. The group companies in Denmark are all part of the group's accident project which has cut the number of accidents at work. A continuous fall has been recorded, cf. the Accidents at work diagram, and the group aims to achieve further reductions in the coming years.

Accidents at work



Average absence due to work-related accidents has not fallen as fast as the number of accidents. The group's accident projects are focusing intensely on this aspect with a view to mitigating the consequences of the accidents.

Days of absence



Musculoskeletal deterioration

As regards aspects of the working environment which lead to musculoskeletal deterioration, the group companies have been working for some time to identify and minimise these strains. The most important challenges relate to noise and manual processes, specifically lifting and monotonous routines.

The group companies are constantly working to improve the health of employees and their ability to return to work after injuries or long-term sick leave.

DC Life is a project which is being implemented at four workplaces in northern Jutland and which focuses on the employees and how to prevent musculoskeletal

deterioration. The aim is to be able to intervene before employees are forced to call in sick due to work-related illness. The primary focus of the project is the health of individual employees and their daily physical work routines.

'Come back' (or 'Korn igen' in Danish) is a project aimed at enabling employees to return to work after suffering musculoskeletal injury.

The slaughterhouse industry has developed a mapping tool aimed at minimising repetitive stress injury. The tool has shown that even minor adjustments to existing workplaces can lead to significant improvements.

Noise and acoustics is a challenge for the slaughterhouse and processing companies as stricter food safety, hygiene and cleaning standards are making it difficult to reduce noise levels. By continuously mapping the noise to which employees are exposed on a daily basis, some production routines have, however, been successfully changed to reduce noise levels.

Environment By-products

All parts of the pig or cattle which are not eaten constitute some sort of waste even if such waste can be used to generate energy. From the point of view of resource utilisation and also financially, it is therefore important to optimise the use of all parts of the animal. Different cultures hold different food preferences, something which Danish Crown has put to strategic use over the years. To further strengthen resource optimisation, by-products have been turned into a separate business area, the purpose being to identify new markets and alternative uses for the waste products which are currently being destroyed.

Food waste

Food which has been produced, but which is not eaten, constitutes a kind of waste, which leads to environmental impacts throughout the production chain for no purpose. Considerable attention has been devoted to this type of waste in recent years; it has been called one of the major invisible contributors to climate change. It has been shown that end-consumers are responsible for much of this waste. Danish Crown has joined the Danish Ministry of the Environment's charter against food waste and has launched a number of activities aimed at reducing waste in the company's own production, but also the waste generated by catering firms and consumers.

Chemistry

Cleanliness is of the utmost importance in food companies. Most of the chemical products we use are used for the daily cleaning of the factories. Over the years, we have been aware of the unfortunate environmental impacts of using the disinfectant sodium hypochlorite. The disinfectant can affect aquatic organisms if residues are discharged with the waste water. The disinfectant is effective and of well-documented importance to food safety, and it is therefore difficult to do without it. We are working to reduce our use of the product, and one factory has successfully phased it out completely as part of a trial. Attempts will be made to further reduce the use of sodium hypochlorite as new products prove effective.

Waste

Waste is a resource. Some years ago, we extended our environmental database to include a waste and finance module. This has provided a much better overview of waste types, waste handling and the potential of the waste. Based on the new knowledge acquired, Danish Crown and Tulip Food Company have entered into contracts with external waste handlers. The purpose is to professionalise waste handling, thereby leading to the recycling and reuse of even more waste.

Scan-Hide

The hide-processing company Scan-Hide has developed a new concept for cleaning tannery waste water. So far, chromium has been removed from the waste water, but in future the waste water will be pretreated by the company itself. The composition of the waste water is extremely complex as the tanning process involves the addition of a number of substances to the milling machines at various stages of the process with the process water from each stage being discharged. Last year Scan-Hide developed a method for reusing some of the process water; the new process goes one step further and will be introduced at the tannery this autumn.

Tulip Food Company

A tin must be clean both inside and outside. Tulip Food Company's factory in Vejle produces tinned meat, and the washing of the tins is a process which has required both water and energy for heating the water. A new system has now been introduced which means that the water for washing the tins is recirculated for optimised resource utilisation.

Food companies generally use a lot of energy for cooling products and premises and for producing hot water to ensure compliance with hygiene and food safety standards.

A lot of energy is therefore used on heating the cleaning water, and this is thus where the greatest potential for energy savings is. The company is looking at the possibility of reducing the temperature of some of the cleaning water, of course without compromising on food safety in any way.

DAT-Schaub

A lot of water is used on cleaning casings, among other things for separating the various layers. New water-saving methods are therefore a strategic focus area for DAT-Schaub. A lot of water was saved in various parts of the production processes last year. These efforts are ongoing, and the automation of the process water in this part of the production has resulted in considerable water conservation.

All in all, Danish Crown has achieved continuous improvements in a number of resource-intensive areas, including water, energy, CO₂ emissions, waste water and waste.

Procurement

Danish Crown requires suppliers of, for example, consumables to comply with certain standards. The standards are based on a number of criteria. In addition to documenting their compliance with applicable food safety legislation, the suppliers must:

- respect and support UN Global Compact within their sphere of influence;
- implement a food safety system;
- continuously reduce their negative environmental impacts;
- maintain high quality standards.

These criteria have been incorporated into the contract documents regulating the trade between suppliers and Danish Crown. The contract documents also stipulate that Danish Crown may carry out audits of both suppliers and their sub-suppliers.

The purpose of supplier audits is to inspire and acknowledge local initiatives which exceed statutory requirements and to identify potential focus areas. Supplier audits not only look at UN Global Compact and food safety issues, but may be extended to comprise documentation, quality and environmental management systems.

The initiatives have raised the awareness among suppliers of the importance of working systematically with CSR.

In 2010/11, 10 audits of suppliers of packaging and consumables were conducted. The suppliers were selected based on whether or not their products form part of or are in direct contact with foods. Moreover, priority has been given to ensuring geographical spread, and consequently Asian as well as European and Middle Eastern suppliers were audited. The 10 suppliers were all audited by an external agency in relation to their compliance with UN Global Compact and their food safety systems.

In case of material deviations, the suppliers were asked to draw up action plans to rectify the situation. Danish Crown has subsequently conducted regular follow-up to establish whether the action plans have been realised.

Environmental data

Financial figures (DKK '000)		2006/07	2007/08	2008/09	2009/10	2010/11
Waste-water treatment and discharge		72,848	77,485	70,874	69,404	68,164
Disposal of waste-water sludge/manure etc.		17,354	17,650	16,741	14,685	15,987
Waste management and disposal		7,167	9,963	9,765	8,789	7,813
Disposal of animal by-products		85,469	111,166	103,552	90,631	75,520

Environment (per tonne of meat)		2006/07	2007/08	2008/09	2009/10	2010/11
Total energy consumption for all divisions	MWh	0.28	0.25	0.27	0.26	0.24
CO ₂ emissions	Tonnes	22	23	21	21	20
Water consumption	m ³	2.6	2.7	2.7	2.6	2.4
Waste-water volume	m ³	2.5	2.5	2.4	2.3	2.1
Emissions BOD ₅	kg	4.1	4.5	4.0	3.7	3.9
Nitrogen emissions	kg	0.6	0.6	0.5	0.4	0.5

Environment (other ratios)		2006/07	2007/08	2008/09	2009/10	2010/11
Biological waste for biogasification	kg	58.5	55.2	64.5	63.2	63.7
Estimated biogas production	m ³	3,386,000	3,267,000	3,488,000	3,187,000	3,550,000
Number of households	no.	818	789	843	770	858

The figures include the slaughterhouse divisions in Danish Crown A/S.

The first section of the table shows the cost of the parent's handling of waste products. The cost of disposing of animal by-products depends partly on the settlement prices with Daka, partly on the degree of utilisation of by-products, and thereby the volumes of by-products which must be destroyed.

The middle section shows energy and water consumption as well as emissions attributable to the production of one tonne of meat. CO₂ emissions do not include emissions attributable to electricity consumption. Efforts are made to reduce all factors through an unwavering focus on optimising production processes.

The first line of the last section shows the volume of waste for biogasification per tonne of meat produced. The total volume of this type of waste is used in biogas plants producing the stated volume of biogas. Based on norm figures, the volume is converted into the number of households which can be heated using the volume of biogas produced.

GROUP FINANCIAL HIGHLIGHTS

Amounts in DKKm	2006/07	2007/08	2008/09	2009/10	2010/11
Income statement					
Revenue	44,346	46,972	44,757	45,211	51,754
Operating profit	1,872	1,816	1,730	1,857	2,029
Net financials	-491	-672	-459	-257	-222
Net profit for the year	1,230	997	1,164	1,648	1,762
Balance sheet					
Total assets	21,279	23,336	21,306	22,615	23,935
Investments in intangible assets and property, plant and equipment	849	2,446	1,411	812	1,001
Subordinate loans	1,000	993	995	997	1,053
Equity	4,132	4,091	3,940	5,101	5,391
Capital base in % of total assets*	24.1%	21.8%	23.2%	27.0%	26.9%
Cash flows from operating and investing activities					
Cash flows from operating and investing activities	1,321	-246	2,829	1,330	753
No. of employees					
Average no. of full-time employees	24,334	26,652	24,274	23,305	23,557
Supplementary payments, DKK per kg					
Supplementary payments, pigs	0.75	0.60	0.70	0.95	0.95
Supplementary payments, sows	0.55	0.65	0.65	0.75	0.80
Supplementary payments, cattle	0.85	0.70	0.75	1.25	1.30
Supplies from members weighed in (million kg)					
Pigs	1,468.9	1,426.7	1,272.3	1,245.7	1,311.2
Sows	67.7	68.1	62.8	62.6	65.1
Cattle	69.7	64.3	66.7	68.8	74.1
No. of cooperative members					
No. of cooperative members	13,465	12,152	10,685	9,847	9,577

* Calculated on the basis of subordinate loans and equity.

Please note: The figures stated for 2008/09, 2009/10 and 2010/11 as well as the balance sheet items for 2007/08 have been prepared in accordance with IFRS. All other figures have been prepared in accordance with the Danish Financial Statements Act.

MANAGEMENT'S STATEMENT AND AUDITOR'S REPORT

Management's statement by the Board of Directors and the Executive Board on the annual report

Today, we have considered and adopted the annual report of Leverandørselskabet Danish Crown AmbA for the financial year 4 October 2010 - 2 October 2011.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the financial statements of the parent have been prepared in accordance with the Danish Financial Statements Act (årsregnskabsloven).

In our opinion, the consolidated financial statements and the financial statements give a true and fair view of the group's and the company's assets, liabilities and financial position as at 2 October 2011 and of the results of the group's and the company's activities and the group's cash flows for the financial year 4 October 2010 - 2 October 2011.

We believe that the management's review contains a fair review of the development in the group's and the company's activities and financial affairs, net profit for the year and financial position as a whole for the enterprises included in the consolidated financial statements as well

as a description of the most important risks and uncertainty factors facing the group and the company.

We recommend the annual report for adoption by the Board of Representatives.

Randers, 28 November 2011

EXECUTIVE BOARD

Kjeld Johannesen, *CEO*

Preben Sunke, *CFO*

Flemming N. Enevoldsen, *Executive Director*

BOARD OF DIRECTORS

Niels Mikkelsen, *Chairman*

Søren Bach

Hans Klejsgaard Hansen

Peder Philipp

Mogens Birch, *elected by the employees*

Erik Bredholt, *Vice-Chairman*

Niels Daugaard Buhl

Asger Krogsgaard

Peter Fallesen Ravn

Tom Michael Jensen, *elected by the employees*

Palle Joest Andersen

Jeff Olsen Gravenhorst

Erik Larsen

Cay Wulff Sørensen

Torben Lyngsø, *elected by the employees*

Independent auditor's report

To the members of Leverandørselskabet Danish Crown AmbA

Report on the consolidated financial statements and the financial statements

We have audited the consolidated financial statements and the financial statements of Leverandørselskabet Danish Crown AmbA for the financial year 4 October 2010 - 2 October 2011, which comprise the income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the group and for the company, as well as a statement of comprehensive income and cash flow statement for the group. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the financial statements have been prepared in accordance with the Danish Financial Statements Act (årsregnskabsloven). Furthermore, the consolidated financial statements and the financial statements have been prepared in accordance with the disclosure requirements contained in the Danish Financial Statements Act.

Management's responsibility

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the disclosure requirements contained in the Danish Financial Statements Act and for the preparation and fair presentation of financial statements in accordance with the Danish Financial Statements Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and basis of opinion

Our responsibility is to express an opinion on the consolidated financial statements and the financial statements based on our audit. We conducted our audit in accordance

with Danish Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the consolidated financial statements and the 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 financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement in the consolidated financial statements and the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of consolidated financial statements and financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements and the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the financial statements give a true and fair view of the group's assets, liabilities and financial position as at 2 October 2011 and of the results of the group's activities and cash flows for the financial year 4 October 2010 - 2 October 2011 in accordance with International Financial Reporting Standards as adopted by the EU and the disclosure requirements contained in the Danish Financial Statements Act.

We also believe that the financial statements give a true and fair view of the parent's assets, liabilities and financial position as at 2 October 2011 and of the results of the

company's activities for the financial year 4 October 2010 - 2 October 2011 in accordance with the Danish Financial Statements Act.

Statement on the management's review

Management is responsible for preparing a management's review that includes a fair review in accordance with the Danish Financial Statements Act.

Our audit did not include the management's review, but we have read it as required by the Danish Financial Statements Act. We have not performed any additional procedures other than the audit of the consolidated financial statements and the financial statements.

Against this background, we are of the opinion that the information in the management's review is in accordance with the consolidated financial statements and the financial statements.

Viborg, 28 November 2011

Deloitte

Statsautoriseret Revisionspartnerselskab

Anders Dons
State-Authorised Public Accountant

Rasmus B. Johnsen
State-Authorised Public Accountant

INCOME STATEMENT

4 October 2010 - 2 October 2011

DKKm	Note	Group	
		2010/11	2009/10
Revenue	2	51,754	45,211
Production costs	3,4	-44,572	-38,613
Gross profit		7,182	6,598
Distribution costs	3,4	-3,709	-3,302
Administrative expenses	3,4,5	-1,412	-1,425
Other operating income		8	19
Other operating expenses		-40	-33
Operating profit (EBIT)		2,029	1,857
Income from equity investments in associates	11	175	245
Financial income	6	227	84
Financial expenses	7	-449	-341
Profit before tax		1,982	1,845
Tax on profit for the year	8	-220	-197
Net profit for the year		1,762	1,648
Distribution of net profit for the year			
Members of the parent		1,714	1,598
Minority interests		48	50
		1,762	1,648

STATEMENT OF COMPREHENSIVE INCOME

4 October 2010 - 2 October 2011

DKKm	Note	Group	
		2010/11	2009/10
Net profit for the year		1,762	1,648
Foreign currency translation adjustment of foreign enterprises		-61	155
Share of other comprehensive income in associates	11	-1	-1
Fair value adjustments etc. of financial instruments concluded in order to hedge future cash flows		-23	-47
Transfer to the income statement of fair value adjustments of financial instruments concluded in order to hedge realised cash flows		43	1
Actuarial gains/losses on defined-benefit plans etc.	17	26	-24
Tax on other comprehensive income	8	-1	5
Other comprehensive income		-17	89
Comprehensive income		1,745	1,737
Distribution of comprehensive income			
Members of the parent		1,697	1,688
Minority interests		48	49
		1,745	1,737

BALANCE SHEET – ASSETS

2 October 2011

DKKm	Note	Group	
		02.10.2011	03.10.2010
Goodwill	9	1,374	1,374
Software	9	72	89
Acquired trademarks etc.	9	19	6
Intangible assets		1,465	1,469
Land and buildings	10	5,333	5,348
Plant and machinery	10	3,709	3,603
Other plant, fixtures and fittings, tools and equipment	10	321	278
Property, plant and equipment under construction	10	480	455
Property, plant and equipment		9,843	9,684
Equity investments in associates	11	269	240
Other securities and equity investments	12	49	66
Other receivables		221	238
Financial assets		539	544
Biological assets	13	64	49
Deferred tax assets	18	588	568
Non-current assets		12,499	12,314
Inventories	14	3,709	3,293
Biological assets	13	158	133
Trade receivables	15	6,083	5,235
Receivables from contract work		370	298
Receivables from associates		5	8
Other receivables		462	603
Reinsurance shares of claims outstanding provisions	16	0	0
Prepayments		97	153
Receivables		7,017	6,297
Other securities and equity investments	12	266	263
Cash		286	310
Assets held for sale		0	5
Current assets		11,436	10,301
Total assets		23,935	22,615

BALANCE SHEET – EQUITY AND LIABILITIES

2 October 2011

DKKm	Note	Group	
		02.10.2011	03.10.2010
Equity			
Contributed capital		1,604	1,650
Other reserves		-190	-155
Retained earnings		3,928	3,509
Equity owned by members of the parent		5,342	5,004
Equity owned by minority interests		49	97
Equity		5,391	5,101
Pension obligations	17	125	190
Deferred tax liabilities	18	433	432
Insurance provisions	19	114	138
Other provisions	19	67	91
Subordinate loans	20	1,053	997
Mortgage debt	20	4,271	4,110
Other credit institutions	20	2,926	1,710
Bank debt	20	3,313	2,928
Finance lease commitments	20	10	7
Non-current liabilities		12,312	10,603
Insurance provisions	19	32	32
Other provisions	19	16	37
Mortgage debt	20	27	156
Other credit institutions	20	0	746
Bank debt	20	1,572	1,841
Finance lease commitments	20	6	5
Trade payables		2,377	1,930
Payables to associates		26	41
Income tax payable		119	68
Other payables		1,977	1,954
Deferred income		80	101
Current liabilities		6,232	6,911
Liabilities		18,544	17,514
Total equity and liabilities		23,935	22,615
Operating lease commitments	21		
Contingent liabilities	22		
Security	23		
Rights and liabilities of the members	24		
Financial risks and financial instruments	27		

STATEMENT OF CHANGES IN EQUITY

2 October 2011

DKKm	Contributed capital	Reserve for foreign currency translation adjustments	Reserve for value adjustment of hedging instruments	Retained earnings	Total	Equity owned by minority interests	Total equity
Group							
Equity as at 4 October 2009	1,676	-264	-1	2,448	3,859	81	3,940
Change due to restructuring	0	0	0	458	458	4	462
Adjusted equity as at 4 October 2009	1,676	-264	-1	2,906	4,317	85	4,402
Net profit for the year	0	0	0	1,598	1,598	50	1,648
Foreign currency translation adjustment of foreign enterprises	0	155	0	0	155	0	155
Share of other comprehensive income in associates	0	0	0	-1	-1	0	-1
Fair value adjustments etc. of financial instruments concluded in order to hedge future cash flows	0	0	-46	0	-46	-1	-47
Transfer to the income statement of fair value adjustments of financial instruments concluded in order to hedge realised cash flows	0	0	1	0	1	0	1
Actuarial gains/losses on defined-benefit plans etc.	0	0	0	-24	-24	0	-24
Tax on other comprehensive income	0	0	0	5	5	0	5
Total other comprehensive income	0	155	-45	-20	90	-1	89
Comprehensive income for the year	0	155	-45	1,578	1,688	49	1,737
Payment of contributed capital, net	-26	0	0	0	-26	0	-26
Supplementary payments disbursed	0	0	0	-981	-981	-23	-1,004
Acquisition of minority interests	0	0	0	6	6	-14	-8
Equity as at 3 October 2010	1,650	-109	-46	3,509	5,004	97	5,101
Net profit for the year	0	0	0	1,714	1,714	48	1,762
Foreign currency translation adjustment of foreign enterprises	0	-61	0	0	-61	0	-61
Share of other comprehensive income in associates	0	0	0	-1	-1	0	-1
Fair value adjustments etc. of financial instruments concluded in order to hedge future cash flows	0	0	-23	0	-23	0	-23
Transfer to the income statement of fair value adjustments of financial instruments concluded in order to hedge realised cash flows	0	0	43	0	43	0	43
Actuarial gains/losses on defined-benefit plans etc.	0	0	0	26	26	0	26
Tax on other comprehensive income	0	0	6	-7	-1	0	-1
Total other comprehensive income	0	-61	26	18	-17	0	-17
Comprehensive income for the year	0	-61	26	1,732	1,697	48	1,745
Payment of contributed capital, net	-46	0	0	0	-46	0	-46
Supplementary payments disbursed	0	0	0	-1,313	-1,313	-96	-1,409
Equity as at 2 October 2011	1,604	-170	-20	3,928	5,342	49	5,391

CASH FLOW STATEMENT

4 October 2010 - 2 October 2011

DKKm	Note	Group	
		2010/11	2009/10
Operating profit from continuing operations		2,029	1,857
Operating profit (EBIT)		2,029	1,857
Depreciation, amortisation, impairment losses and write-downs	4	1,217	1,236
Change in provisions		-82	-59
Change in net working capital	25	-739	-307
Operating cash flows		2,425	2,727
Financial income received	6	227	84
Financial expenses paid	7	-449	-341
Income tax paid		-193	-195
Cash flows from operating activities		2,010	2,275
Purchase etc. of intangible assets	9	-15	-45
Sale of intangible assets		-3	3
Purchase etc. of property, plant and equipment	10	-1,042	-767
Sale of property, plant and equipment		108	49
Purchase of other securities and equity investments		30	-309
Sale of other securities and equity investments		0	377
Acquisitions	26	-484	-362
Dividend received	11	149	109
Cash flows from investing activities		-1,257	-945
Disbursement of supplementary payments		-1,409	-981
Proceeds from borrowings		2,282	469
Repayment of borrowings		-1,604	-744
Payment of contributed capital, net		-46	-26
Cash flows from financing activities		-777	-1,282
Change in cash and cash equivalents		-24	48
Cash and cash equivalents as at 3 October 2010		310	260
Foreign currency translation adjustment, cash and cash equivalents		0	2
Cash and cash equivalents as at 2 October 2011	25	286	310

NOTES

1. Significant accounting estimates and assessments as well as significant accounting policies

When preparing the annual report in accordance with the group's accounting policies, the management is required to make estimates and assumptions that affect the assets and liabilities recognised, including information on any contingent assets and liabilities included.

The management's estimates are based on historical experience and other assumptions which are deemed relevant at the time. These estimates and assumptions form the basis for the recognised carrying amounts of assets and liabilities and the related effects recognised in the income statement. The actual results may deviate from such estimates and assumptions.

The management considers the following estimates and assessments as well as related accounting policies significant to the preparation of the consolidated financial statements.

Production costs

Production costs comprise direct and indirect costs incurred to earn revenue. Production costs include costs of raw materials, including purchases from members, consumables, production staff as well as depreciation of production facilities. The purchase of animals due for slaughter is recognised at the current quoted price for the year and, consequently, does not include any share of supplementary payment, which is treated as dividend.

Property, plant and equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost comprises the costs of preparing the asset until such time when it is ready to be put into service. The basis of depreciation is the cost less the expected residual value after the end of the useful life. The cost of a combined asset is split into smaller parts which are depreciated separately if the useful lives differ.

The management makes accounting estimates concerning the method of depreciation, useful lives and residual values, and these are reassessed on an annual basis.

Impairment test

At least once a year, the group tests goodwill and intangible assets with indeterminable useful lives for impairment. Other non-current assets which are amortised systematically are tested for impairment when events or changed circumstances indicate that the carrying amount may not be recovered.

Management assesses the value in use as an expression of the recoverable amount which is calculated by discounting the expected future cash flows estimated by management using management's estimates of the discount rate and growth rates.

Inventories

Raw materials and consumables, work in progress, finished goods and goods for resale are measured at the lower of cost using the FIFO method and net realisable value.

In connection with the net realisable value of inventories, the management estimates the expected selling price less completion costs and costs incurred to execute the sale. Inventories are valued taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost and write-downs for bad debts are made if there are any indications of such.

In connection with the write-down for bad debts, the estimates made by the management are based on available information and indications.

Acquisitions, including determination of cost price allocations and depreciation thereof

In connection with acquisitions, cost price allocations are made at the fair value of identifiable assets, liabilities and contingent liabilities. The determination of fair value involves management estimates which are based on the expected future performance of the assets. The management also estimates the useful life and depreciation profile which is systematically based on the expected distribution of the assets' future economic benefits.

Deferred tax liabilities and tax assets

The group uses the balance-sheet liability method to calculate deferred tax on all temporary differences between carrying amounts and tax base, with the exception of initially recognised goodwill with no tax base, just as only deferred tax on foreign equity investments is allocated if disposal is probable and will trigger tax for payment. Deferred tax assets are recognised if it is likely that taxable income will be generated in future which will make it possible to use the temporal differences or tax losses to be carried forward. In this connection, the management makes an estimate of the coming years' earnings based on budgets and forecasts.

NOTES

2. Revenue

DKKm	2010/11	2009/10
Distribution by market:		
Denmark	5,737	5,244
International	46,017	39,967
	51,754	45,211
Distribution by sector:		
Pork Division	26,009	21,229
Beef Division	3,119	2,795
Processing companies	18,635	18,100
Trading companies and other companies	3,991	3,087
	51,754	45,211

3. Staff costs

DKKm	2010/11	2009/10
Wages and salaries	5,801	5,763
Defined-contribution plans	305	313
Defined-benefit plans	4	9
Other social security costs	584	556
	6,694	6,641
Staff costs are distributed as follows:		
Production costs	5,427	5,379
Distribution costs	555	531
Administrative expenses	712	731
	6,694	6,641
Of which:		
Remuneration for the parent's Board of Directors	5	4
Remuneration for the parent's Board of Representatives	5	4
Remuneration for the parent's Executive Board	24	39
	34	47
Average no. of employees	23,557	23,305

4. Depreciation, amortisation, impairment losses and write-downs

DKKm	2010/11	2009/10
Amortisation of intangible assets	31	33
Depreciation of property, plant and equipment	1,193	1,203
Translation adjustments	7	-15
Gains and losses on the disposal of non-current assets	-14	-5
	1,217	1,216
Depreciation, amortisation, impairment losses and write-downs are distributed as follows:		
Production costs	1,119	1,113
Distribution costs	33	33
Administrative expenses	65	70
	1,217	1,216

5. Fees to the parent's auditors appointed by the Board of Representatives

DKKm	2010/11	2009/10
Deloitte:		
Statutory audit	14	13
Other assurance engagements	0	0
Tax advice	4	4
Other services	4	7
	22	24

NOTES

6. Financial income

DKKm	2010/11	2009/10
Interest, cash etc.	155	48
Interest, associates	1	3
Interest and dividend on other securities and equity investments	11	13
Foreign exchange gains and losses, net	60	20
Fair value adjustment of derivative financial instruments concluded in order to hedge the fair value of financial instruments	-39	54
Fair value adjustment of hedged financial instruments	39	-54
	227	84

7. Financial expenses

DKKm	2010/11	2009/10
Interest, credit institutions etc.	407	340
Foreign exchange gains and losses, net	-1	0
Fair value adjustment transferred from equity concerning hedging of future cash flows	43	1
	449	341

No finance costs are recognised in the cost of property, plant and equipment under construction in the financial year (2009/10: DKK 0 million).

8. Tax on profit for the year

DKKm	2010/11	2009/10
Current tax	270	231
Change in deferred tax	-10	26
Change in deferred tax resulting from a change in the tax rate	-28	-11
Adjustment concerning previous years, current tax	-31	-19
Adjustment concerning previous years, deferred tax	-19	-4
Adjustment concerning utilisation of tax asset not previously recognised	-1	2
Impairment of tax assets and reversal of previous impairment of tax assets	37	-30
Other adjustments	218	195
Tax in cooperatively taxed enterprises and tax on other non-income-taxed income	2	2
Tax on profit for the year	220	197
Tax on profit for the year can be explained as follows:		
Calculated tax at a tax rate of 25%	496	461
Effect of differences in tax rates for foreign enterprises	12	-7
Change in deferred tax resulting from a change in the tax rate	-28	-11
Tax base of non-taxable income	-291	-220
Tax base of non-deductible costs	45	25
Adjustment concerning previous years, current tax	-31	-19
Adjustment concerning previous years, deferred tax	-19	-4
Adjustment concerning utilisation of tax asset not previously recognised	-1	2
Impairment of tax assets and reversal of previous impairment of tax assets	37	-30
	220	197
Effective tax rate (%)	11.1	10.7
Fair value adjustments etc. of financial instruments concluded in order to hedge future cash flows	-6	0
Actuarial gains/losses on defined-benefit plans etc.	7	-5
Tax on other comprehensive income	1	-5

NOTES

9. Intangible assets

DKKm	Goodwill	Software	Acquired trademarks etc.	Total
Cost as at 4 October 2010	1,374	343	443	2,160
Foreign currency translation adjustments	0	-1	0	-1
Addition in connection with acquisitions	0	1	9	10
Addition	0	14	1	15
Disposal	0	-2	-7	-9
Cost as at 2 October 2011	1,374	355	446	2,175
Amortisation and impairment losses as at 4 October 2010	0	254	437	691
Foreign currency translation adjustments	0	0	-3	-3
Amortisation for the year	0	31	0	31
Amortisation of and impairment losses on disposal for the year	0	-2	-7	-9
Amortisation and impairment losses as at 2 October 2011	0	283	427	710
Carrying amount as at 2 October 2011	1,374	72	19	1,465
Cost as at 5 October 2009	1,038	302	443	1,783
Foreign currency translation adjustments	72	1	0	73
Addition in connection with acquisitions	264	4	0	268
Addition	0	45	0	45
Disposal	0	-9	0	-9
Cost as at 3 October 2010	1,374	343	443	2,160
Amortisation and impairment losses as at 5 October 2009	0	223	437	660
Foreign currency translation adjustments	0	1	0	1
Addition in connection with acquisitions	0	3	0	3
Amortisation for the year	0	33	0	33
Amortisation of and impairment losses on disposal for the year	0	-6	0	-6
Amortisation and impairment losses as at 3 October 2010	0	254	437	691
Carrying amount as at 3 October 2010	1,374	89	6	1,469

Except for goodwill and trademarks with indeterminate useful lives, all other intangible assets are considered to have determinable useful lives over which the assets are amortised.

NOTES

Impairment test of goodwill

Goodwill resulting from acquisitions etc. is distributed on the date of acquisition on the cash-generating units

which are expected to obtain economic benefits from the business combination.

The carrying amount of goodwill before impairment is distributed on the cash-generating units as follows:

DKKm	02.10.2011	03.10.2010
Tulip International UK Ltd.	595	594
Saturn Nordic Holding AB	286	288
DAT-Schaub A/S	266	263
KLS Ugglarps AB	57	58
Tulip Food Company A/S	170	171
	1,374	1,374

Goodwill is tested for impairment at least once a year or more frequently if there are indications of impairment. The annual test for impairment is made at the balance sheet date and has not resulted in any impairment of goodwill in the financial year.

The recoverable amount for the individual cash-generating units on which the goodwill amounts have been distributed is calculated on the basis of calculations of the units' value in use. The most important uncertainties in this regard are related to the determination of discount rates and growth rates as well as the expected changes in selling prices and production costs in the budget and terminal periods.

The fixed discount rates reflect market assessments of the temporal value of money, expressed as a risk-free interest rate and the specific risks which are associated with the individual cash-generating unit. Discount rates are generally determined on an 'after tax' basis based on an estimated Weighted Average Cost of Capital (WACC).

The growth rates used are based on the budgets, forecasts and strategy plans of the individual enterprises as well as the outlook for discount rates, interest and inflation levels.

Estimated changes in selling prices and production costs in the budget and terminal periods are based on historical experience and the expectations for future growth and market conditions.

The cash-generating units' value in use is calculated using the cash flows stated in the budgets and strategy plans for the next five financial years that were most recently approved by the Board of Directors. For financial years following the budget periods (terminal period), cash flows were extrapolated in the most recent budget period, adjusted for expected growth rates. The growth rates used do not exceed the expected average long-term growth rate for the markets in question.

The most significant parameters used to calculate the recoverable amounts are as follows:

	Growth factor in the terminal period %	Risk-free interest rate, 10-year swap interest rate %	WACC after tax %
2010/11			
Tulip International UK Ltd.	2.0	2.6	5.3
Saturn Nordic Holding AB	2.0	4.6	7.5
DAT-Schaub A/S	2.0	2.7	5.5
KLS Ugglarps AB	2.0	2.6	5.3
Tulip Food Company A/S	2.0	2.7	5.6
2009/10			
Tulip International UK Ltd.	2.0	3.1	5.7
Saturn Nordic Holding AB	2.0	4.9	7.7
DAT-Schaub A/S	2.0	2.8	5.6
KLS Ugglarps AB	2.0	2.9	5.4
Tulip Food Company A/S	2.0	2.8	5.6

NOTES

10. Property, plant and equipment

DKKm	Land and buildings	Plant and machinery	Other plant, fixtures and fittings, tools and equipment	Plant under construction	Total
Cost as at 4 October 2010	10,771	8,603	953	455	20,782
Foreign currency translation adjustments	-39	-54	-7	-2	-102
Completion of plant under construction	118	200	84	-402	0
Addition in connection with acquisitions	214	254	14	0	482
Addition	120	369	68	429	986
Disposal	-137	-121	-52	0	-310
Transfer from assets held for sale	17	0	0	0	17
Cost as at 2 October 2011	11,064	9,251	1,060	480	21,855
Depreciation and impairment losses as at 4 October 2010	5,423	5,000	675	0	11,098
Foreign currency translation adjustments	-16	-33	-4	0	-53
Depreciation for the year	397	678	110	0	1,185
Depreciation of and impairment losses on disposal for the year	-85	-103	-42	0	-230
Transfer from assets held for sale	12	0	0	0	12
Depreciation and impairment losses as at 2 October 2011	5,731	5,542	739	0	12,012
Carrying amount as at 2 October 2011	5,333	3,709	321	480	9,843
Of which finance leases	3	13	4	0	20
Of which recognised interest expenses	69	8	0	0	77
Cost as at 5 October 2009	10,377	8,660	961	408	20,406
Foreign currency translation adjustments	163	226	23	11	423
Completion of plant under construction	75	268	34	-377	0
Addition in connection with acquisitions	106	95	12	0	213
Addition	93	204	57	413	767
Disposal	-26	-821	-134	0	-981
Transfer to assets held for sale	-17	-29	0	0	-46
Cost as at 3 October 2010	10,771	8,603	953	455	20,782
Depreciation and impairment losses as at 5 October 2009	4,958	5,029	684	0	10,671
Foreign currency translation adjustments	40	108	15	0	163
Addition in connection with acquisitions	14	23	8	0	45
Depreciation for the year	430	665	97	0	1,192
Depreciation of and impairment losses on disposal for the year	-7	-796	-129	0	-932
Transfer to assets held for sale	-12	-29	0	0	-41
Depreciation and impairment losses as at 3 October 2010	5,423	5,000	675	0	11,098
Carrying amount as at 3 October 2010	5,348	3,603	278	455	9,684
Of which finance leases	6	6	2	0	14
Of which recognised interest expenses	73	9	0	0	82

NOTES

11. Equity investments in associates and jointly controlled enterprises

Associates

DKKm	02.10.2011	03.10.2010
Cost as at 4 October 2010	111	164
Foreign currency translation adjustments	0	2
Addition	2	0
Disposal	0	-55
Cost as at 2 October 2011	113	111
Value adjustments as at 4 October 2010	129	276
Foreign currency translation adjustments	2	0
Share of results	175	245
Distribution during the year	-149	-109
Addition	0	0
Disposal	0	-282
Other adjustments	-1	-1
Value adjustments as at 2 October 2011	156	129
Carrying amount as at 2 October 2011	269	240
Key figures for associates (combined):		
Total assets	1,866	1,633
Total liabilities	1,287	1,105
Total net assets	579	528
Share of net assets	269	240
Total revenue	5,093	5,117
Total net profit for the year	436	323
Share of net profit for the year	175	245

Jointly controlled enterprises

Danish Crown A/S owns 50pc of the shares and holds 50pc of the votes in Saturn Nordic Holding AB, which is domiciled in Sweden and the parent of Sokołów S.A. Saturn Nordic

Holding AB's financial year runs from 1 January to 31 December. For use in the pro rata consolidation of Danish Crown's pro rata share of the net profit or loss, assets,

liabilities and cash flows, financial statements are prepared according to the Danish Crown group's accounting policies for periods corresponding to the Danish Crown group's accounting periods.

Key figures for Danish Crown's 50pc share:

DKKm	2010/11	2009/10
Revenue	2,220	2,026
Costs	-2,137	-1,941
Net profit	83	85
Non-current assets	714	742
Current assets	414	443
Total assets	1,128	1,185
Equity	745	743
Non-current liabilities	182	66
Current liabilities	201	376
Total equity and liabilities	1,128	1,185
Cash flows from operating activities	101	119
Cash flows from investing activities	-81	-51
Cash flows from financing activities	-11	-3

NOTES

12. Other securities and equity investments

DKKm	02.10.2011	03.10.2010
Listed bonds	266	263
Listed shares	19	32
Unlisted shares	30	34
	315	329
Securities are recognised in the balance sheet as follows:		
Non-current assets	49	66
Current assets	266	263
	315	329

13. Biological assets

DKKm	02.10.2011	03.10.2010
Non-current assets		
Cost as at 4 October 2010	60	111
Foreign currency translation adjustments	0	6
Addition	56	34
Disposal	-45	-91
Cost as at 2 October 2011	71	60
Depreciation and impairment losses as at 4 October 2010	11	64
Foreign currency translation adjustments	0	4
Depreciation for the year	8	11
Depreciation of and impairment losses on disposal for the year	-12	-68
Value adjustments as at 2 October 2011	7	11
Carrying amount as at 2 October 2011	64	49
No. of sows and boars as at 2 October 2011	35,067	32,090
Current assets		
Pigs for slaughter	153	128
Crops	3	3
Land holdings	2	2
Carrying amount as at 2 October 2011	158	133
No. of pigs for slaughter as at 2 October 2011	268,526	251,441
Kg produced ('000) during the year	43,452	43,327

14. Inventories

DKKm	02.10.2011	03.10.2010
Raw materials and consumables	667	490
Work in progress	665	529
Finished goods and goods for resale	2,377	2,274
	3,709	3,293
Of which carrying amount of inventories recognised at net realisable value	572	1,023
Cost of sales	40,057	33,833
Net write-down for the year of inventories recognised as income or expenses in the income statement	-124	192

NOTES

15. Trade receivables

DKKm	02.10.2011	03.10.2010
Trade receivables (gross)	6,186	5,329
Write-down for bad debts as at 4 October 2010	-94	-93
Foreign currency translation adjustments	2	-4
Ascertained losses for the year	13	19
Reversed provisions	13	23
Provisions for bad debts for the year	-37	-39
Write-down for bad debts as at 2 October 2011	-103	-94
Trade receivables (net)	6,083	5,235

Receivables are written down directly if the value, based on an individual assessment of the individual debtors' solvency, is reduced, for example as a result of suspension of payments, bankruptcy and the like. Write-downs are made at the calculated net realisable value. The carrying amount of receivables written down to the net realisable value based on an individual assessment comes to DKK 83 million (3 October 2010: DKK 100 million).

DKKm	02.10.2011	03.10.2010
Trade receivables (gross) can be specified as follows:		
Not due	5,167	4,414
Due within 30 days	850	736
Due between 30 and 90 days	79	83
Due after 90 days	90	96
	6,186	5,329
Receivables due, but not written down, comprise:		
Due within 30 days	799	701
Due between 30 and 90 days	66	74
Due after 90 days	27	26
	892	801

During the financial year, no interest income in respect of receivables written down has been recognised as income (2009/10: DKK 0 million).

16. Reinsurance shares of claims outstanding provisions

DKKm	02.10.2011	03.10.2010
Reinsurance shares as at 4 October 2010	0	102
Reimbursed claims concerning previous years	0	-102
Change in expected income concerning previous years	0	0
Reinsurance shares of claims outstanding provisions as at 2 October 2011	0	0

NOTES

17. Pension plans

The group has concluded pension agreements with many of its employees.

The pension agreements comprise defined-contribution plans and defined-benefit plans.

Under the defined-contribution plans, which are mainly used by the Danish companies, the group makes regular,

defined contributions to independent pension providers. The group is not obliged to make additional contributions.

Under the defined-benefit plans, which are mainly used by the group's UK companies, the company is obliged to pay a defined benefit at retirement, depending on, e.g., the employee's seniority. The company thus incurs a risk in relation to the future development in interest rates,

inflation, mortality etc. as regards the amount to be paid to the employee.

The obligation concerning defined-benefit plans is calculated annually by means of an actuarial specification based on assumptions about future developments in interest rates, inflation and average life expectancy, among other things.

Defined-benefit plans

DKKm	2010/11	2009/10
Pension costs for the year	1	2
Pension costs in respect of previous financial years	0	0
Interest expenses	46	48
Expected return on the assets underlying the pension plans	-43	-41
Actuarial gains and losses	0	0
Recognised in the income statement under staff costs	4	9
Actuarial gains and losses	-26	24
Recognised in other comprehensive income	-26	24
The pension obligation recognised in the balance sheet can be specified as follows:		
Present value of hedged pension obligation	803	873
Present value of unhedged pension obligation	58	60
	861	933
Fair value of the assets underlying the pension plans	-736	-743
Net obligation recognised in the balance sheet	125	190
The UK pension obligations have been calculated on the basis of the following actuarial assumptions:		
	%	%
Average discount rate	5.40	4.50
Expected return on the assets underlying the pension plans	5.40	5.75
Expected pay increases	0.00	0.00
Future pension increases	1.60	2.75
The Danish pension obligations have been calculated on the basis of the following actuarial assumptions:		
	%	%
Average discount rate	2.60	2.95
Future pension increases	2.00	2.00

The latest actuarial statement of the UK pension obligations was prepared by Buck Consultants Ltd. and Scottish Widows Plc. on 2 October 2011.

DKKm	2010/11	2009/10
Changes in pension obligations for the year can be specified as follows:		
Present value of pension obligations as at 4 October 2010	933	819
Foreign currency translation adjustments	0	45
Pension costs for the year	1	2
Pension costs in respect of previous financial years	0	0
Interest expenses	46	48
Contributions from pension plan participants	0	0
Actuarial gains and losses	-75	61
Pension benefits paid	-44	-42
Present value of pension obligations as at 2 October 2011	861	933
Changes in the assets underlying the pension plans for the year can be specified as follows:		
Fair value of the assets underlying the pension plans as at 4 October 2010	743	657
Foreign currency translation adjustments	0	38
Expected return on the assets underlying the pension plans	43	41
Actuarial gains and losses	-49	37
Employer contributions	37	6
Contributions from pension plan participants	0	0
Pension benefits paid	-38	-36
Fair value of the assets underlying the pension plans as at 2 October 2011	736	743
Accumulated actuarial gains and losses included in other comprehensive income	-117	-143

NOTES

DKKm	02.10.2011	03.10.2010
The assets underlying the pension plans measured at fair value comprise:		
Shares	407	439
Bonds	292	271
Real property	4	2
Other	33	31
	736	743

None of the assets underlying the pension plans are related to the consolidated enterprises in the form of, e.g., treasury shares, rental properties or loans.

The expected return on the different categories of assets underlying the pension plans has been fixed in accordance with the relevant published indices. The expected return on the assets as a whole has been calculated as a weighted average of these individual return requirements relative to the expected composition of the assets underlying the pension plans.

Return on pension assets:		
Actual return on the assets underlying the pension plans	-6	78
Expected return on the assets underlying the pension plans	-43	-41
Actuarial gains on the assets underlying the pension plans	-49	37

DKKm	02.10.2011	03.10.2010
Over the years, the composition of the pension obligations and pension assets has been as follows:		
Present value of the pension obligations as at the balance sheet date	861	933
Fair value of the assets underlying the pension plans as at the balance sheet date	-736	-743
Underfunded pension plans	125	190
Adjustments of the pension obligations based on experience	1	0
Adjustments of the assets underlying the pension plans based on experience	37	33

The group expects to contribute a total of DKK 33 million to the plans during the coming financial year.

NOTES

18. Deferred tax

DKKm	02.10.2011	03.10.2010
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	588	568
Deferred tax liabilities	-433	-432
	155	136

DKKm							2010/11
	Deferred tax as at 4 October 2010	Foreign currency translation adjustment	Changes in respect of previous years	Recognised in net profit for the year	Recognised in other comprehensive income	Change in tax rate	Deferred tax as at 2 October 2011
Intangible assets	262	0	1	-10	0	0	253
Property, plant and equipment	-249	0	22	-2	0	30	-199
Financial assets	0	0	0	1	0	0	1
Current assets	29	-1	4	19	0	0	51
Non-current liabilities	7	0	25	-7	-7	-3	15
Current liabilities	42	0	-47	-13	6	2	-10
Tax losses to be carried forward	141	0	14	22	0	-1	176
Retaxation balance in respect of losses in foreign subsidiaries under Danish joint taxation	-6	0	0	0	0	0	-6
	226	-1	19	10	-1	28	281
Adjustment concerning utilisation of tax asset not previously recognised	-2	0	21	-20	0	0	-1
Impairment of tax assets and reversal of previous impairment of tax assets	-88	0	-24	-13	0	0	-125
	136	-1	16	-23	-1	28	155

DKKm							2009/10
	Deferred tax as at 5 October 2009	Foreign currency translation adjustment	Changes in respect of previous years	Recognised in net profit for the year	Recognised in other comprehensive income	Change in tax rate	Deferred tax as at 3 October 2010
Intangible assets	266	0	0	-4	0	0	262
Property, plant and equipment	-212	-26	-5	-18	0	12	-249
Financial assets	-1	0	0	1	0	0	0
Current assets	27	1	-4	5	0	0	29
Non-current liabilities	1	0	0	2	5	-1	7
Current liabilities	30	1	16	-5	0	0	42
Tax losses to be carried forward	149	2	-3	-7	0	0	141
Retaxation balance in respect of losses in foreign subsidiaries under Danish joint taxation	-6	0	0	0	0	0	-6
	254	-22	4	-26	5	11	226
Adjustment concerning utilisation of tax asset not previously recognised	0	0	0	-2	0	0	-2
Impairment of tax assets and reversal of previous impairment of tax assets	-118	0	0	30	0	0	-88
	136	-22	4	2	5	11	136

Deferred tax assets and deferred tax are set off in the balance sheet when a legal right of set-off exists, and the deferred tax asset and deferred tax concern the same legal tax unit/consolidation.

DKKm	02.10.2011	03.10.2010
Tax losses to be carried forward	125	88
Tax value of non-recognised deferred tax assets	125	88
The expiry dates of tax losses to be carried forward can be specified as follows:		
No expiry date	609	493
2011	42	43
2012	0	0
2013	0	0
After 2016	31	0
	682	536

The tax value of tax losses amounting to DKK 125 million (2009/10: DKK 88 million) has not been recognised as it has not been deemed sufficiently probable that the losses will be utilised within a foreseeable future.

NOTES

19. Other provisions

DKKm	Insurance provisions	Restructuring costs	Other provisions	Total
Provisions as at 4 October 2010	170	14	114	298
Foreign currency translation adjustments	0	0	-1	-1
Used during the year	-31	-8	-33	-72
Reversal of unutilised provision	-9	-1	-15	-25
Discounting (reduction of term to maturity)	5	0	0	5
Provisions for the year	11	7	6	24
Provisions as at 2 October 2011	146	12	71	229
Provisions as at 5 October 2009	182	27	80	289
Foreign currency translation adjustments	0	0	2	2
Used during the year	-35	-20	-4	-59
Reversal of unutilised provision	-21	0	-2	-23
Discounting (reduction of term to maturity)	23	0	0	23
Provisions for the year	21	7	38	66
Provisions as at 3 October 2010	170	14	114	298

Provisions are recognised in the balance sheet as follows:

DKKm	02.10.2011	03.10.2010
Non-current liabilities		
Insurance provisions	114	138
Other provisions	67	91
	181	229
Current liabilities		
Insurance provisions	32	32
Other provisions	16	37
	48	69
	229	298

Other provisions amount to DKK 71 million (3 October 2010: DKK 114 million) and comprise provisions for severance payments for dismissed employees, tax cases in foreign subsidiaries, complaints and specific market risks. The provisions have been made based on the latest information available. The group believes that the risk in the individual areas has been fully provided for and that it will not require additional provisions.

NOTES

20. Credit institutions

DKKm	02.10.2011			
	Due within one year	Due between one and five years	Due after five years	Total
Loans can be specified by maturity as follows:				
Subordinate loans	0	1,053	0	1,053
Mortgage debt	27	396	3,875	4,298
Other credit institutions	0	2,611	315	2,926
Bank debt	1,572	3,313	0	4,885
Finance lease commitments	6	10	0	16
	1,605	7,383	4,190	13,178

DKKm	03.10.2010			
	Due within one year	Due between one and five years	Due after five years	Total
Loans can be specified by maturity as follows:				
Subordinate loans	0	997	0	997
Mortgage debt	156	162	3,948	4,266
Other credit institutions	746	1,460	250	2,456
Bank debt	1,841	2,928	0	4,769
Finance lease commitments	5	7	0	12
	2,748	5,554	4,198	12,500

The parent has arranged subordinate loans totalling DKK 1,000 million, excluding borrowing costs, which fall due in 2012 and 2014. The loans were arranged as fixed-rate loans, with DKK 550 million at a rate of 6.125pc falling due in 2012 and DKK 450 million at a rate of 6.375pc falling due in 2014, respectively. The company is entitled to extend the loans until 2015 and 2017, respectively.

The subordinate loans rank after other creditors.

NOTES

Mortgage debt

DKKm	02.10.2011	03.10.2010
Mortgage debt can be specified as follows:		
Fixed-rate loans, interest rate >3%	1,317	1,270
Floating-rate loans, interest rate <3%	2,785	2,704
Floating-rate loans, interest rate >3%	196	292
	4,298	4,266

At the balance sheet date, fixed-rate mortgage loans amounting to DKK 2,265 million (3 October 2010: DKK 2,252 million) have been converted from fixed to floating rate by using financial instruments. The financial instruments and the underlying liabilities have been recognised in the balance sheet at the balance sheet date and in the income statement under financial income and expenses.

DKKm	02.10.2011				
	Maturity	Fixed or floating rate	Amortised cost	Nominal value	Fair value
Mortgage debt distributed by currency:					
DKK	2023	Fixed	1,250	1,352	1,369
DKK	2038	Floating	90	91	87
DKK	2040	Floating	430	430	430
DKK	2041	Floating	2,266	2,194	2,266
DKK	2041	Fixed	57	58	59
SEK	2014	Fixed	3	3	3
PLN	2013	Floating	16	16	16
PLN	2014	Floating	76	76	76
PLN	2016	Floating	101	101	101
EUR	2013	Fixed	7	7	7
EUR	2013	Floating	2	2	2
			4,298	4,330	4,416

DKKm	03.10.2010				
	Maturity	Fixed or floating rate	Amortised cost	Nominal value	Fair value
Mortgage debt distributed by currency:					
DKK	2023	Fixed	1,256	1,250	1,390
DKK	2018	Floating	2,250	2,380	2,255
DKK	2038	Floating	544	569	540
SEK	2014	Fixed	4	4	4
PLN	2010	Floating	34	34	34
PLN	2011	Floating	107	107	107
PLN	2012	Floating	57	57	57
EUR	2011	Floating	1	1	1
EUR	2013	Fixed	10	11	10
EUR	2013	Floating	3	3	3
			4,266	4,416	4,401

The fair value of fixed-rate mortgage debt has been calculated at the present value of future instalment and interest payments by using the current interest rate curve derived from current market rates.

NOTES

Other credit institutions and bank debt

DKKm	02.10.2011	03.10.2010
Other credit institutions and bank debt can be specified as follows:		
Fixed-rate loans, interest rate <3%	63	116
Fixed-rate loans, interest rate >3%	422	777
Floating-rate loans, interest rate <3%	7,046	5,927
Floating-rate loans, interest rate >3%	280	405
	7,811	7,225

DKKm	02.10.2011		
	Amortised cost	Nominal value	Fair value
Other credit institutions and bank debt distributed by currency:			
DKK	1,969	1,962	1,981
EUR	2,606	2,606	2,606
GBP	1,899	1,899	1,899
USD	731	731	731
JPY	204	204	204
SEK	111	111	111
PLN	73	73	73
AUD	145	145	145
Other	73	72	73
	7,811	7,803	7,823

DKKm	03.10.2010		
	Amortised cost	Nominal value	Fair value
Other credit institutions and bank debt distributed by currency:			
DKK	1,820	1,806	1,822
EUR	1,734	1,733	1,734
GBP	2,464	2,464	2,464
USD	590	590	590
JPY	136	136	136
SEK	161	158	158
PLN	90	90	90
AUD	181	181	181
Other	49	49	49
	7,225	7,207	7,224

The fair value of fixed-rate debt to other credit institutions and bank debt has been calculated at the present value of future instalment and interest payments by using the current interest rate curve derived from current market rates.

Lease commitments

DKKm	2010/11		2009/10	
	Minimum lease payments	Carrying amount	Minimum lease payments	Carrying amount
Finance lease commitments	15	16	14	12
Amortisation premiums for future expensing	0		-2	
	15		12	

NOTES

21. Operating lease commitments

DKKm	02.10.2011	03.10.2010
Total future minimum lease payments in respect of non-cancellable leases comprise:		
Within one year of the balance sheet date	93	85
Between one and five years of the balance sheet date	163	112
After five years of the balance sheet date	53	46
	309	243
Minimum lease payments recognised in net profit for the year	121	93

22. Contingent liabilities

DKKm	02.10.2011	03.10.2010
Other guarantees	41	70
Contractual obligations in respect of property, plant and equipment	25	43
Guarantee commitments to the EU directorate	22	18
Repayment commitments	20	20
Other	0	1

The group is involved in some court cases and disputes. The management is of the opinion that the outcome of these will not have any significant impact on the group's financial position.

23. Security

DKKm	02.10.2011	03.10.2010
The following assets have been provided as security for mortgage debt and other long-term debt:		
Land, buildings and plant etc.	4,533	4,657
Carrying amount of the above-mentioned assets	4,241	4,720

24. Rights and liabilities of the members

The rights of the members of Leverandørselskabet Danish Crown AmbA are stipulated in the company's Articles of Association. Via 24 constituencies, the individual members elect representatives to the company's highest authority, the Board of Representatives. Among the members of the Board of Representatives, members are elected to the company's Board of Directors in four constituencies. It is the Board of Representatives which, in due consideration of the company's Articles of Association, approves the Board of Directors' recommendation for the annual sup-

plementary payments out of the net profit for the year. In accordance with the Articles of Association, the individual member accumulates a balance on personal members' accounts which corresponds to the company's contributed capital. Disbursements from members' accounts are made in accordance with the relevant provisions of the Articles of Association and are adopted annually by the Board of Representatives in connection with the approval of the annual report and the adoption of appropriation. In accordance with the Articles of Association, disbursements from

personal members' accounts can only be made if deemed proper with regard to the company's creditors.

The members are personally, jointly and severally liable for the liabilities of the parent.

Liability for each member is calculated on the basis of the supplies from the members and cannot exceed DKK 25,000.

DKKm	02.10.2011	03.10.2010
No. of members as at 3 October 2010	9,847	10,685
Net reduction	-270	-838
No. of members as at 2 October 2011	9,577	9,847
Total liability	239	246
Proposed supplementary payments for the members	1,394	1,316

25. Specifications to the cash flow statement

DKKm	2010/11	2009/10
Change in net working capital:		
Change in inventories	-441	184
Change in receivables	-715	-514
Change in other provisions	-45	21
Change in trade payables and other payables	462	2
	-739	-307
Cash and cash equivalents		
Cash and bank deposits, cf. balance sheet	286	310
	286	310

NOTES

26. Acquisitions

During the financial year, the group has acquired the following businesses:

Name	Primary activity	Acquisition date	Acquired ownership interest in %	Acquired voting share in %
2010/11				
Danish Crown Fleisch GmbH	Slaughtering of pigs and sale of pork	17.01.2011	100	100
Danish Crown Logistik GmbH (no assets and liabilities)	Distribution	17.01.2011	100	100
2009/10				
Nietfeld Feinkost GmbH, Germany	Production and sale of processed products	01.01.2010	100	100
Waikiwi Casings Limited, New Zealand	Production	01.02.2010	100	100

DKKm	Danish Crown Fleisch GmbH	Total for 2010/11	Total for 2009/10
Non-current assets:			
Software	1	1	1
Acquired trademarks etc.	9	9	0
Land and buildings	214	214	92
Plant and machinery	254	254	71
Other plant, fixtures and fittings, tools and equipment	14	14	5
Investments	0	0	10
Current assets:			
Inventories	0	0	24
Trade receivables	0	0	61
Other receivables	0	0	3
Cash	0	0	27
Non-current liabilities:			
Deferred tax assets	0	0	0
Current liabilities:			
Credit institutions	-8	-8	-15
Trade payables and other payables	0	0	-37
Other payables	0	0	-114
Acquired net assets	484	484	128
Goodwill	0	0	264
Minority interests	0	0	-2
Total consideration	484	484	390
Acquired cash, cf. above	0	0	-27
Deferred conditional consideration	0	0	-1
Cash payment	484	484	362

The purpose of all acquisitions in 2010/11 and 2009/10 has been to strengthen the group's primary business area, and the acquired businesses will become an integral part of the group's other activities within the same business area with a view to obtaining synergies. In connection with the acquisitions, assets, liabilities and contingent liabilities have been measured at fair value, and any positive balance has been transferred to goodwill, which, like other goodwill, is tested annually for impairment. No goodwill was realised in connection with the acquisition made in 2010/11. As described in note 9, it has not been necessary to impair the capitalised goodwill amounts. In 2009/10, there was a total addition of DKK 264 million.

The acquired businesses have previously used the calendar year as their financial year, but there is not enough information available on the revenue and net profit or loss of the acquired businesses for the period 4 October 2010 and 5 October 2009, respectively, and until the group's acquisition of the businesses to determine the revenue and results of the group as if all acquisitions had been completed as at 4 October 2010 and 5 October 2009, respectively.

During 2009/10, the group has completed the allocation of the price for the acquisition of 50pc of Casing Associates LLC, USA. In this connection, the group has determined a liability in respect of issued put options on the minorities'

ownership interests. The liability has been determined as the discounted value of future expected payments, and the amount has been deducted from the minorities' share of equity. Apart from this deduction, no additional minority shares exist in respect of Casing Associates LLC.

NOTES

27. Financial risk and financial instruments

DKKm	02.10.2011	03.10.2010
Categories of financial instruments in accordance with IAS 39		
Derivative financial instruments included in the trading portfolio	7	181
Other securities and equity investments	315	329
Financial assets measured at fair value via the net profit for the year	322	510
Derivative financial instruments concluded in order to hedge the fair value of recognised assets and liabilities	27	79
Derivative financial instruments concluded in order to hedge future cash flows	1	2
Financial assets used as hedging instruments	28	81
Trade receivables	6,083	5,235
Receivables from contract work	370	298
Receivables from associates	5	8
Other receivables	427	579
Cash	286	310
Loans and receivables	7,171	6,430
Derivative financial instruments included in the trading portfolio	45	3
Financial liabilities measured at fair value via the net profit for the year	45	3
Derivative financial instruments concluded in order to hedge recognised assets and liabilities	28	2
Derivative financial instruments concluded in order to hedge future cash flows	31	53
Financial liabilities used as hedging instruments	59	55
Subordinate loans	1,053	997
Mortgage debt	4,298	4,266
Other credit institutions	2,926	2,456
Bank debt	4,885	4,769
Finance lease commitments	16	12
Trade payables	2,377	1,930
Payables to associates	26	41
Other payables	1,873	1,896
Financial liabilities measured at amortised cost	17,454	16,367

Financial risk management

Due to its operations, investments and financing, the Danish Crown group is exposed to market risks in the form of changes in exchange rates and interest rate levels as well as to credit risks and liquidity risks. Danish Crown A/S manages the financial risks of the group centrally and coordinates the group's liquidity management and funding. The group adheres to a financial policy approved by the Board of Directors, according to which the group pursues a low risk profile meaning that currency, interest rate and credit risks only arise based on commercial conditions. It is group policy not to engage in active speculation in financial risks.

The group's use of derivative financial instruments is regulated through a written policy adopted by the Board of Directors as well as internal business procedures laying down thresholds for payment and which derivative financial instruments to be used.

Currency risks

The currency risks of the group are primarily hedged by matching in- and outgoing payments in the same currency. The difference between in- and outgoing payments in the same currency constitutes a currency risk, which is normally hedged with forward exchange transactions or spot trading.

The currency policy of the group is to hedge the group's net exposure on an ongoing basis.

Interest rate risks

It is group policy to hedge interest rate risks on the group's loans when it is assessed that the interest payments can be hedged satisfactorily compared to the related costs. Such hedging is normally performed upon the conclusion of interest rate swaps or the raising of fixed-rate mortgage debt, where floating-rate loans are converted into fixed-rate loans.

Liquidity risks

In connection with the raising of loans etc., it is group policy to ensure the largest possible flexibility through a spreading of the loans in relation to maturity, renegotiation dates and contracting parties, taking into account pricing etc.

The group aims to have enough cash resources to be able to make the necessary arrangements in case of unforeseen fluctuations in the cash outflow.

Credit risks

The primary credit risk of the group concerns trade receivables. A credit check is carried out for each individual customer, and based on an overall assessment of the customer's credit rating and geographical location, a choice is made between credit insurance, letter of credit, prepayment and open credit.

To the extent that a debtor or a geographical area does not qualify for open account sales, the group will seek to hedge the sale through credit insurance. Credit insurance is taken out with international credit insurance companies, where the expected outstanding balance for each customer is hedged. The group's risk is then reduced to a deductible, which typically constitutes 10pc of the outstanding receivables. The credit insurance company takes over the ongoing credit checks of the hedged commitments.

The maximum credit risk attaching to trade receivables is thus significantly lower than the carrying amount.

As a rule, agreements on derivative financial instruments with a nominal value exceeding DKK 100 million are concluded with recognised credit institutions with an A-level Standard & Poors credit rating as a minimum.

NOTES

Currency risks in respect of recognised assets and liabilities

As part of the hedging of recognised and non-recognised transactions, the group uses hedging instruments in the form of currency overdraft facilities, forward exchange contracts and currency options. The hedging of recognised

assets and liabilities primarily comprises cash and cash equivalents, securities, receivables and financial liabilities.

As at the balance sheet date, the fair value of the group's derivative financial instruments concluded in order to hedge recognised financial assets and liabilities amounted

to DKK -21 million (3 October 2010: DKK 61 million). The fair value of the derivative financial instruments has been recognised under other payables/other receivables and has been set off against the foreign currency translation adjustments of the hedged assets and liabilities in the statement of comprehensive income.

DKKm	Cash and cash equivalents and securities	Receivables	Liabilities	Net position	Of which hedged	Unhedged net position
EUR	50	2,472	-1,380	1,142	-725	417
GBP	19	1,008	295	1,322	-1,333	-11
JPY	0	910	-129	781	-771	10
SEK	0	201	-113	88	-77	11
USD	0	1,898	-664	1,234	-1,236	-2
Other currencies	0	377	-332	45	-23	22
2 October 2011	69	6,866	-2,323	4,612	-4,165	447
EUR	43	1,470	-1,001	512	-509	3
GBP	1	821	-13	809	-813	-4
JPY	0	788	-33	755	-752	3
SEK	1	170	-96	75	-65	10
USD	19	1,223	-1,072	170	-130	40
Other currencies	0	435	-355	80	-81	-1
3 October 2010	64	4,907	-2,570	2,401	-2,350	51

Forward exchange contracts with a term of up to six months concluded in order to hedge recognised assets and liabilities

DKKm	Contractual value	Fair value
Forward exchange contracts with a term of up to six months concluded in order to hedge recognised assets and liabilities comprise:		
Forward exchange contracts EUR	347	0
Forward exchange contracts GBP	322	-3
Forward exchange contracts JPY	391	-9
Forward exchange contracts SEK	81	4
Forward exchange contracts USD	580	-13
Forward exchange contracts, other	81	0
2 October 2011	1,802	-21
Forward exchange contracts EUR	308	0
Forward exchange contracts GBP	351	13
Forward exchange contracts JPY	409	21
Forward exchange contracts SEK	65	-1
Forward exchange contracts USD	394	29
Forward exchange contracts, other	67	-1
3 October 2010	1,594	61

NOTES

Currency risks in respect of future cash flows

The Danish Crown group hedges currency risks in respect of expected future sales of goods with forward exchange contracts, cf. the relevant group policy.

Open forward exchange contracts as at the balance sheet date have a time to maturity of up to six months (EUR/USD up to 12 months) and can be specified as described below where agreements on the sale of currency are stated

with a positive contractual value. The income statement for 2010/11 has not been affected by any inefficiency concerning foreign currency hedging of the sale of goods.

DKKm	Contractual value	Fair value	Fair value adjustment recognised in equity
Forward exchange contracts EUR/USD	-147	-6	-6
Forward exchange contracts GBP	159	-1	-1
Forward exchange contracts JPY	478	-14	-14
Forward exchange contracts SEK	44	0	0
Forward exchange contracts USD	251	-3	-3
Forward exchange contracts, other	37	1	1
2 October 2011	822	-23	-23
Forward exchange contracts EUR	0	0	0
Forward exchange contracts GBP	122	2	2
Forward exchange contracts JPY	1,046	-46	-46
Forward exchange contracts SEK	0	0	0
Forward exchange contracts USD	26	1	1
Forward exchange contracts, other	3	0	0
3 October 2010	1,197	-43	-43

Derivative financial instruments not fulfilling the conditions for hedging

The Danish Crown group has concluded a number of foreign currency hedging agreements which do not fulfil

the criteria for hedge accounting and which are therefore treated as trading portfolios, recognising fair value adjustments continuously in the income statement. The open foreign currency hedging agreements in the form of

forward exchange contracts have a time to maturity of up to six months and can be specified as described below where agreements on the sale of currency are stated with a positive contractual value:

DKKm	Contractual value	Fair value
Forward exchange contracts EUR	378	0
Forward exchange contracts GBP	1,012	-10
Forward exchange contracts JPY	393	-5
Forward exchange contracts SEK	-4	0
Forward exchange contracts USD	659	-20
Forward exchange contracts, other	-61	-2
2 October 2011	2,377	-37
Forward exchange contracts EUR	232	0
Forward exchange contracts GBP	460	19
Forward exchange contracts JPY	389	118
Forward exchange contracts SEK	0	0
Forward exchange contracts USD	445	41
Forward exchange contracts, other	14	0
3 October 2010	1,540	178

Currency sensitivity analysis

The group's most important currency exposure with regard to sales concerns GBP, JPY, PLN, SEK and USD. The table below shows the effect it would have had on equity if the

exchange rate of the most important currencies as regards investments had been 10pc lower than the exchange rate actually applied. The stated effect includes the effect of concluded foreign currency hedging transactions. If

the exchange rate had been 10pc higher than the actual exchange rate, this would have had an equally positive effect on equity.

DKKm	02.10.2011	03.10.2010
Equity's sensitivity to exchange rate fluctuations		
Effect if USD exchange rate was 10pc lower than actual exchange rate	-20	-29
Effect if GBP exchange rate was 10pc lower than actual exchange rate	-108	-101
Effect if SEK exchange rate was 10pc lower than actual exchange rate	-45	-50
Effect if PLN exchange rate was 10pc lower than actual exchange rate	-49	-50
	-222	-230

NOTES

Incorporated derivative financial instruments

The group has performed a systematic review of contracts which may contain conditions which make the contract or parts of it a derivative financial instrument. The review did not give rise to any recognition of derivative financial instruments.

Interest rate risks

The Danish Crown group has, to a wide extent, interest-bearing financial assets and liabilities and is as such exposed to interest rate risks. As regards the group's financial assets and liabilities, the following contractual interest adjustment or expiry dates can be stated, whichever

date is earlier, and depending on how large a share of the interest-bearing assets and liabilities carries a fixed interest rate. Floating-rate loans are considered as having interest adjustment dates within one year.

DKKm	Interest adjustment or expiry date				
	Within one year	Between one and five years	After five years	Total	Of which fixed-rate
Bonds	-1	0	-265	-266	-263
Bank deposits	-240	0	0	-240	-10
Subordinate loans	0	1,053	0	1,053	997
Mortgage debt	3,040	1,258	0	4,298	1,264
Other credit institutions	2,362	564	0	2,926	786
Bank debt	4,880	5	0	4,885	107
Finance lease commitments	15	1	0	16	1
Interest rate swaps, fixed interest rate	-181	131	50	0	50
2 October 2011	9,875	3,012	-215	12,672	2,932
Bonds	0	0	-263	-263	-263
Bank deposits	-262	0	0	-262	-10
Subordinate loans	0	997	0	997	997
Mortgage debt	2,853	1,413	0	4,266	1,264
Other credit institutions	2,399	57	0	2,456	786
Bank debt	4,759	10	0	4,769	107
Finance lease commitments	11	1	0	12	1
Interest rate swaps, fixed interest rate	-173	123	50	0	173
3 October 2010	9,587	2,601	-213	11,975	3,055

The fair value of the interest rate swaps outstanding at the balance sheet date which have been concluded in order to hedge interest rate risks on floating-rate loans amounts to DKK -8 million (3 October 2010: DKK -9 million).

For fair value hedging of fixed-rate loans, interest rate swaps with a nominal value of DKK 712 million and due to expire in 2015 (3 October 2010: DKK 712 million and due to expire in 2015) have been concluded. The fair value of such interest rate swaps totals DKK 20 million (3 October 2010: DKK 15 million).

The group's bank deposits are placed in current accounts or fixed-term deposit accounts.

Interest rate fluctuations affect both the group's bond portfolios, bank deposits, bank debt and mortgage debt. An increase in interest rate levels of one percentage point per year relative to the interest rate level at the balance sheet date would have had a negative effect of DKK 9 million (3 October 2010: DKK 3 million) on the group's equity in the form of a capital loss on the group's bond portfolio. A corresponding decrease in interest rate levels would have had an equally positive effect on equity.

As regards the group's floating-rate bank deposits, mortgage debt and other bank deposits, an increase of one percentage point per year relative to the interest rate level at the balance sheet date would have resulted in an increase in the company's interest expenses of DKK 103 million (2009/10: DKK 94 million). A corresponding decrease in interest rate levels would have resulted in a similar reduction in the company's interest expenses.

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Liquidity risks

The maturities of financial liabilities are specified below, distributed by the time intervals applied in the group's

cash management. The specified amounts represent the amounts falling due for payment, including interest etc.

DKKm	Within one year	Between one and five years	After five years	Total
Non-derivative financial liabilities:				
Subordinate loans	65	1,309	0	1,374
Mortgage debt	198	1,065	6,607	7,870
Other credit institutions	77	2,818	321	3,216
Bank debt	1,576	3,350	0	4,926
Finance lease commitments	6	10	0	16
Trade payables	2,377	0	0	2,377
Other payables	1,873	0	0	1,873
	6,172	8,552	6,928	21,652
Derivative financial instruments				
Derivative financial instruments included in the trading portfolio	45	0	0	45
Derivative financial instruments concluded in order to hedge the fair value of recognised assets and liabilities	28	0	0	28
Derivative financial instruments concluded in order to hedge future cash flows	31	0	0	31
2 October 2011	6,276	8,552	6,928	21,756

DKKm	Within one year	Between one and five years	After five years	Total
Non-derivative financial liabilities:				
Subordinate loans	62	1,117	0	1,179
Mortgage debt	282	525	4,937	5,744
Other credit institutions	788	1,619	261	2,668
Bank debt	1,845	2,959	0	4,804
Finance lease commitments	5	7	0	12
Trade payables	1,930	0	0	1,930
Other payables	1,896	0	0	1,896
	6,808	6,227	5,198	18,233
Derivative financial instruments				
Derivative financial instruments included in the trading portfolio	3	0	0	3
Derivative financial instruments concluded in order to hedge the fair value of recognised assets and liabilities	2	0	0	2
Derivative financial instruments concluded in order to hedge future cash flows	53	0	0	53
3 October 2010	6,866	6,227	5,198	18,291

The group's cash resources comprise cash and unutilised credit facilities

DKKm	02.10.2011	03.10.2010
Cash resources comprise:		
Cash	286	310
Unutilised credit facilities	6,112	6,557
	6,398	6,867

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Credit risks

Credit risks are described in note 15, to which reference is made.

Optimisation of capital structure

The company's management assesses on an ongoing basis whether the group's capital structure matches the company's and the members' interests. The overall objective is to ensure a capital structure which supports long-term financial growth and, at the same time, maximises the

return for the group's stakeholders by optimising the equity/debt ratio. The group's overall strategy is consistent with that of last year.

The group's capital structure includes debt, which comprise financial liabilities in the form of convertible debt certificates, mortgage debt, bank debt, finance lease commitments, cash and equity, including contributed capital, other reserves, retained earnings and a subordinate loan.

Financial gearing

In the long term, the group aims to have a financial gearing in the order of 3.5 calculated as the relationship between net interest-bearing debt and EBITDA. The financial gearing as at the balance sheet date is 3.9 (3 October 2010: 3.9), cf. below.

DKKm	02.10.2011	03.10.2010
The financial gearing as at the balance sheet date can be calculated as follows:		
Subordinate loans	1,053	997
Mortgage debt	4,298	4,266
Other credit institutions	2,926	2,456
Bank debt	4,885	4,769
Finance lease commitments	16	12
Cash	-552	-573
Net interest-bearing debt	12,626	11,927
Operating profit (EBIT)	2,029	1,857
Depreciation, amortisation, impairment losses and write-downs	1,217	1,216
EBITDA	3,246	3,073
Financial gearing	3.9	3.9

Non-performance of loan agreements

The group has neither during the financial year nor during the year of comparison neglected or failed to fulfil any of its loan agreements.

Methods and conditions for the calculation of fair values

Listed bonds

The portfolio of listed government bonds and listed mortgage credit bonds is valued at quoted prices and price quotes.

Listed shares

The portfolio of listed shares is valued at quoted prices and price quotes.

Unlisted shares

Unlisted shares are valued on the basis of market multiples for a group of comparative listed companies less an estimated factor for trade in an unlisted market. If this is not possible, unlisted shares are valued at amortised cost.

Derivative financial instruments

Forward exchange contracts and interest rate swaps are valued on the basis of generally accepted valuation methods based on relevant observable swap curves and exchange rates.

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Fair value hierarchy for financial instruments measured at fair value in the balance sheet

The table below shows the classification of financial instruments measured at fair value, distributed according to the fair value hierarchy:

- Quoted prices in an active market for the same type of instrument (level 1).
- Quoted prices in an active market for similar assets or liabilities or other valuation methods according to

which all important inputs are based on observable market data (level 2).

- Valuation methods according to which important inputs are not based on observable market data (level 3).

DKKm	02.10.2011			
	Level 1	Level 2	Level 3	Total
Derivative financial instruments included in the trading portfolio	0	7	0	7
Listed mortgage credit bonds	266	0	0	266
Listed shares	19	0	0	19
Unlisted shares	0	0	30	30
Financial assets measured at fair value via the net profit for the year	285	7	30	322
Financial assets used as hedging instruments	0	28	0	28
Derivative financial instruments included in the trading portfolio	0	45	0	45
Financial liabilities measured at fair value via the net profit for the year	0	45	0	45
Financial liabilities used as hedging instruments	0	59	0	59

DKKm	03.10.2010			
	Level 1	Level 2	Level 3	Total
Derivative financial instruments included in the trading portfolio	0	181	0	181
Listed mortgage credit bonds	263	0	0	263
Listed shares	32	0	0	32
Unlisted shares	0	0	34	34
Financial assets measured at fair value via the net profit for the year	295	181	34	510
Financial assets used as hedging instruments	0	81	0	81
Derivative financial instruments included in the trading portfolio	0	3	0	3
Financial liabilities measured at fair value via the net profit for the year	0	3	0	3
Financial liabilities used as hedging instruments	0	55	0	55

No material transfers have been carried out between level 1 and level 2 during the financial year.

Financial instruments measured at fair value in the balance sheet on the basis of valuation methods according to which important inputs are not based on observable market data (level 3):

DKKm		
Carrying amount as at 4 October 2010		27
Translation adjustment		1
Gain/loss included in net profit for the year		0
Purchase		9
Sale		-3
Carrying amount as at 2 October 2011	30	34
Gain/loss included in net profit for the year for assets held as at 2 October 2011	0	0

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28. Related parties

Leverandørselskabet Danish Crown AmbA has no related parties with a controlling influence.

The company's related parties with a significant influence include members of the Board of Directors and the Executive Board as well as members of their families. Related

parties also include enterprises in which such persons have significant interests.

Furthermore, related parties include associates, cf. the group structure, in which the company has a significant influence.

Transactions with related parties

During the financial year, the company has engaged in the following transactions with related parties:

DKK m	2010/11			
	Associates	Board of Directors of the parent	Executive Board of the parent	Total
Sale of goods	31	0	0	31
Purchase of goods	17	84	0	101
Sale of services	10	0	0	10
Purchase of services	142	0	0	142
Salaries and other remuneration	0	5	24	29
Interest income (net)	3	0	0	3
Trade receivables	5	0	0	5
Trade payables	26	2	0	28
Distribution of dividend	149	0	0	149
Contributed capital	0	8	0	8

DKK m	2009/10			
	Associates	Board of Directors of the parent	Executive Board of the parent	Total
Sale of goods	39	0	0	39
Purchase of goods	18	75	0	93
Sale of services	3	0	0	3
Purchase of services	129	0	0	129
Salaries and other remuneration	0	4	39	43
Interest income (net)	3	0	0	3
Trade receivables	8	0	0	8
Trade payables	41	2	0	43
Distribution of dividend	109	0	0	109
Contributed capital	0	7	0	7

Transactions have been conducted at arm's length.

No security or guarantees for balances have been furnished as at the balance sheet date. Both receivables and trade

payables will be settled in the form of cash payment. No bad debts in respect of related parties have been realised, and no write-downs for bad debts have been made.

29. Events occurring after the balance sheet date

No material events have occurred after the balance sheet date, apart from the events described in the management's review and the financial review.

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30. Accounting policies

The 2010/11 consolidated financial statements of Leverandørselskabet Danish Crown AmbA are presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the financial statements of class C enterprises, cf. the Danish Executive Order on IFRS issued in accordance with the Danish Financial Statements Act. Leverandørselskabet Danish Crown AmbA is a cooperative society domiciled in Denmark.

The consolidated financial statements are presented in Danish kroner (DKK), which is the presentation currency for the group's activities.

The consolidated financial statements are presented on the basis of historical cost, except for derivative financial instruments and financial assets classified at fair value in the income statement which are measured at fair value.

The accounting policies have not been changed compared to last year due to new and changed standards.

Standards and interpretations which have not yet come into effect

At the time of release of the 2010/11 consolidated financial statements of Leverandørselskabet Danish Crown AmbA, there are a number of new or changed standards and interpretations which have not yet come into effect and which therefore have not been incorporated into the consolidated financial statements. The changes which are expected to have the most material impact on the consolidated financial statements are:

- Implementation of IFRS 11 on joint ventures in 2013/14. It will no longer be possible to consolidate certain jointly controlled enterprises on a pro rata basis. Instead, such enterprises will be recognised in one line in the income statement and the balance sheet (the equity method). The change does not affect the net profit or loss for the year, the comprehensive income or equity, but will reduce both revenue and the total assets. Calculated as at 2 October 2011, the reduction in revenue and total assets is expected to total DKK 2.2 billion and 0.8 billion, respectively.

It is the opinion of management that other changes in standards etc. will not have any significant impact on the consolidated financial statements for the coming financial years.

Consolidated financial statements

The consolidated financial statements comprise Leverandørselskabet Danish Crown AmbA (the parent) and the enterprises (subsidiaries) that are controlled by the parent. The parent is regarded as being in control when it directly or indirectly holds more than 50pc of the voting rights or otherwise can exercise or actually exercises a controlling influence.

Enterprises in which the group, directly or indirectly, holds between 20pc and 50pc of the voting rights and exercises a significant, but not controlling influence are regarded as associates.

Enterprises in which the group directly or indirectly has joint control are regarded as jointly controlled enterprises (joint ventures).

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Leverandørselskabet Danish Crown AmbA and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature. All financial statements used for consolidation are presented in accordance with the accounting policies of the group.

On consolidation, intercompany income and expenses, intercompany balances and dividends as well as gains and losses on transactions between the consolidated enterprises are eliminated. The tax effect of these eliminations is taken into account.

The items in the financial statements of the subsidiaries are recognised in full in the consolidated financial statements.

Minority interests

On first recognition, minority interests are either measured at fair value or at their proportionate share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired enterprise. The choice of method is made for each individual transaction. The minority interests are subsequently regulated for their proportionate share of changes in the subsidiary's equity. The comprehensive income is allocated to the minority interests, even if this may cause the minority interest to become negative.

Acquisition of minority interests in a subsidiary and sale of minority interests in a subsidiary which do not entail a lapse of control are treated in the consolidated financial statements as an equity transaction, and the difference between the remuneration and the carrying amount is allocated to the parent's share of equity.

Any liabilities relating to put options allocated to minority shareholders in subsidiaries are recognised as payables at the present value of the amount falling due upon exercise of the option if the group has an obligation to transfer cash and cash equivalents or other assets. The payable is deducted from equity owned by minority interests, and shares of profit or loss are subsequently not transferred to minority interests. On subsequent balance sheet dates, the financial liability is measured again, and any value adjustments are recognised in net financials in the income statement.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the date of acquisition or establishment of such enterprises, respectively. The date of acquisition is the date when control is actually taken of the enterprise. Enterprises divested or wound up are recognised in the consolidated income statement until the date of divestment or winding up of such enterprise, respectively. The date of divestment is the date when control of the enterprise actually passes to a third party.

On acquisition of new enterprises where the group obtains a controlling influence in the acquired enterprise, the purchase method is used according to which the assets, liabilities and contingent liabilities of the newly acquired enterprises are measured at fair value on the date of acquisition. Non-current assets which are acquired with

the intention to sell them are, however, measured at fair value less expected selling costs. Restructuring costs are only recognised in the acquisition balance sheet if they constitute an obligation for the acquired enterprise. Allowance is made for the tax effect of restatements.

The purchase price for an enterprise consists of the fair value of the price paid for the acquired enterprise. If the final determination of the price is conditional upon one or more future events, such events are recognised at their fair values at the date of acquisition. Costs which are directly attributable to the acquisition of the enterprise are recognised directly in the income statement when they are incurred.

Positive differences (goodwill) between the purchase price of the acquired enterprise, the value of minority interests in the acquired enterprise and the fair value of previously acquired investments on the one hand, and the fair value of the acquired assets, liabilities and contingent liabilities on the other are recognised as an asset under intangible assets and tested for impairment at least once a year. If the carrying amount of the asset exceeds its recoverable amount, it is impaired to the lower recoverable amount.

If, on the date of acquisition, there is uncertainty as to the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase price, initial recognition takes place on the basis of preliminarily calculated amounts. The preliminarily calculated amounts can be adjusted or additional assets or liabilities can be recognised until 12 months after the acquisition, provided that new information has come to light regarding matters existing at the date of acquisition which would have affected the calculation of the amounts at the date of acquisition, had such information been known.

Changes in estimates of conditional purchase prices are, as a general rule, recognised directly in the income statement.

In connection with the transition to IFRS, business combinations completed before 30 September 2002 are not restated to the above-mentioned accounting policies. The carrying amount as at 30 September 2002 of goodwill relating to business combinations completed before 30 September 2002 is regarded as the cost of the goodwill.

Gains or losses on the divestment or winding up of subsidiaries and associates

Gains or losses on the divestment or winding up of subsidiaries and associates which entail a lapse of control or significant influence, respectively, are calculated as the difference between the fair value of the sales proceeds or the divestment consideration and the fair value of any remaining equity investments on the one hand, and the carrying amount of the net assets at the date of divestment or winding up, including goodwill, less minority interests (if any) on the other. The gain or loss thus calculated is recognised in the income statement together with the accumulated foreign currency translation adjustments that are recognised in other comprehensive income.

Foreign currency translation

On initial recognition, transactions in currencies other than the functional currency of the individual enterprise are translated at the exchange rates applicable at the

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transaction date. Receivables, payables and other monetary items in foreign currencies which have not been settled at the balance sheet date are translated using the exchange rates applicable at the balance sheet date. Exchange rate differences arising between the transaction date and the payment date and the balance sheet date, respectively, are recognised in the income statement as net financials.

Property, plant and equipment and intangible assets, inventories and other non-monetary assets acquired in foreign currencies and measured on the basis of historical cost are translated using the exchange rates applicable at the transaction date. Non-monetary items which are revalued to fair value are recognised using the exchange rates applicable at the date of revaluation.

When recognising enterprises reporting in a functional currency other than Danish kroner (DKK) in the consolidated financial statements, the income statements are translated using average exchange rates unless these deviate significantly from the actual exchange rates applicable at the transaction dates. In the latter case, the actual exchange rates are used. Balance sheet items are translated using the exchange rates applicable at the balance sheet date. Goodwill is regarded as belonging to the enterprise acquired and is translated using the exchange rates applicable at the balance sheet date.

Exchange rate differences arising from the translation of the balance sheet items of foreign enterprises at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates using the exchange rates applicable at the balance sheet date are recognised directly in other comprehensive income. Similarly, exchange rate differences arising as a result of changes made directly in the equity of the foreign enterprise are also recognised in other comprehensive income.

Translation adjustments of receivables from or payables to subsidiaries which are considered part of the parent's total investment in the subsidiary in question are recognised in other comprehensive income in the consolidated financial statements.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at fair value at the settlement date.

After initial recognition, the derivative financial instruments are measured at fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and meeting the requirements for hedging of the fair value of a recognised asset, a recognised liability or a permanent order are recognised in the income statement together with changes in the value of the hedged item.

Changes in the fair value of derivative financial instruments classified as and meeting the requirements for effective hedging of future transactions are recognised

in other comprehensive income. The ineffective part is promptly recognised in the income statement. When the hedged transactions are completed, the accumulated changes are recognised as part of the cost of the transactions in question.

Derivative financial statements which do not meet the requirements for treatment as hedging instruments are regarded as trading portfolios and measured at fair value with ongoing recognition of fair value adjustments under net financials in the income statement.

True sale and repurchase transactions (repo transactions) involving bonds are recognised as gross figures and measured as loans against security in bonds, unless an agreement on cash settlement has been made with the other party.

Income taxes

Tax for the year, which comprises current tax for the year and changes in deferred tax, is recognised in the income statement with the portion attributable to the net profit or loss for the year and directly in equity or other comprehensive income with the portion attributable to items directly in equity and other comprehensive income, respectively.

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax paid on account.

The tax rates and rules applicable at the balance sheet date are used to compute the current tax for the year.

Deferred tax is recognised according to the balance-sheet liability method on all temporary differences between the carrying amounts and tax bases of assets and liabilities, except for deferred tax on temporary differences arisen either on initial recognition of goodwill or on initial recognition of a transaction which is not a business combination, and where the temporary difference ascertained at the time of initial recognition neither affects the carrying amount nor the taxable income.

Deferred tax is recognised on temporary differences linked to equity investments in subsidiaries and associates, unless the parent is able to control when the deferred tax is realised and it is likely that the deferred tax will not crystallise as current tax within a foreseeable future.

The deferred tax is calculated on the basis of the planned use of the individual asset and settlement of the individual liability, respectively.

Deferred tax assets, including the tax value of tax losses to be carried forward, are recognised in the balance sheet at the value at which the asset is expected to be realised, either through offsetting against deferred tax liabilities or as net tax assets for offsetting against future positive taxable incomes. At each balance sheet date, it is estimated whether it is likely that sufficient taxable income will be generated in future to enable utilisation of the deferred tax asset.

Non-current assets held for sale

Non-current assets and groups of assets held for sale are presented separately as current assets in the balance

sheet. Liabilities directly related to the assets in question are presented as current liabilities in the balance sheet.

Non-current assets held for sale are not depreciated but impaired to the lower of fair value less expected selling costs and carrying amount.

Income statement and statement of comprehensive income

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery has taken place and risk has passed to the buyer. Revenue comprises the invoiced sales plus export refunds and less any commission paid to agents.

Revenue is calculated exclusive of VAT and the like, which is charged on behalf of a third party, and discounts.

Production costs

Production costs comprises costs incurred to earn revenue. In production costs, the trading companies include cost of sales and the manufacturing companies include costs relating to raw materials, including purchases from members, consumables, production staff as well as maintenance, depreciation and amortisation of and impairment losses on the property, plant and equipment and intangible assets used in the production process. The purchase of animals due for slaughter is recognised at the current quoted price for the year and, consequently, does not include any share of supplementary payment, which is treated as dividend.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold and for sales campaigns, including costs for sales and distribution staff, advertising costs as well as depreciation and amortisation of and impairment losses on the property, plant and equipment and intangible assets used in the distribution process.

Administrative expenses

Administrative expenses comprise costs incurred for the management and administration of the group, including costs for the administrative staff and the management as well as office expenses and depreciation and amortisation of and impairment losses on the property, plant and equipment and intangible assets used in the administration of the group.

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a secondary nature viewed in relation to the group's primary activities.

Government grants

Government grants are recognised when there is reasonable certainty that the conditions for receiving a grant have been met, and the grant will be received.

Government grants received to cover costs incurred are recognised proportionately in the income statement over the periods in which the related costs are recognised in the income statement. The grants are offset against the costs incurred.

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Government grants related to an asset are deducted from the cost of the asset.

Net financials

Net financials comprise interest income and expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premiums/deductions concerning mortgage debt etc. as well as surcharges and allowances under the Danish Tax Prepayment Scheme (Acontoskatteordningen).

Interest income and interest expenses are accrued on the basis of the principal amount and the effective rate of interest. The effective rate of interest is the discount rate used to discount the expected future payments which are related to the financial asset or the financial liability in order for the present value of these to correspond to the carrying amount of the asset and the liability, respectively.

Dividend from equity investments is recognised when a definitive right to the dividend has been obtained. This typically takes place when the general meeting approves the distribution of dividend from the enterprise concerned.

Balance sheet

Goodwill

On initial recognition, goodwill is recognised and measured as the difference between the cost of the enterprise acquired, the value of minority interests in the enterprise acquired and the fair value of previously acquired equity investments on the one hand, and the fair value of the assets, liabilities and contingent liabilities acquired on the other as described in the consolidated financial statements section.

On recognition of goodwill, the goodwill amount is distributed onto those of the group's activities that generate independent payments (cash-generating units). The determination of cash-generating units follows the management structure and internal management control and reporting of the group.

Goodwill is not amortised, but is tested for impairment at least once a year as described below.

Other intangible assets

Intellectual property rights acquired in the form of patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the agreement period. If the actual useful life is shorter than the time to maturity and the agreement period, the asset is amortised over the shorter useful life.

Straight-line amortisation is carried out based on the following assessment of the expected useful lives of the assets:

Trademarks with an indeterminable useful life are not amortised but are tested for impairment at least once a year as described below.

Software

5 years

Intellectual property rights acquired are impaired to a lower recoverable amount, if any, as described in the section on impairment below.

Property, plant and equipment

Land and buildings, plant and machinery as well as other plant, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly related to the acquisition and the costs of preparing the asset up until such time as the asset is ready for use. For self-constructed assets, cost comprises costs directly attributable to the construction of the asset, including materials, components, sub-suppliers and wages and salaries. For assets held under finance leases, cost is the lower of the asset's fair value and the present value of future lease payments.

Interest expenses on loans for financing the construction of property, plant and equipment are included in cost if they relate to the construction period. Other loan costs are recognised in the income statement.

If the acquisition or use of the asset requires the group to incur costs for the demolition or re-establishment of the asset, the estimated costs of such measures are recognised as a provision and a part of the cost of the asset concerned, respectively.

The basis of depreciation is the cost of the asset less the residual value. The residual value is the expected amount that could be obtained if the asset was sold today less selling costs if the asset already had the age and was in the condition that the asset is expected to be in at the end of its useful life. The cost of a combined asset is split into smaller parts which are depreciated separately if the useful lives differ.

Straight-line depreciation is carried out based on the following assessment of the expected useful lives of the assets:

Land

Is not depreciated

Buildings

20-40 years

Special installations

10-20 years

Plant and machinery

10 years

Technical plant

5-10 years

Other plant, tools and equipment

3-5 years

Depreciation methods, useful lives and residual values are subject to an annual reassessment.

Property, plant and equipment are impaired to the lower of recoverable amount and carrying amount as described in the section on impairment below.

Impairment of property, plant and equipment and intangible assets

The carrying amounts of property, plant and equipment and intangible assets with determinable useful lives are reviewed at the balance sheet date to determine if there are any indications of impairment. If this is the case, the recoverable amount of the asset is calculated to determine the need for and scope of impairment.

The recoverable amounts of goodwill and trademarks are calculated annually, whether there are any indications of impairment or not.

If the asset does not generate cash independently of other assets, the recoverable amount is calculated for the smallest cash-generating unit in which the asset is included.

The recoverable amount is calculated as the highest value of the fair value of the asset and the cash-generating unit, respectively, less selling costs and the value in use. When the value in use is calculated, estimated future cash flows are discounted to the present value by using a discount rate which reflects partly the current market assessments of the temporal value of money and partly the special risks, which are associated with the asset and the cash-generating unit, respectively, and for which no adjustment has been made in the estimated future cash flows.

If the recoverable amount of the asset and the cash-generating unit is lower than the carrying amount, the carrying amount is impaired to the recoverable amount. For cash-generating units, the impairment is distributed such that goodwill amounts are impaired first and then any remaining impairment need is distributed onto the other assets in the unit as the individual asset is not, however, impaired to a value which is lower than its fair value less expected selling costs.

Impairment is recognised in results. In any subsequent reversals of impairment resulting from changes in the conditions for the calculated recoverable amount, the carrying amount of the asset and the cash-generating unit is raised to the corrected recoverable amount but not to more than the carrying amount which the asset or the cash-generating unit would have had, had there been no impairment. Impairment of goodwill is not reversed.

Equity investments in associates

Equity investments in associates are recognised and measured according to the equity method. This means that equity investments are measured at the proportionate share of the enterprises' equity value, calculated according to the group's accounting policies less or plus proportionate internal gains and losses and plus the carrying amount of goodwill.

The proportionate share of the enterprises' net profit or loss and elimination of unrealised proportionate internal gains and losses and less any impairment of goodwill is recognised in the income statements. The proportionate share of all transactions and events that are recognised in

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other comprehensive income in the associate is recognised in the other comprehensive income of the group.

Equity investments in associates with a negative carrying amount are measured at DKK 0. Receivables and other non-current financial assets which are regarded as being a part of the overall investment in the associate are impaired by any remaining negative equity value. Trade receivables and other receivables are written down only if they are deemed to be irrecoverable.

A provision is recognised solely to hedge the remaining negative equity value if the group has a legal or actual obligation to hedge the liabilities of the enterprise in question.

The purchase method is used for the acquisition of equity investments in associates as described in the above section on the consolidated financial statements.

Equity investments in jointly controlled enterprises

Equity investments in jointly controlled enterprises (joint ventures) are consolidated on a pro rata basis line by line with the group's proportionate share of income, expenses, assets and liabilities as well as cash flows when combined with similar items in the consolidated financial statements. Amounts consolidated on a pro rata basis are disclosed in note 11.

The purchase method is used for the acquisition of equity investments in jointly controlled enterprises as described in the above section on the consolidated financial statements. Goodwill concerning jointly controlled enterprises is treated in accordance with the group's practice for the acquisition of enterprises as described above.

A proportionate elimination is carried out of unrealised internal gains and losses as well as internal receivables and payables.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. The cost of goods for resale, raw materials and consumables comprises the purchase price plus landing costs. The cost of manufactured goods and work in progress comprises costs of raw materials, consumables and direct labour costs as well as fixed and variable production overheads.

Variable production overheads comprise indirect materials and labour and is distributed on the basis of estimates of the goods actually produced. Fixed production overheads comprise costs relating to maintenance and depreciation of the machinery, factory buildings and equipment used in the production process as well as general costs for factory administration and management. Fixed production costs are distributed on the basis of the normal capacity of the technical plant.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute the sale.

Biological assets

Biological assets, which for the Danish Crown group means live animals, are measured at fair value if there is an active

market, less expected selling costs or cost. Animals producing animals for slaughter (sows, boars etc.) are measured at cost less costs relating to the impairment that arises due to the animals' age. As animals producing animals for slaughter are not traded, there is no market price.

Receivables

Receivables comprise trade receivables and other receivables.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, which usually corresponds to the nominal value less write-downs for bad debts.

Reinsurance shares of claims outstanding provisions

Reinsurance shares of claims outstanding provisions are calculated at the present value which, under the concluded reinsurance contracts, can be expected to be received from reinsurance companies. The shares are assessed for impairment on a regular basis and written down to a lower recoverable amount, if relevant.

Prepayments

Prepayments under assets comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other securities and equity investments

Securities recognised under current assets comprise mainly listed bonds and equity investments which are measured at fair value (market price) at the balance sheet date. Changes in the fair value are recognised in the income statement under net financials.

Supplementary payments

Supplementary payments are recognised as a payable at the time of adoption at the meeting of the Board of Representatives.

Pension obligations etc.

Under the defined-contribution plans, the company makes regular, defined contributions to independent pension companies and the like. The contributions are recognised in the income statement in the period in which the employees have performed the work entitling them to the pension contribution. Payments due are recognised in the balance sheet as a liability.

Under the defined-benefit plans, the group is required to pay a defined benefit in connection with the comprised employees retiring, for example a fixed amount or a percentage of their maximum pay.

Under the defined-benefit plans, an actuarial specification is made of the value in use of the future benefits to which the employees have become entitled by way of their previous employment in the group, and which will have to be paid under the plan. The projected unit credit method is used to determine the value in use. The value in use is calculated on the basis of market assumptions of the future development in pay levels, interest rates, inflation, mortality and disability, among other things.

The value in use of the pension obligations less the fair value of any assets related to the plan is recognised in the

balance sheet under pension assets and pension obligations, respectively, depending on whether the net amount constitutes an asset or a liability, cf. below.

In the event of changes in the assumptions concerning the discount rate, inflation, mortality and disability or differences between the expected and realised return on pension assets, actuarial gains or losses will occur. Such gains and losses are recognised in other comprehensive income.

If the pension plan constitutes a net asset, the asset is recognised only if it equals the present value of any repayments from the plan or reductions in future contributions to the plan.

In the event of changes in the benefits that concern the employees' previous employment in the group, a change will occur in the actuarially calculated value in use which is regarded as pension costs for previous financial years. If the comprised employees have already obtained a right to the changed benefit, the change is promptly recognised in the income statement. If not, the change is recognised in the income statement over the period in which the employees obtain a right to the changed benefit.

Provisions

Provisions are recognised when the group has a legal or actual obligation resulting from events in the financial year or previous years, and it is likely that fulfilling the obligation will draw on the group's financial resources.

Provisions are measured as the best estimate of the costs necessary to settle the liabilities at the balance sheet date. Provisions falling due more than one year after the balance sheet date are measured at present value.

For goods sold that are subject to a right of return, provisions are made to cover the profit on those goods which are expected to be returned and any costs relating to the returns. For planned restructurings of the group's activities, provisions are made only for obligations concerning restructurings which were decided at the balance sheet date.

Insurance provisions

Insurance provisions comprise claims outstanding provisions, primarily concerning occupational injuries, and constitute the amount which, at the end of the financial year, is provided to cover subsequent payments for insurance events already occurred as well as direct and indirect costs in connection with the settlement of the claims.

Mortgage debt

Mortgage debt is measured at fair value at the time of arrangement of the loan less any transaction costs. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds from the arrangement of the loan and the amount which must be repaid is recognised in the income statement over the loan period as a financial expense using the effective interest method.

Lease commitments

Lease commitments concerning assets held under finance leases are recognised in the balance sheet as payables

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and measured at the time when the contract is concluded, at the lower of the fair value of the leased asset and the present value of the future lease payments. On initial recognition, the lease commitments are measured at amortised cost. The difference between the present value and the nominal value of the lease payments is recognised as a financial expense in the income statement over the term of the contracts.

Lease payments concerning operating leases are recognised on a straight-line basis in the results over the lease period.

Other financial liabilities

Other financial liabilities comprise subordinate loan, bank debt, trade payables and other payables to public authorities etc.

On initial recognition, other financial liabilities are measured at fair value less any transaction costs. The liabilities are subsequently measured at amortised cost using the effective interest method so that the difference between the proceeds and the nominal value is recognised as a financial expense in the income statement over the loan period.

Deferred income

Deferred income under liabilities comprises income received in respect of subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows concerning operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

The effect on cash flow of acquisition and divestment of enterprises is recognised separately under cash flows from investing activities. In the cash flow statement, cash flows relating to acquired enterprises are recognised as from the date of acquisition, and cash flows relating to divested enterprises are recognised until the date of divestment.

Cash flows from operating activities are presented according to the indirect method and are calculated as the operating profit or loss, adjusted for non-cash operating items, changes in working capital as well as financial income, financial expenses and income taxes paid.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of

enterprises and financial assets as well as the purchase, development, improvement and sale etc. of intangible assets and property, plant and equipment. Furthermore, cash flows from assets held under finance leases are recognised in the form of lease payments made.

Cash flows from financing activities comprise changes to the parent's capital and costs relating thereto as well as the arrangement and repayment of loans, repayment of interest-bearing debt and disbursement of supplementary payments.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less any overdraft facilities that form an integral part of the cash management.

Segment information

The group is not listed on the stock exchange, and no segment information is disclosed according to IFRS.

In note 2, information is provided on revenue in Denmark and internationally and by business sector. However, this does not represent segment information in accordance with IFRS 8.

PARENT – ACCOUNTING POLICIES

Accounting policies for Leverandørselskabet Danish Crown AmbA

The financial statements of the parent (Leverandørselskabet Danish Crown AmbA) are presented in accordance with the provisions of the Danish Financial Statements Act (årsregnskabsloven) concerning the reporting of class C enterprises.

The financial statements have been presented in accordance with the accounting policies applied last year.

The parent generally uses the same accounting policies for recognition and measurement as the group. Those cases where the parent's accounting policies deviate from those of the group are described below.

Description of accounting policies Intercompany company transfers

In connection with intercompany company transfers, the pooling-of-interests method is used, according to which assets and liabilities are transferred at carrying amounts at the beginning of the financial year. The difference between the price paid and the carrying amount of the transferred assets and liabilities is recognised in the equity of the acquiring enterprise.

The comparative figures have been restated to show the enterprises as if they had been combined for the entire period during which they have been under joint control. It has, however, not been practically possible to restate the comparative figures relating to the transition to market price carried out in connection with the transfer of Leverandørselskabet Danish Crown AmbA's activities to Danish Crown A/S. The price which Danish Crown A/S pays for live animals for slaughtering is the market price that reflects full settlement for live animals received for slaughtering at the company's facilities. It has not been possible to determine a market price for the period prior to the current

financial year. The consequent effect for the 2009/10 year of comparison is that both revenue and production costs as well as income from equity investments in subsidiaries are underestimated while net profit/loss for the year and equity are unaffected.

Foreign currency translation adjustment

Foreign currency translation adjustment of receivables from or payables to subsidiaries which are considered part of the parent's total investment in the subsidiary in question are recognised in the income statement under net financials. The translation adjustment is recognised in other comprehensive income in the consolidated financial statements.

Intangible assets

Goodwill/consolidated goodwill is generally amortised over a period of five to ten years, however, it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer period of amortisation is considered to better reflect the benefit from the relevant resources. Goodwill is not amortised in the consolidated financial statements under IFRS.

Property, plant and equipment

For self-constructed assets, cost comprises direct and indirect costs relating to materials, components, sub-suppliers and labour. Under IFRS, indirect costs cannot be recognised in self-constructed assets.

Depreciation is carried out on a straight-line basis over the useful lives of the assets to the expected residual value. According to the provisions in IFRS, the residual value must be reassessed on an annual basis. In the financial statements of the parent, the residual value is determined on the date of entry into service and is generally not subsequently adjusted.

Equity investments in group enterprises and jointly controlled enterprises

Equity investments in group enterprises are measured according to the equity method.

The parent's share of the profits or losses of the enterprises is recognised in the income statement after elimination of unrealised intra-group profits and losses minus or plus amortisation of positive, or negative, consolidated goodwill.

Net revaluation of equity investments in subsidiaries and associates is taken to reserve for net revaluation of equity investments if the carrying amount exceeds cost.

Equity investments in jointly controlled enterprises are recognised and measured in the parent according to the equity method as described under 'Equity investments in associates' in the description of accounting policies for the consolidated financial statements (note 30).

Pension obligations

Annual pension costs are recognised in the income statement based on the actuarial estimates and financial outlook at the beginning of the year. Differences between the expected development in pension assets and commitments and the realised values calculated at the end of the year are known as actuarial gains or losses and are also recognised in the income statement. In the consolidated financial statements under IFRS, actuarial gains and losses are recognised in other comprehensive income.

Cash flow statement

The consolidated financial statements contain a cash flow statement for the group as a whole, and a separate statement for the parent is therefore not included as per the exemption clause in Section 86 of the Danish Financial Statements Act.

INCOME STATEMENT

4 October 2010 - 2 October 2011

DKKm	Note	Parent	
		2010/11	2009/10
Revenue	1	15,067	0
Production costs		-14,602	0
Gross profit		465	0
Administrative expenses	2	-36	-36
Operating profit (EBIT)		429	-36
Income from equity investments in subsidiaries	6	815	988
Income from equity investments in associates	6	115	180
Financial income	3	365	312
Financial expenses	4	-79	-89
Profit before tax		1,645	1,355
Tax on profit for the year	5	-1	-1
Net profit for the year		1,644	1,354

Proposed distribution of profit:

For distribution	
Net profit for the year	1,644
Total amount available for distribution	1,644
to be distributed as follows:	
Transferred to proposed supplementary payments for the year	
Pig producers 1,311,243,772 kg @ DKK 0.95	1,246
Sow producers 65,061,050 kg @ DKK 0.80	52
Cattle producers 74,103,142 kg @ DKK 1.30	96
Total proposed supplementary payment	1,394
Transferred to equity	
Transferred to net revaluation reserve	9
Transferred to other reserves	241
Transferred to equity, total	250
Available for distribution, total	1,644

BALANCE SHEET – ASSETS

2 October 2011

DKKm	Note	Parent 02.10.2011	03.10.2010
Non-current assets			
Financial assets			
Equity investments in subsidiaries		1,990	1,208
Receivables from subsidiaries		3,096	4,196
Equity investments in associates		124	114
Total financial assets	6	5,210	5,518
Total non-current assets		5,210	5,518
Current assets			
Receivables			
Receivables from contract work		370	298
Receivables from subsidiaries		168	0
Other receivables		1	24
Prepayments		0	0
Total receivables		539	322
Cash		482	0
Total current assets		1,021	322
Total assets		6,231	5,840

BALANCE SHEET – EQUITY AND LIABILITIES

2 October 2011

DKKm	Note	Parent	
		02.10.2011	03.10.2010
Equity			
Contributed capital		1,604	1,650
Reserve for net revaluation of equity investments		0	0
Other reserves		1,944	1,724
Proposed supplementary payment for the year		1,394	1,316
Total equity		4,942	4,690
Liabilities			
Non-current liabilities			
Subordinate loans		998	997
Total non-current liabilities	7	998	997
Current liabilities			
Credit institutions		0	153
Trade payables		41	0
Payables to subsidiaries		197	0
Other payables		53	0
Total current liabilities		291	153
Total liabilities		1,289	1,150
Total equity and liabilities		6,231	5,840
Contingent liabilities etc.	8		
Members' liability	9		
Related parties	10		

STATEMENT OF CHANGES IN EQUITY

2 October 2011

DKKm	Contributed capital	Reserve for net revaluation of equity investments	Other reserves	Proposed supplementary payment for the year	Total
Parent					
Equity as at 4 October 2009	1,676	0	1,151	981	3,808
Change due to restructuring	0	0	433	0	433
Adjusted equity as at 4 October 2009	1,676	0	1,584	981	4,241
Payments and disbursements for the year	-26	0	0	-981	-1,007
Translation adjustment, foreign enterprises	0	141	0	0	141
Other adjustments	0	-39	0	0	-39
Net profit for the year	0	0	38	1,316	1,354
Transfer	0	-102	102	0	0
Equity as at 3 October 2010	1,650	0	1,724	1,316	4,690
Payments and disbursements for the year	-46	0	3	-1,316	-1,359
Translation adjustment, foreign enterprises	0	-60	0	0	-60
Other adjustments	0	27	0	0	27
Net profit for the year	0	9	241	1,394	1,644
Transfer	0	24	-24	0	0
Equity as at 2 October 2011	1,604	0	1,944	1,394	4,942

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(DKKm)

	2010/11	2009/10
1 Revenue		
Distribution by market:		
Denmark	15,067	0
International	0	0
	15,067	0
Distribution by sector:		
Pork Division	13,521	0
Beef Division	1,546	0
	15,067	0
2 Staff costs		
Wages and salaries	17	17
Pensions	1	1
Other social security costs	1	1
	19	19
Of which:		
Remuneration for the parent's Board of Directors	0	0
Remuneration for the parent's Board of Representatives	5	0
Remuneration for the parent's Executive Board	0	0
	5	0
Average no. of employees	34	45
3 Financial income		
Subsidiaries	313	222
Other interest	52	90
	365	312
4 Financial expenses		
Subsidiaries	2	0
Other interest	77	89
	79	89
5 Tax on profit for the year		
Calculated tax on profit for the year	2	2
Adjustment concerning previous years	-1	-1
	1	1

	Equity investments in subsidiaries	Receivables from subsidiaries	Equity investments in associates and jointly controlled enterprises	Total financial assets
6 Financial assets				
Cost as at 4 October 2010	3,478	4,196	48	7,722
Foreign currency translation adjustments	0	0	0	0
Addition	0	0	0	0
Disposal	0	-1,100	0	-1,100
Cost as at 2 October 2011	3,478	3,096	48	6,622
Value adjustments as at 4 October 2010	-2,270	0	66	-2,204
Foreign currency translation adjustments	-60	0	0	-60
Share of results	815	0	115	930
Distribution during the year	0	0	-105	-105
Disposal	0	0	0	0
Other adjustments	27	0	0	27
Value adjustments as at 2 October 2011	-1,488	0	76	-1,412
Carrying amount as at 2 October 2011	1,990	3,096	124	5,210

NOTES

(DKKm)

6	Financial assets	Equity investments in subsidiaries	Receivables from subsidiaries	Equity investments in associates and jointly controlled enterprises	Total financial assets
	Cost as at 5 October 2009	3,371	4,196	67	7,634
	Foreign currency translation adjustments	107	0	0	107
	Addition	0	0	0	0
	Disposal	0	0	-19	-19
	Cost as at 3 October 2010	3,478	4,196	48	7,722
	Value adjustments as at 5 October 2009	-3,297	0	253	-3,044
	Foreign currency translation adjustments	34	0	0	34
	Share of results	988	0	180	1,168
	Distribution during the year	0	0	-85	-85
	Disposal	0	0	-282	-282
	Other adjustments	5	0	0	5
	Value adjustments as at 3 October 2010	-2,270	0	66	-2,204
	Carrying amount as at 3 October 2010	1,208	4,196	114	5,518

7	Non-current liabilities				02.10.2011
		Due within one year	Due between one and five years	Due after five years	Total
	The loans can be specified by maturity as follows:				
	Subordinate loans	0	998	0	998
		0	999	0	998

					03.10.2010
		Due within one year	Due between one and five years	Due after five years	Total
	The loans can be specified by maturity as follows:				
	Subordinate loans	0	997	0	997
		0	997	0	997

The parent has arranged subordinate loans totalling DKK 1,000.0 million, excluding borrowing costs, which fall due in 2012 and 2014. The loans were arranged as fixed-rate loans, with DKK 550.0 million at a rate of 6.125pc falling due in 2012 and DKK 450.0 million at a rate of 6.375pc falling due in 2014, respectively. The company is entitled to extend the loans until 2015 and 2017, respectively.

The subordinate loans rank after other creditors.

8	Contingent liabilities etc.	02.10.2011	03.10.2010
	Guarantees to subsidiaries, maximum	15,711	13,596
	Guarantees to subsidiaries, used	9,559	9,043
	Guarantee commitments to the EU directorate	20	7
	Repayment commitments	0	8

9	Members' liability	02.10.2011	03.10.2010
	The members are personally, jointly and severally liable for the liabilities of the parent. The liability of each member is calculated on the basis of the supplies from the members and cannot exceed DKK 25,000.		
	No. of members	9,577	9,847
	Total liability	239	246

- 10 Related parties**
Associates and members of the Board of Directors and the Executive Board of Leverandørselskabet Danish Crown AmbA are regarded as related parties. Since the company is a cooperative, supplies have been received from members, including the Board of Directors.

GROUP STRUCTURE

Company name		Direct ownership interest in %
Leverandørselskabet Danish Crown AmbA	Denmark	
Danish Crown A/S	Denmark	100.0
Tulip Food Company A/S	Denmark	100.0
Tulip Food Company Holding ApS	Denmark	100.0
TFC Fast Food A/S	Denmark	100.0
P.G. Leasing A/S	Denmark	100.0
Tulip Norge AS	Norway	100.0
Tulip Food Company GmbH (Düsseldorf)	Germany	100.0
Best Holding GmbH	Germany	100.0
Tulip Food Service GmbH	Germany	100.0
Tulip Fleischwaren Oldenburg GmbH	Germany	100.0
Tulip Food Company France S.A.	France	100.0
Tulip Food Company AB	Sweden	100.0
Pålsemannen AB	Sweden	100.0
Tulip Food Company Italiana S.r.L.	Italy	100.0
Tulip Food Company Japan Co. Ltd.	Japan	100.0
Majesty Inc.	USA	100.0
Danish Deli Ltd.	UK	100.0
Tulip Food Service Ltd.	UK	100.0
Tulip International (UK) Ltd.	UK	100.0
Tulip Ltd.	UK	100.0
ESS-FOOD Holding A/S	Denmark	100.0
ESS-FOOD A/S	Denmark	100.0
Carnehansen A/S	Denmark	100.0
Dansk Svensk Koedexport s.r.o.	Czech Republic	100.0
ESS-FOOD Holland B.V.	The Netherlands	100.0
ESS-FOOD Hungary Kft	Hungary	100.0
ESS-FOOD Hong Kong Ltd.	Hong Kong	100.0
ESS-FOOD (Shanghai) Trading Co. Ltd.	China	100.0
ESS-FOOD Brazil Servicos de Consultoria Ltda	Brazil	100.0
Friland A/S	Denmark	100.0
Friland udviklingscenter ApS	Denmark	100.0
Udviklingscenter for husdyr på Friland K/S*	Denmark	2.1
Udviklingscenter for husdyr på Friland K/S*	Denmark	47.9
Friland Økologi ApS	Denmark	50.0
Friland Food AB	Sweden	100.0
Friland J. Hansen GmbH	Germany	100.0
Friland Polska Sp. z.o.o.	Poland	100.0

Company name		Direct ownership interest in %
DAT-Schaub A/S	Denmark	91.3
Oriental Sino Limited	Hong Kong	45.0
Yancheng Lianyi Casing Products Co. Ltd.	China	73.3
Jiangsu Chongan Plastic Manufacturing Co Ltd.	China	58.8
Yancheng Xinyu Food Products Ltd.	China	73.3
Yancheng Huawei Food Products Ltd.	China	73.3
DAT-Schaub Holding A/S	Denmark	100.0
DAT-Schaub (PORTO) S.A.	Portugal	100.0
Alandal S.A.	Portugal	100.0
DAT-Schaub USA Inc.	USA	100.0
DS-France S.A.S	France	100.0
Cima S.A.	Spain	100.0
Trissal S.A.	Portugal	50.0
Aktieselskabet DAT-Schaub Danmark	Denmark	100.0
Arne B. Corneliusen AS	Norway	100.0
Oy DAT-Schaub Finland Ab	Finland	100.0
Thomeko Oy	Finland	82.5
Thomeko Eesti OÜ	Estonia	100.0
DAT-Schaub AB	Sweden	100.0
DAT-Schaub (Deutschland) GmbH	Germany	100.0
Gerhard Küpers GmbH	Germany	100.0
DIF Organveredlung Gerhard Küpers GmbH & Co. KG	Germany	100.0
CKW Pharma-Extrakt Beteiligungs- und Verwaltungsgesellschaft GmbH	Germany	50.0
CKW Pharma-Extrakt GmbH & Co KG	Germany	100.0
DAT-Schaub Holdings Inc.	USA	100.0
Taizhou CAI Food Co.	China	37.5
Casing Associates LLC	USA	50.0
American Runner LLC	USA	50.0
DAT-Schaub Casings (Australia) Pty Ltd.	Australia	100.0
DAT-Schaub Polska sp. z o.o.	Poland	100.0
DAT-Schaub (UK) Ltd.	UK	100.0
Waikiwi Casings Ltd.	New Zealand	100.0
DAT-Schaub New Zealand Ltd.	New Zealand	100.0
Danish Crown GmbH**	Germany	100.0
Danish Crown Fleisch GmbH**	Germany	100.0
Danish Crown Logistik GmbH**	Germany	100.0
Oldenburger Convenience GmbH**	Germany	100.0
Danish Crown Sp. z o.o.	Poland	100.0

Company name		Direct ownership interest in %
Other subsidiaries in Danish Crown A/S		
Danish Crown Beef Company A/S	Denmark	100.0
Danish Crown Salg og Service A/S	Denmark	100.0
DC II A/S	Denmark	100.0
<i>Antonius A/S</i>	<i>Denmark</i>	<i>100.0</i>
<i>Steff Food A/S</i>	<i>Denmark</i>	<i>100.0</i>
Danish Crown Insurance A/S	Denmark	100.0
Aktieselskabet DC af 1. oktober 2010	Denmark	100.0
Scan-Hide A.m.b.a.*	Denmark	43.8
<i>Kontrollhudar International AB</i>	<i>Sweden</i>	<i>100.0</i>
Plumrose USA Inc.	USA	100.0
Danish Crown USA Inc.	USA	100.0
Danish Crown U.K. Ltd.	UK	100.0
Danish Crown Holding GmbH**	Germany	100.0
Danish Crown Schlachtzentrum Nordfriesland GmbH**	Germany	100.0
<i>Scan-Hide A.m.b.a.*</i>	<i>Denmark</i>	<i>13.1</i>
Danish Crown S.A.	Switzerland	100.0
Danish Crown/Beef Division S.A.	Switzerland	100.0
DAK AO	Russia	100.0
Danish Crown España S.A.	Spain	100.0
Danish CR Foods 05, S.A.	Spain	100.0
ESS-FOOD S.A.S	France	100.0
<i>Desfis S.A.S</i>	<i>France</i>	<i>100.0</i>
SCI E.F. Immobilier Orléans	France	100.0
<i>SCI RP Bernay</i>	<i>France</i>	<i>85.0</i>
DC Trading Co., Ltd.	Japan	100.0
Danish Crown AmbA, Korean Liaison Office	Korea	100.0
Danish Crown K-Pack AB	Sweden	100.0
KLS Ugglarps AB	Sweden	100.0
<i>Scan-Hide A.m.b.a.*</i>	<i>Denmark</i>	<i>8.1</i>
<i>Team Ugglarp AB</i>	<i>Sweden</i>	<i>51.0</i>
<i>Scan-Hide A.m.b.a.*</i>	<i>Denmark</i>	<i>10.1</i>

Company name		Direct ownership interest in %
Associates		
Daka a.m.b.a.	Denmark	48.2
Agri-Norcold A/S	Denmark	43.0
Danske Slagterier	Denmark	97.1
SPF-Danmark P/S*	Denmark	91.5
SPF-Danmark Komplementarselskab A/S	Denmark	92.4
<i>SPF-Danmark P/S*</i>	<i>Denmark</i>	<i>1.0</i>
A/S Hatting-KS	Denmark	91.9
<i>Hatting-Vet ApS</i>	<i>Denmark</i>	<i>100.0</i>
Svineslagteriernes varemærkeselskab ApS	Denmark	91.9
Saturn Nordic Holding AB	Sweden	50.0
<i>Sokolów S.A.</i>	<i>Poland</i>	<i>100.0</i>
<i>Sokolów-Logistyka Sp. Z o.o.</i>	<i>Poland</i>	<i>100.0</i>
<i>Agro Sokolów Sp. Z o.o.</i>	<i>Poland</i>	<i>100.0</i>
<i>Sokolów-Service Sp. Z o.o.</i>	<i>Poland</i>	<i>100.0</i>

*) Appears several times in the group structure

**) The following enterprises, which are included in the consolidated financial statements, have exercised their right of exemption under Section 264(3) of the German Handelsgesetzbuch (HGB): Danish Crown GmbH, Danish Crown Fleisch GmbH, Danish Crown Logistik GmbH, Oldenburger Convenience GmbH and Danish Crown Schlachtzentrum Nordfriesland GmbH.

Indentation indicates relation to subsidiary

Bold = parents in subgroups

Italics = subsidiaries etc.

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