DANISH CROWN

ANNUAL REPORT AND ACCOUNTS
1999/2000

Danish Crown's corporate values

As an element in the newly prepared group strategy, Danish Crown is going to introduce value-based management such that management will be carried out on the basis of common corporate values throughout the group.

The headlines of the corporate values are:

We lead the way •
We create values •
We take responsibility •
We show trust and respect •

Danish Crown hereby states that the company will make use of the opportunities available to it as one of the world's leading food companies, and that it acknowledges its responsibilities to consumers, members, employees and society alike. In the year ahead the corporate values have to be developed further and translated into practice such that value-based management becomes a firmly embedded management form in Danish Crown with a real and concrete content.

C O N T E N T S

DANISH CROWN

Annual report 1999/2000

Annual and consolidated accounts 1999/2000

PORK PRODUCER COMMITTEE

BEEF PRODUCER COMMITTEE

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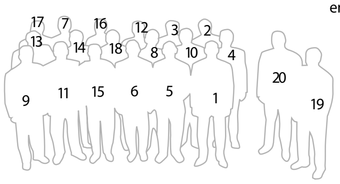
19 **CEO**
Kjeld Johannesen

20 **Vice CEO/ President International**
Carsten S. Jakobsen



Popularly elected organisation

The new Articles provide for the following popularly elected bodies:

- *The Board of Representatives is the supreme authority. It has a total of 288 members, 225 are elected by pig- and sow-supplying members, 25 by cattle-supplying members and 38 by the employees.*
- *The Board of Directors is in charge of the general management of the company. It has 18-19 directors: 12 elected by pig-supplying and 2 by cattle-supplying members, 4 by the employees plus 1 elected by the employees as an observer without voting right. One external director may also be appointed.*
- *The Pork Producer Committee monitors and deals with member issues in the Pork Division. It has 8-11 members.*
- *The Beef Producer Committee monitors and deals with issues relevant to cattle-supplying members and the Beef Division. It has 14-17 members.*
- *The Group Committee has no independent function but the Board appoints members for the Group Committee to look after the company's interests in subsidiaries, trade organisations, local committees, etc.*

Danish Crown sets new objectives

The strategy plan contains objectives which we believe will bring Danish Crown further ahead

Niels Mikkelsen, Chairman of Danish Crown

1999/2000 was a positive year for Danish Crown in many ways. Primarily because the market conditions for our members were considerably more favourable than in the two preceding years. But also because we have set some milestones that reach forward toward new targets and that conclude the process which has created the new Danish Crown on the basis of the merger in 1998/99.

Answers to the strategic challenges

Most importantly, Danish Crown has put the finishing touches to the strategy plan which sets the objectives for the years ahead and which we believe will contribute to bringing Danish Crown further ahead, not only as a big but also as a market-oriented and innovative food company with a global sales platform.

A special element in Danish Crown's strategy is the structural plan in relation to the slaughterhouses that has been tabled in the course of the year, which implies that Danish Crown will take a very big and long-term step forward in the years ahead in order to secure our position among the world's leading companies within this area.

Pig production

In the past year Danish Crown's pig-supplying members have been pleased to see that the international price level has once again gone up to a viable level after a couple of years of recession.

The production was down a few per cent relative to last year, which is not unnatural in view of the crises we have been through. However, we can see that the Danish pork producers have managed the crisis better than their colleagues in most of the countries with which we compete. Although the development in exchange rates has also been favourable to us in the past year, I am particularly pleased to see that Danish Crown's pig-supplying members have received a higher total payment for their product in the past year, too, than their colleagues in most of the countries with which we normally compare ourselves.

Cattle production

The beef production has had a slightly more turbulent year but we are nevertheless pleased that the price drops expected in connection with Agenda 2000 turned into minor price increases instead.

However, the beef was severely affected by a single case of BSE found in Denmark in the middle of the financial year and the measures taken as a result of that. Fortunately, the market effect thereof was momentary, partly because of the very firm way in which the situation was handled.

We create values

This statement is one of the basic corporate value concepts in Danish Crown's new strategy plan which also introduces the concept of "value-based management". We have to create values for our members but also for our customers as well as our employees – and our company contributes to creating social assets.

I should therefore like to thank the many business partners inside and outside the company who have cooperated with us on creating the values which constitute both the basic ideas and the basis for existence of Danish Crown.

Niels Mikkelsen
Chairman

New Articles confirm basic co-operative principles

In 1999/2000 Danish Crown's Board of Directors and Board of Representatives have put a lot of effort into drafting the new Articles of Association which were adopted with 96% of the vote in September.

Danish Crown's new Articles contain new thinking within several areas – yet at the same time they confirm the basic co-operative values as a good and efficient foundation for the company.

Danish Crown's new member's accounts imply a long-term infusion of capital into the Company in a way that is compatible with the company's status as a farmer-owned and farmer-controlled co-operative society.

At the same time the Articles provide a good organisational framework for the innovation and diversity that Danish Crown holds to be so important. The company Friland Food is an example which illustrates that organic and free-range productions are ensured the scope for both innovation and influence in the company.

Danish Crown leads the way

In the financial year 1999/2000 the Danish Crown group has realised a turnover of DKK 36.9 billion with a total group profit of DKK 987m. Satisfactory result in the parent company. The processing companies, too, contribute with substantial positive results. Danish Crown aims to realise profit increases of DKK 0.30-0.60 per kg during the strategy period.

Kjeld Johannesen, CEO

The group turnover was affected in the positive direction by increasing pork prices in the course of the year, and the turnover has thus increased by DKK 373m. However, strategic modifications implemented in relation to ESS-FOOD have entailed an intended limitation of the increase in turnover.
All in all the increasing raw material prices have entailed higher profits within the fresh meat area, whereas the profit on processing has been smaller than that achieved last year.
The residual payment to our pig-supplying members will amount to DKK 0.75/kg, the sow-supplying members will receive DKK 0.35/kg and the cattle-supplying members DKK 0.65/kg.
Moreover, Danish Crown's equity capital has been increased by a total of DKK 261m, of which amount the net sum of DKK 119m constitutes an increase of the personal share capital. The group's nominal solvency rate has thus been increased by 1.2 percentage points.

Parent company
Danish Crown's parent company comprises three fresh meat divisions: the Pork Division, the Beef Division, and the trading division ESS-FOOD.
The Pork Division has suffered a minor drop in volume in the course of the year due to the market conditions for pork, and that has confirmed the reasoning behind last year's modifications of the production structure. However, the development has been exceedingly positive in terms of turnover and profit, and we deem the profit of the Pork Division to be very satisfactory – not least because of the day-to-day quotation which has been highly competitive in an international perspective all through the year.
The Beef Division and its associated companies – including Scan-Hide – have also realised a satisfactory result in the past year, which is particularly noteworthy in view of the turbulence brought about by the case of BSE found in Denmark during the year and the extraordinary amounts paid by the division to the suppliers as an Agenda bonus at the turn of the year.
The ESS-FOOD division has been reorganised after Danish Crown's acquisition of the company, and today it appears as a well trimmed trading company of substantial size although strategic and structural modifications have entailed a significant turnover reduction. This division has made a positive contribution to the group's profit in the past year.

Processing companies
Danish Crown's meat processing activities are contained in the companies Tulip International, Danish Prime, VJS Holdings and Plumrose, USA.
Fluctuations in raw material prices will inevitably affect the profit of the processing sector, and historically that has often led to substantial deficits. The past year's price developments certainly have not been beneficial to the results of Danish Crown's processing sector but it is nevertheless worth noting that all of the processing companies have contributed considerable positive results in the past year, too – in spite of the market conditions. This indicates a greater robustness and manoeuvrability in the group's processing sector.
From the beginning of the year Tulip International has handled the processing activities that were formerly handled by the parent company, and right from the start that company has managed to make its mark in the Danish market, too, as a quality-conscious and brand-oriented company. This also applies to the development in Danish Prime. This company is now also looking forward to reaping the fruits of the substantial investments put into the production capacity.
VJS Holdings in the UK has once again in the past year manifested its position as an important part of the group's British processing activities, and our American subsidiary Plumrose has realised impressive growth and is now an important American company within its product area, and it has a strong brand foundation.

Other subsidiaries
The wholesale and distribution company DBC in the UK is now an independent wholly-owned subsidiary of the Danish Crown group.
DAT-Schaub has achieved an increase in profit which is not least due to a positive development in the subsidiary Emborg Foods. Developments in the financial results of SFK have not been satisfactory but measures have now been initiated to strengthen operations on the basis of a simplified business platform.

Danish Crown's strategy plan

In accordance with the plan made in connection with the Danish Crown – Vestjyske merger in 1998/99, a long-term strategy plan for the Danish Crown group has been prepared in the past financial year. All business units within the group have contributed to this work and have formulated objectives for their commercial development and financial performance.
The overall target at group level is to achieve a profit increase of DKK 0.30-0.60 per kg over the next five years. Moreover, the strategy plan contains an objective to strongly increase Danish Crown's processing sector and thus the added value. Finally, the concept of value-based management is now being introduced in Danish Crown's corporate strategy.
This plan will constitute an important element in securing a strategic management form within all areas of the company in the years to come.

Strategy and everyday operation

Danish Crown is a group with decentralised management but strategic coordination, and it is based on common corporate values. Consequently, the practical everyday operation is embedded in the decentralised organisation. Hence it is through the everyday operation of the individual companies and the individual departments that the group has to achieve its strategic objectives and fulfil its mission as a co-operative food company.
We should therefore like to thank the many employees and business partners who have made their very best effort in their everyday work and thus contributed to achieving a satisfactory consolidated result in Danish Crown in 1999/2000, too.

Kjeld Johannesen, CEO
Carsten Jakobsen, Vice CEO

Carsten S. Jakobsen, Vice CEO/President International

Implementation of the SAP system

In 1999/2000 Danish Crown put a lot of effort into implementing a new administrative system, SAP R/3, which permits the various administrative functions in the departments – and throughout the group – to communicate with each other. SAP R/3 saves a lot of manual work and makes administration easier and better throughout the chain – suppliers – Danish Crown – customers.
Danish Crown has prepared the implementation carefully. For example, the users have been given thorough training, and in that connection the implementation of the system in the Danish Crown group may be deemed to be successful.

Key figures

Group (DKK millions)	1999/00	1998/99
Turnover	36,896.4	36,523.4
Profit on primary operations	1,455.4	1,332.7
Profit for the year	987.1	909.2
Equity capital	1,849.2	1,588.0
Balance sheet total	14,492.9	13,708.7
Employees	19,449	19,818

Parent company (DKK millions)	1999/00	1998/99
Turnover	19,855.6	18,395.0
Profit on primary operations	948.0	718.5
Profit for the year	987.1	909.2
Equity capital	1,849.2	1,588.0
Balance sheet total	9,070.7	9,338.7
Employees	10,121	11,581

The parent company consists of the Pork and Beef Divisions and ESS-FOOD

Radical structural development in the primary production

Kjeld Johannesen, CEO

15% fewer suppliers – average supplies increased by 14%. Price paid was DKK 2 higher per kg than the year before. Danish Crown's weight limits raised by 1 kg since February 2000. New slaughterhouse near Horsens is being planned – some facilities will employ shift working.

Danish Crown's hauliers have generally invested in modern and rational transport equipment that satisfies the need of the suppliers for swift and efficient collection of pigs.

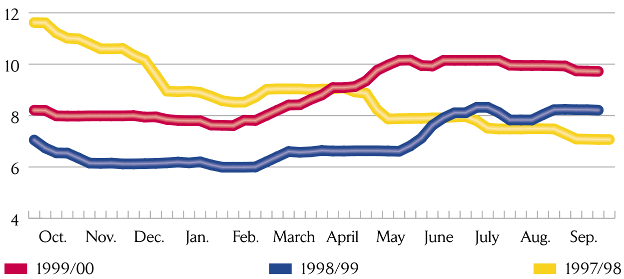
With 15,639,343 units slaughtered in the financial year 1999/2000, our slaughtering of pigs and sows dropped by 3.0% relative to the year before. At the national level the trend was the same. This decline particularly has to be viewed in the light of very low quotations and very difficult financial conditions in the pig production industry in the two preceding years.
Danish Crown's share of the national slaughtering of pigs was 78.1% as compared with 78.5% in 1998/1999, whereas our share of the national slaughtering of sows was 85.0% as compared with 84.7%.

Suppliers
The rapid structural development among the pig producers continued with unreduced speed in the financial year. The number of pig suppliers thus dropped to 12,368, corresponding to a drop of 15% from 1998/1999. The number of sow suppliers has been registered at 6,792. That is a drop of 17%.

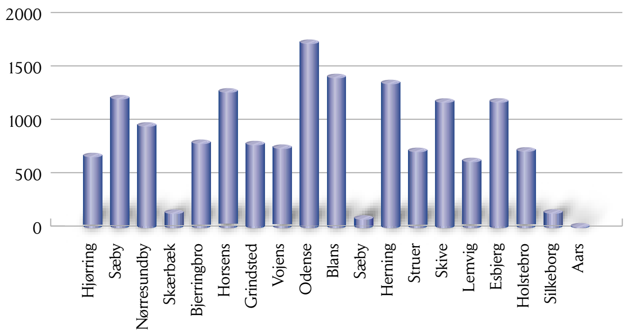
Danish Crown's quotation
Because of the EU requirements imposed in connection with the slaughterhouse merger, Danish Crown has fixed its own quotation since 1 October 1999, based on the sales situation from time to time. The development in the prices quoted in the course of the financial year has been very positive, because the average settlement prices in the first two quarters were DKK 8.00 and 7.97 per kg respectively, whereas average settlement prices of DKK 9.67 and 9.96 per kg respectively were achieved for the two last quarters of the year. As an average for the whole financial year we have calculated a settlement price of DKK 8.88 per kg. This may be compared with an average settlement price of only DKK 6.87 per kg in 1998/99.
Danish Crown maintained the surplus price of DKK 0.40 per kg for special pigs approved for sale in the UK market (65-70% are approved) during the financial year but we have decided to reduce the surplus price to DKK 0.30 per kg as from 1 January 2001. In 2002, too, the producers of special pigs for the UK market will be guaranteed a surplus price of DKK 0.30 per kg.

Grading/carcass weight
The meat percentage and slaughter weight are still the most important grading parameters. The average meat percentage in 1999/2000 was 59.99 as compared with 59.89 the year before. This modest increase is fully compatible with Danish Crown's wishes in that regard, because pigs that are too meaty are not suitable for all purposes. The future meat percentage targets will be coordinated with the pig breeding community in Denmark at regular intervals.
The slaughter weight has increased over the years. This is due to the fact that the pig producers want to produce slightly heavier pigs, and that Danish Crown's sales department has persistently endeavoured to utilise the slightly heavier carcass sections for different

Price paid to farmers per kg – average price per kg



Total received in 1999/00 in thousands of units



sales channels. These endeavours have been so successful that Danish Crown since February of 2000 has operated with weight limits that are one kilo higher than those of other slaughterhouse companies. The average slaughter weight for the financial year was 76.78 kg as compared with 76.36 kg the year before.

Special pigs

In compliance with Danish Crown's differentiation strategy the production of special pigs continued in the past year. The production comprises Gourmet and Porker pigs, Vitalius pigs, Free Range pigs and Organic pigs. All of these special pigs are sold in the Danish domestic market. However, the opportunity to export a minor volume of organic meat to the UK has arisen. The production of EU heavyweight pigs for the German retail market in particular has been increased in the course of the year. A minor volume of male pig slaughtering has been maintained, primarily because some suppliers prefer this type of production. The last category of special pigs involves the special pigs for the UK market. This production is slightly increasing, and at the end of the financial year it was at about 40,000 pigs a week.

Slaughtering capacity

With the decision to build a new large and modern slaughtering facility at Horsens, the years to come will see partly that some facilities are shut down and partly that those facilities which can be future-proofed will be modernised and expanded. The objective is still to have a capacity at our disposal that corresponds to the greatest possible extent to the supplies of pigs and sows.
The new slaughterhouse will be dimensioned for slaughtering in two shifts, and the target in connection with the expansion of the existing facilities is also to have two-shift operation. Today only Danish Crown's largest slaughtering facility, the one at Odense, slaughters in two shifts.
Large sums have been invested in replacing the strenuous and very demanding manual work with robots in the past year. A continuation of this development is planned, and at the new slaughterhouse a substantial part of the strenuous manual work will be mechanised or performed by robots. The Pork Division has made investments for a sum of DKK 243m during the financial year 1999/00.

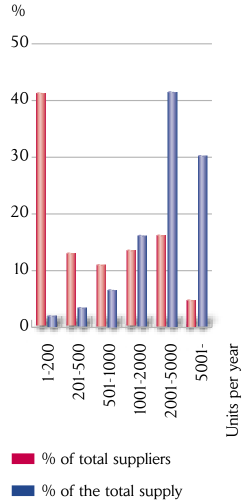
Danish Crown constantly provides training to new employees and upgrading of the professional qualifications of more experienced employees.

CODE OF PRACTICE

"Danish Crown Code Of Practice"

In connection with the strategy plan Danish Crown decided to introduce a "Danish Crown Code of Practice". The Danish pig production sector is not fully rewarded for the measures it takes. If the requirements which must be met in order to obtain Danish Crown's highest quotation are clearly described, compliance with the requirements can more easily be made visible and used actively in marketing activities, and Danish Crown is assured an easier way of managing the special requirements.

Distribution of pig supplies



Reception and slaughtering

	1999/00		1998/99	
	Units	%	Units	%
Eligible for resid. paymt.	15,157,953	96.92	15,585,465	96.65
Sows	330,289	2.11	363,571	2.25
Large boars	18,171	0.12	20,450	0.12
Young pigs	14,091	0.09	17,124	0.11
Pigs returned	14,959	0.10	25,696	0.16
Pigs rejected	103,880	0.66	114,019	0.71
Total	15,639,343	100.00	16,126,325	100.00

Key figures 1999-1996

Pig supplies	1999/00	1998/99	1997/98
Weighed-in co-op pigs (million kg)	1,163.8	1,190.2	1,209.9
Cooperative pigs (1,000 units)	15,158	15,585	15,658
Active suppliers	12,368	14,542	15,787

Sow supplies	1999/00	1998/99	1997/98
Weighed-in (million kg)	55.5	60.5	59.8
Sow slaughtering (1,000 units)	330	364	355
Sow slaughtering (1,000 units)	6,792	8,202	9,009

Employees	1999/00	1998/99	1997/98
Weekly paid. year-end	8,407	8,509	-
Salaried. year-end	806	859	-

Balance between supply and demand

Jens Haven Christiansen, Executive Director

Sales value increased by 25%. Benefit from falling value of the Euro. Frozen inventories at almost perfect level. Danish Crown benefits greatly from customer focus on food safety. Increased sales in the domestic market of centrally packaged meat and convenience products.

Danish Crown has great success with special products e.g. for the Japanese market where thin pork chops form part of some popular fast food and takeaway meals.

In the financial year 1999/2000 a reasonable balance between supply and demand in the world market was finally achieved once again. Indications thereof could be seen even at the beginning of the year, and the subsidisation of private storage of pork had already been withdrawn in September of 1999. The subsidies for certain goods that were exported out of the EU were maintained without change until March of 2000, whereupon they were reduced four times in rapid succession, and as from July of 2000 the last restitutions expired.
Despite the slight decrease in the number of units slaughtered, the volume sold by Danish Crown was a little higher than last year, which is due to the fact that the frozen inventories were reduced significantly in the course of the year, and they were at an almost ideal level at the end of the year. This is partly due to the fact that the export, in addition to a better balance between supply and demand, has benefited from the falling value of the Euro, and thus also of the Danish krone. Since relatively large shares of the company's sales are sold in US dollars, British pounds and Japanese yen, that has contributed to increasing our competitiveness relative to our European competitors who are more home market based. All in all the EU member states have purchased 56% of the volume we have exported.
In the financial year 1999/2000, too, food safety has been very much in focus in many of Danish Crown's markets, including the domestic market. We are very pleased to see that this increases the demand for Danish Crown's goods, because we have done a lot of work within that area for many years. However, this work will never stop, and the new five-year strategy also contains measures in relation to this important area.
The changes within the sales organisation in Denmark as well as in the export markets have been completed, and Danish Crown now has an efficient sales apparatus with broad coverage that is ready to serve our customers all over the world.

Export markets

Germany: The volume sold to the German market showed an increase of 12%, brought about by higher sales to both the retail sector and the industrial sector. All sales activities have now been centralised at one office in Borgstedt under the name of Danish Crown. ESS-FOOD's activities in Germany have thus been terminated but the well known brand will continue to be used.

UK: Sales to the UK market have also increased, first and foremost the sale of fresh pork and to a lesser extent the sale of bacon products. The increase has been helped along by a continuing drop in the local pig production and by a favourable development in the exchange rate. The sale of bacon is now carried out exclusively through Danish Crown's two subsidiaries, DBI and DBC, whereas the sale of fresh pork is carried out through the subsidiary Q.A. Meat and from the sales office in Randers.

France: For the fourth year in a row we suffered a decline in the volumes sold to the French market. The reasons are a higher rate of self-sufficiency and increasing imports from Spain.

Italy: After the record-breaking export last year we have to accept a small decrease this year. However, the Italian market is still the fourth largest export market of the Pork Division, and it is very stable.

Sweden: The volume sold has increased slightly but the rate of increase is lower than it has been for the past many years.

Other EU markets: Handsome progress was achieved in sales to Greece and Finland. Sales to Spain, Portugal, Holland and Belgium, on the other hand, dropped.

Japan: Once again, the export to the Japanese market set a record. Danish Crown has been favoured by an advantageous development in exchange rates. Moreover, due to the foot-and-mouth disease Korea was excluded from the Japanese market as from the spring of 2000. Food safety has gained very great attention in Japan in recent years, and in that respect Danish Crown benefits from a strong confidence in the company's products.

Korea: In 1998/99 Korea imported considerably more pork than needed. This led to stockpiling and price competition which was further exacerbated

by the outbreak of foot-and-mouth disease in March of 2000 when Korea had to suspend its export to Japan and these goods became available to the home market.
The expected drop in the domestic pig production has not occurred so far, and we have to prepare ourselves for an extended period with modest sales to this otherwise very promising market.
Danish Crown has therefore suffered a severe drop in the volume exported, and we have been unable to avoid losses on inventories as well.

total volume for the year dropped by approx. 20%.

Other Eastern European markets: Handsome progress has been achieved in the sales to the Czech Republic, Hungary and Croatia. Sales to the Baltic states are at a stable level.

Other markets: We are pleased to report large increases in our sales to China/Hong Kong, Australia, Singapore and the Philippines, and Danish Crown expects sales to these markets to increase in the year ahead. Sales to Argentina have

Danish Crown has launched some new convenience products that contain portioned meals such that the consumers do not have to do the preliminary work; they just have to prepare the meal.

USA: The volume sold has increased slightly but the value of the goods has gone up a lot due to the rising dollar rate and a strong demand for Danish bone products.

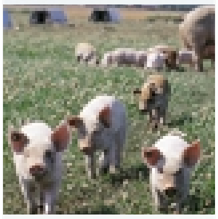
Russia: For the first six months the Russian market benefited from the EU restitution policy but even after the restitutions were withdrawn sales have remained at a high level, and the grand total for the year shows a volume increase of 17% distributed over a very wide product range.

Poland: In the first part of the financial year sales to Poland were slow, and as a result the

dropped relative to last year but on the other hand Mexico has purchased larger volumes.

Domestic market

Fresh meat: In the domestic market we have been pleased to see a satisfactory net addition of customers for both beef and pork.
The market for centrally packaged meat grows continuously, and Danish Crown's market share has gone up in the course of the year.
A greater focus on product development has had the effect that Danish Crown has been able to launch more convenience products in the past year.



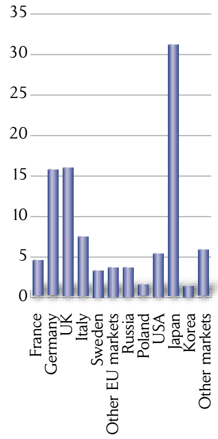
Friland Food.

Friland Food has also achieved a large increase in sales in the past year. The growth has primarily been achieved within the organic area where the export, carried out in collaboration with e.g. Tulip International and Belvoir Foods in the UK market, has developed in a promising direction at the end of the financial year.

Embarking upon e-business

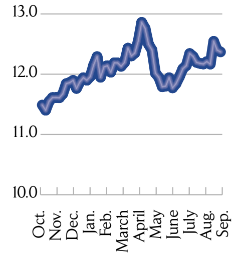
In 1999/2000 Danish Crown has initiated an e-business project which will be started up in practice on an experimental basis with sale to selected customers in Sweden in the new year. If this pilot project is successful, the next phase will be to extend the e-business to Danish customers (retail and catering customers) and German customers (retail and large industrial customers), and to provide more services to the customers such that more information on the products they purchase will be made available to them. Danish Crown is thus not aiming to get into the traditional e-market places but only to carry on business with our existing customer

The pork division's export in 1999/00 – in kroner in %

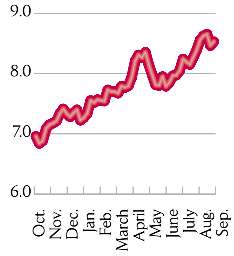


Development in exchange rates

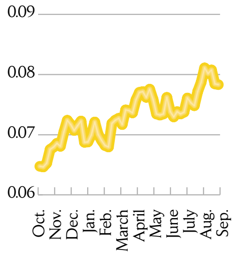
GBP (£)



USD ($)



JPY (¥)



Highly competitive payment

Lorenz Hansen, Managing Director

In 1999/2000 Danish Crown stopped receiving animals through intermediaries. 6-7% higher payment. Increasing Danish consumption of beef and veal. Danish Crown has decided to introduce its own calf concept. The BSE situation entailed losses that have now been overcome.

At the cattle slaughterhouse at Aalborg we have invested in better facilities in the quartering area, thereby eliminating a lot of hard physical work.

The Beef Division achieved a positive development in quotations in 1999/2000 in spite of slightly fewer units being slaughtered, and the year ends with a highly competitive residual payment.

Slaughtering and production

In the course of the financial year some 328,000 head of cattle were slaughtered at the five Danish cattle slaughterhouses, whereas some 102,000 head were slaughtered at the Husum plant in Germany, i.e. a total of 430,000 animals.
The figure for Husum is largely unchanged, whereas in Denmark the number of units dropped by approx. 30,000, which may be ascribed primarily to the cessation of reception of animals through intermediaries and secondarily to the general drop of approx. 3% in the total number of units slaughtered in Denmark. In the last quarter of the financial year our share of the national slaughtering was 59%.

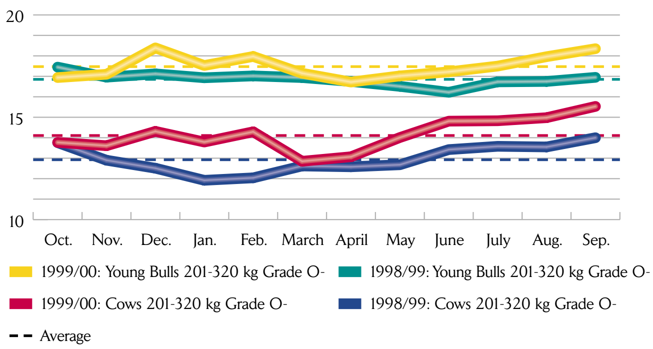
Prices paid to producers

In spite of the case of BSE and the drop in prices experienced in that connection, the average prices paid to the producers for the year as a whole were higher than in 1998/99. The price paid for cows was DKK 0.63 higher, corresponding to a price increase of 6-7%. The higher prices are inclusive of the so-called "Agenda bonus"; in December of 1999 not less than DKK 6.5m was paid on top of the normal price paid to the producers.
Several factors have contributed to the positive development in the prices paid. Particularly the disposal of the EU's large intervention stock but also the rising pork prices and the fact that Russia has been an eager buyer.
In June a modification of the quotation system was introduced such that the gaps between grades and weight groups were reduced.

Sales

On 28 February 2000 one case of BSE (foot-and-mouth disease) was found in a herd in Northern Jutland. The consequence of this find was an almost immediate suspension of the sale of beef, both in the export markets and in Denmark. At the same time requirements were laid down for the recall of products and implementation of different, more stringent slaughtering methods. The firm stand

Price paid to farmers per kg – average price per kg



The Beef Division has advocated full fattening of the dairy cows – experiments show that full fattening is financially viable, and Danish Crown needs larger supplies of the better meat qualities.

on this incident had the effect that the consumers regained their confidence in Danish beef and veal relatively quickly, and for the year as a whole we are pleased to see that the annual consumption per capita has now increased to 24 kg.

Domestic market: Developments in the domestic market, which is the Beef Division's most important market, have generally been satisfactory, and Danish Crown will extend our sales with special products such as organic animals, steers, etc.
The quality labelling scheme introduced by the Danish Minister for Food, Agriculture, and Fisheries has not come up to our expectations but the demand for veal produced in Denmark is still high, and Danish Crown has therefore decided to introduce our own calf concept.

Italy and Spain: These are our two most important export markets. Sales consist of young bull halves and quarters, boned young bulls and beef. The sale is effected through our own sales offices. The office in Spain was established very recently, and the development in sales has been highly satisfactory. The office in Italy has also achieved handsome sales figures.

Other markets: Sales to third countries are still conditional upon relatively large restitutions (export subsidies). The initiation of Agenda 2000 has entailed severe drops in the subsidies in the course of the year. For example, the subsidies for boned beef have completely lapsed. In spite of that Russia has been one of the year's largest buyers in terms of volume. Over the past few year we have delivered major consignments of boned bulls to the Iranian state. This year, too, we have entered into a contract, and the goods will be produced at our Husum plant.

Scan-Hide

The financial year 1999/2000 has once again been a good year for Scan-Hide. In the course of the year the company has received hides partly from the private sector, from daka and, of course, from Danish Crown. A total of about 620,000 hides were processed during the year. The hides are sold to tanneries in 15 different countries all over the world. The main market is Europe where Italy is the largest individual market. In the Far East, Japan has been particularly attractive, especially due to a favourable development in exchange rates. A decision has been made to invest in a wet/blue tannery next year, since we expect that a larger share of the future turnover of hides must have been through that process before being sold.

At the cutting plant at Fårvang a standardisation system has been installed. This permits a very accurate determination of the fat content in diced meat, for example.

Financial result

The BSE situation cost approx. DKK 2.0m in scrapped and returned goods and inventory write-downs. This loss in combination with the Agenda bonus paid meant that the result for the first half of the year was below budget but we managed to make up for that in the second half of the year.

The total financial result of the Beef Division and our subsidiaries, and inclusive of our share of the consolidated financial result, must be deemed to be satisfactory, and it permits us to make a highly competitive residual payment and an acceptable consolidation.

Processing of by-products

In the autumn of 1999 DANEXPORT A/S (which is a part of the company BHJ Gruppen A/S) proposed a collaboration on processing and sale of by-products. After a positive analysis of the project, production facilities have been established at the Holstebro East plant. The production comprises processing of e.g. frontal lobes, muzzles, lips, abomasum muscles, abomasums, membranes and reticula from cattle and calves – products which are today being sold to daka and for animal feed production. The products are to be sold as food for humans in the Far East.

Reception/production

	Slaughtered units	Cut tons
Skive	71,675	3,723
Tønder	76,329	4,955
Holstebro	74,273	2,461
Aalborg	64,927	2,437
Kolding	40,679	1,129
Gimsing	–	16,914
Skjern	–	9,394
Fårvang	–	10,097
Total	327,883	51,110
Share of national slaughtering	58.5%	

Main figures

Cattle supplies*	1999/00	1998/99	1997/98
Weighed-in (million kg)	81.5	87.7	100.5
Cattle slaughtering (1,000 units)	328	359	410
Active suppliers	15,134	17,463	16,930

Employees	1999/00	1998/99	1997/98
Weekly paid, year-end	558	572	–
Salaried, year-end	106	105	–

* Danish supplies exclusively

Environment in focus in new slaughterhouse plans

Willy Mortensen, Technical Manager

Jørgen V. Petersen, Technical Manager

Planning of new DKK 1.5 billion slaughterhouse. Green accounts from all Danish Crown's slaughtering facilities. Automation of the slaughtering process eliminates a number of physically strenuous work processes.

The experiment with a self-governing group at Blans has yielded positive results, and the experience gained there is sought to be spread to other plants.

One of the most epoch-making events in Danish Crown in 1999/2000 has been the decision to start planning a brand new large-scale slaughterhouse in more contemporary surroundings. The slaughterhouse is a part of a comprehensive structural plan that also involves extension of some of the other facilities and discontinuation of slaughtering activities at six or seven other facilities.
The decision on the structural plan in its entirety is based on very comprehensive studies of each individual facility. Environmental matters have also played a very important part in these studies.
A new large slaughterhouse located outside of built-up areas provides Danish Crown with some new opportunities to optimise the environmental conditions – involving the external environment as well as the working environment.
In connection with the planning of the new slaughterhouse the environmental considerations will play a very important role, and the latest know-how and technology within environmentally sound and energy-conserving slaughterhouse operation will be installed in close cooperation with advisers as well as public authorities. The other slaughterhouses, too, cooperating with the supervising authorities, make continuous efforts to minimise the smell and noise. In this way compensation is provided for the location, which is in the case of the majority of the slaughterhouses in town centres where the residential areas have surrounded the slaughterhouses over the year even though the plants were originally placed outside or on the outskirts of the towns.

Green accounts

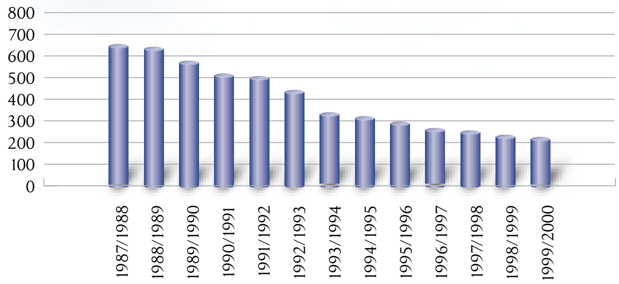
Under the Green Accounts Act slaughterhouses over a certain size must prepare green accounts for each production unit with a detailed description of the environmental performance of the facility in question, including its consumption of the resources necessary for carrying out its production, e.g. pigs/cattle supplied, energy, water and auxiliary substances.
For the past financial year green accounts will be prepared for all of Danish Crown's slaughterhouses for the first time.

Working environment

An important feature of the adopted strategy plan for the period 2000–2005 is its focus on the working environment, and the general objective is to enhance the working environment. The most strenuous work processes should be eliminated through a systematic effort, and an experimental Group Safety Committee has been set up to deal with general working environment issues.
A milestone within the area of working environment in 1999/2000 has been the development and testing of a new organ remover robot in one of our killing lines. This marks yet another step along the road towards a high automation rate in the slaughtering process, which is important because we recognise that the slaughtering process in particu-

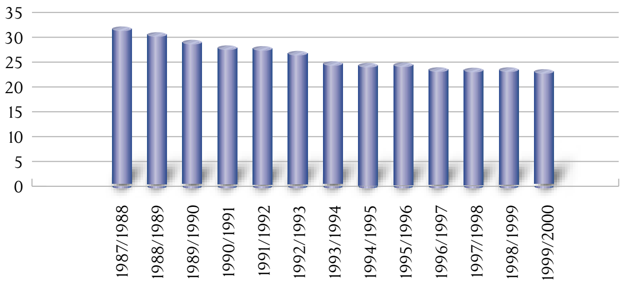
Consumption of water in the period 1987-00, Pork Division

Litres per pig



Purchased energy, Pork Division

kWh per pig



lar consists of a number of physically strenuous work processes.
The robot in question, which has been developed by SFK in cooperation with the Danish Meat Research Institute, removes the insides of the pig without assistance from operators. This involves a total weight of 10-12 kg per pig, and it has traditionally been lifted out of the carcass manually.
As an added bonus we have seen that the hygiene is also enhanced in connection with the mechanical removal of the organs.

The Sæby plant has hosted the development and testing of an organ remover robot that eliminates manual lifts of 10-12 kg per pig.

In the forequarter department at the Blans plant a pilot project has been implemented in cooperation with the Danish Meat Trade School involving a new type of work planning and an organisation with self-governing groups. That is the first time this type of organisation has been tested in the slaughterhouse industry, and one positive result of the project is that the high working speed has been reduced substantially while at the same time the employees have gained greater satisfaction in their everyday working lives.

Energy and water consumption

Danish Crown has systematised the work of recording our energy and water consumption. In the same way that comparable weekly statements are prepared of the efficiency at the slaughterhouses, weekly reports are now also being prepared on the consumption of water and energy. These reports may be used by the individual plants for checking their own consumption and as an inspiration with regard to the extent to which the resource consumption may be reduced.
Energy committees have been set up at each individual plant, and some of their members are those employees who are responsible for the consumption of water and energy. The energy committees are responsible for examining their own plants and for eliminating any excess consumption of energy and water, and they may propose investments aimed at achieving further improvements.
A substantial part of the work of the energy committees is to motivate employees/colleagues to keeping a better "domestic routine" at the plant. This may involve introduction of systems that stop machines which are not in use, that switch off the light where there is no activity, and that eliminate unnecessary water consumption.
All in all this work has had the desired effect. We have saved both energy and water for each pig or head of cattle slaughtered in 1999/2000.
If the consumption per unit had been the same as the year before, our energy costs in the past financial year would have been DKK 7m higher.

EU working environment award

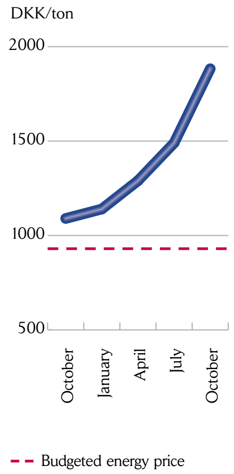
Danish Crown at Horsens has received, jointly with the Aarhus branch of the Danish Meat Industry's Occupational Safety and Health Service and the factory Yale, the distinction of the European Working Environment Agency for the development and commissioning of the "Meat Magnet".
The Meat Magnet works as a vacuum-operated lifting device with suction cups. This new technology means that the slaughterhouse workers in the cutting department no longer have to lift forequarters up on the meat hook. They are thus relieved of daily lifts of a total of close to ten tons.
The Meat Magnet has been in operation at the slaughterhouse at Horsens for three years, and the employees are very happy with this technical aid, because they feel that it relieves them of a lot of strain.

Neighbour relationships

In connection with the new environmental approval of the Holstebro plant Danish Crown has taken the initiative to establish a neighbour group that is informed of the project at regular intervals, and it is also invited to participate in a dialogue regarding the solutions chosen in relation to environmental issues.

Development in energy prices (fuel oil) in 1999/2000

Approx. 60% of Danish Crown's energy purchase is affected by the development in oil prices, and the total energy expenses have therefore risen sharply in 1999/2000 as compared with the budgeted price.



ESS-FOOD – now a division of Danish Crown

Henning Baunø, Division Director

Enhanced operating income after modification of foreign sales subsidiaries. Danish goods account for approx. half of the turnover. The proportion of Danish goods is expected to rise in future. Best year so far for ESS-FOOD USA. Considerably larger profit expected next year.

As an element in the optimisation of the Danish Crown group, the decision was made in the past year to transfer the ESS-FOOD subsidiary in Germany to the parent company, thereby permitting the synergies within the group to be utilised to a greater extent. The subsidiaries DBI and DBC have also been transferred to the parent company and therefore eliminated from the ESS-FOOD accounts. Furthermore the financial department was transferred to the parent company in the course of the financial year, which means that all exchange transactions are handled by that company.

Accounts

The turnover was DKK 4.2 billion, and the profit after tax DKK 6.5m. The profit is influenced in the negative direction by extraordinary costs. The decrease in turnover is primarily due to the transfer of activities to the parent company. With regard to the remaining markets, the turnover has increased in the USA, Japan and Korea. In summary, the financial year 1999/2000 has seen operational progress in spite of some disappointing results in a few markets.

Market areas

ESS-FOOD USA has had its best year ever with a steep market share increase as well as larger sales for export. In conjunction with a high and rising dollar rate in the course of the year this resulted in an extremely satisfactory result. Japan, another one of our main markets, also produced an extremely positive result. France had a slightly less satisfactory year, which was related to an adaptation of the product range.

The future

ESS-FOOD's role as a division of the group will entail larger sales of Danish Crown products supplemented with commodities from Denmark and other countries. France, the USA and Japan will be the primary contributors in the years ahead, and the subsidiaries will be strengthened as independent profit centres. ESS-FOOD will also be a considerable player in the global meat market in the future, and it will continue to be among the largest international meat trading companies.

ESS-FOOD product catalogue

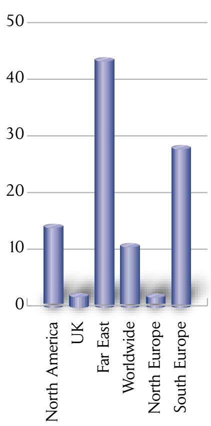
ESS-FOOD's product catalogue has contributed to affirming ESS-FOOD's leading position within meat trading in the world market. The many different pork, beef, lamb and poultry cuts take their point of departure in the standardisation which ESS-FOOD took the initiative in preparing more than 25 years ago and which is used even today by all Danish export slaughterhouses as well as in a large number of countries around the world.

ESS-FOOD exhibition

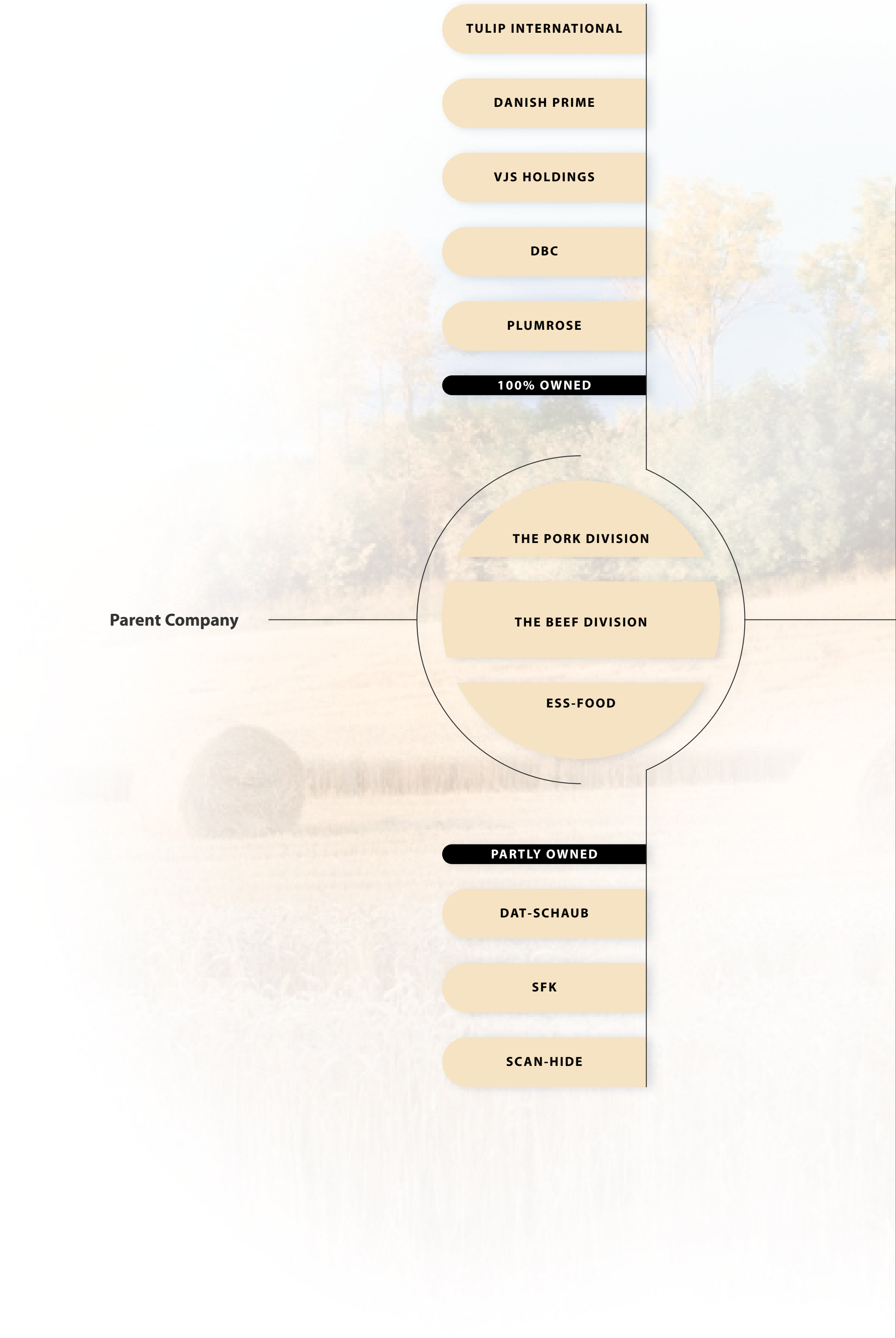
ESS-FOOD often participates in local and international food fairs. Such exhibitions, at which the personal contact between ESS-FOOD and the customers is further developed, is an important part of the marketing activities.

- *Division of Danish Crown AmbA*
- *Business area: International trading in meat and meat products*
- *Departments: Ten sales offices and subsidiaries worldwide*

ESS-FOOD's turnover in 1999/00 distributed on markets in %



Key figures for ESS-FOOD (DKK millions)	1999/00	1998/99	1997/98
Turnover	4,168.0	7,594.7	9,023.4
Profit on primary operations	19.2	45.8	-102.2
Profit for the year	6.5	10.1	35.3
Equity capital	233.3	222.3	222.7
Return on equity, %	2.9	4.5	12.0
Balance sheet total	875.0	1,195.3	1,843.3
Employees	174	1,048	1,143



The Danish Crown group

- *21,958 members*
- *19,449 employees*
- *Turnover DKK 36.9 billion*
- *Denmark's third largest company (by turnover)*
- *Slaughters 78.1% of the pigs in Denmark*
- *Produces 6.9% of all EU pork*
- *Produces 1.5% of the world's pork*
- *The Danish Crown group is the world's largest exporter of pork*
- *Slaughters 58.5% of the cattle in Denmark*
- *Produces 1.0% of all EU beef and veal*
- *Produces 0.1% of the world's beef*
- *Exports 59.6% of Danish agricultural exports*
- *Exports 7.3% of all Danish exports*

Stable development in Tulip International

Sven A. Thomsen, CEO

The year has been characterised by the first positive steps towards emphasising TULIP as the leading brand name within meat products in Denmark, and at the same time the production has been optimised at fewer plants. The profit for the year after tax was DKK 150.7m.

With the new development centre at the Vejle North plant Tulip International has taken the lead with regard to product development within the Danish meat processing industry.

Tulip's PÅlækker series has benefited a lot from the TV commercial with popular Ida Davidsen and Keith Floyd.

The DKK 150.7m profit for the year includes a number of non-recurring items which do not pertain to the actual operation, e.g. costs in connection with shutting down Tulip International's plant at Wellingborough and costs in connection with transferring the production to fewer plants in Denmark. These items come to a total of DKK 39.4m such that the profit on operating activities, exclusive of the nonrecurring items, amounts to DKK 190.1m.

Market situation

The UK is still the most important individual market for Tulip International, accounting for 41% of the turnover.

The bacon market has been characterised by major "Buy British" campaigns. The effect of those campaigns is difficult to assess but it is satisfactory to Tulip International that the sale of brand names within the bacon area, i.e. DANEPAK in England and TULIP in Scotland, has increased by 19% relative to last year.

The sale of luncheon meat to Marks & Spencer has developed in a positive direction, thereby continuing the trend from the preceding years. Running-in of the new Bromborough plant has now been completed, and the expected operational improvements have been realised.

The sale of the products SPAM (minced meat products) and STAGG (chilli con carne), which Tulip produces under licence from Hormel Foods Corporation, USA, has been very satisfactory. The total sale has been increased by 23%. Hormel has therefore decided to entrust Tulip International with the responsibility for producing and selling STAGG in the German market as well.

Germany: The German market is characterised by a severe price competition that gets tougher and tougher every year, partly due to Wal-Mart's appearance in the German market, and partly due to the structure within the processing industry in Germany where a large number of producers collectively have a much too high capacity.

The situation deteriorated severely with the increasing Danish raw material prices in the spring of 2000. Tulip International has implemented price increases several times, whereas the majority of the German producers did not adjust their prices until the autumn of 2000. Tulip International's sales and profits have therefore dropped but Germany is still an important market.

Domestic market: After the integration of the processing activities of Vestjyske Slagterier and Danish Crown into Tulip International, the Danish market has become an important market. Our turnover in Denmark now accounts for approx. 19% of our total turnover.

In 1999/2000 Tulip International has established itself as a category leader within sliced luncheon meat with the PÅlækker series, and the sale of the product range under the label called THE GREEN BUTCHER has also developed favourably.

Sweden: A favourable development has also been experienced in the Swedish market. Especially the Swedish version of THE GREEN BUTCHER has developed very favourably. The sale of other luncheon meat goods has also developed in a positive direction. We expect that this market has great potential for our sales to keep increasing in the years ahead.

Other markets: In 1999/2000 Tulip International has supplied products to a total of 115 countries, and although the raw material prices went up we have managed to retain a reasonable profit overall.

Product development

In November of 2000 a new product development centre will be inaugurated at the Vejle North plant. This centre, which has cost DKK 20m to establish, is an element in our strategy to shift our sales towards the brands in the years ahead. We expect that this investment will make a strong contribution towards ensuring an enhanced position in the strategic markets in the years ahead.

In the past year one of the most successful product launches in the Danish market was the PÅlækker luncheon meat range. In Germany, GOURMETTI was the most important new product launched. Within the bacon range in the UK we have launched a range of organic products which have been well received by the retail trade and the consumers. We have also introduced a range of fresh salted products under the name of "Pork Perfection" which is sold under the DANEPAK brand. Moreover, we have introduced a new range of breaded products. We expect that these products, which contribute to giving us a considerably wider product range than that offered by other producers, will help to ensure that Tulip International obtains a preferential position in relation to the consumers and the retail trade. All in all we are introducing new products, inclusive of new variants of old products, which total a number of between 120 and 150 on a yearly basis.

Production

Within the production area the most important task in the past year has been to integrate the production at fewer plants. A total of six production facilities have been shut down during the past year and the production transferred to other plants. In that connection we have invested a total of DKK 137m in the Vejle North, Brabrand, Viby and Sdr. Borup plants. In addition to that Tulip International has made investments of the order of DKK 107m in the past year, bringing the total investments to DKK 244m.

Expectations of 2000/2001

In the course of 1999/2000 we have prepared a strategy plan for Tulip International which covers the period 2000-2005. The most important elements in the plan are:

- Increasing sales in the strategic markets
- Strengthening the brand name position
- Strengthening product development and sales.

The budget for 2000/2001 as well as the strategy plan foresee an ambitious development within the processing area in the years ahead.

In June of 2000 Tulip International launched a new product, GOURMETTI, which is a poultry product, in the German market. It was received extremely well, and the sales figures have gone up month after month.

Organic bacon

Within the bacon product range in the UK we have launched a range of organic products which have been well received by the retail trade and consumers. We have also introduced a DANEPAK range of fresh salted products under the name of "Pork Perfection". Furthermore we have introduced a new range of breaded products.

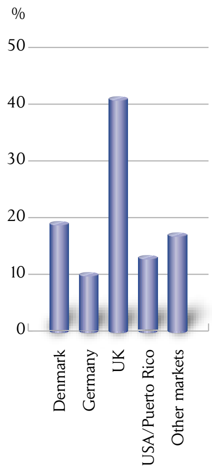
TULIP INTERNATIONAL

- *Type of company: P/S (Partnership limited by shares)*
- *Business area: Manufacturing and sale of processed meat products*
- *Departments: Eight production plants in Denmark, three in the UK, and one in Germany*
- *Danish Crown's ownership share: 100%*

THE GREEN BUTCHER

In 1999/2000 we have launched two new products within the product range called THE GREEN BUTCHER, and the sale of these luncheon meat products develops favourably. That is also the case in Sweden where the Swedish version of THE GREEN BUTCHER has won a solid niche.

Tulip International's turnover in 1999/00 distributed on markets in %



Key figures for Tulip International P/S (DKK 1,000)	1999/00	1998/99	1997/98
Turnover	5.411.2	3.896.2	4.105.4
Profit on primary operations	205.8	196.1	240.2
Profit for the year	150.7	212.6	221.6
Equity capital	621.1	583.7	556.5
Return on equity, %	22.2	31.4	39.4
Balance sheet total	2.542.9	1.947.0	1.800.9
Employees	3.422	2.430	2.362

Great demand for Danish Prime's ready-made dishes

Torben Skou, CEO

The turnover grew by DKK 106m, indicating a continuing increase in the demand for ready-made meals. A boosted marketing effort has brought about a handsome increase in sales. Weekend production at the Aalborg plant for the third year in a row in order to keep up with the demand.

Investment in TV commercials has more than doubled the awareness of the Danish Prime brand, and the sale of fried meatballs has risen significantly.

Danish Prime's skyrocketing turnover, up over DKK 100m in 1999/2000, is based on a sales increase of 3,700 tons. However, Danish Prime's sales have developed differently from market to market. A general feature of all markets has nevertheless been the difficulty of obtaining sufficient compensation for the increasing costs, including the rising raw material prices.

Domestic market: Danish Prime's largest market is the domestic market, which has developed very favourably. This applies to sales to the food-service sectors as well as to the retail trade. The products which have been prepared to the greatest extent have been the most successful in the food-service sector. The customers in the food-service sector have seen the possibilities offered by Danish Prime's products, and the quality enhancements introduced by Danish Prime over the past few years have received a good response. Danish Prime has had greater difficulty selling its high-quality products to the fast food sector, on the other hand, and we are facing tougher competition from discount products supplied by both domestic and foreign companies.
The sale through the retail trade has risen sharply once again.

Germany: The German market has been extremely difficult, and as far as Danish Prime is concerned this has applied in particular to sales to the food-service sector. This market is generally highly competitive, and with the appearance of the American Wal-Mart chain in Europe a regular war has started in the German retail trade, and this situation has spread to the food-service sector. Danish Prime has achieved progress with our newly developed MOU retail product range. Sales to the food-service sector have been largely on a par with the past few years but the profit has gone down considerably.

UK: The UK market has once again produced handsome progress in terms of both sales and profit. The high exchange rate of the British pound has contributed to the nice profit. In the UK market Danish Prime does not approach the retail trade but rather the food-service sector and the industrial sector.

Sweden: The Swedish market shows a rather handsome sales increase but the profit has not gone up relative to the preceding year.

Product development
The product development department has developed new products for all markets. MOU's range of soup products now comprises the classical soups as well as a number of specialities such as elderberry soup and goulash soup. Danish Prime's series of ready-made de luxe meals has been supplemented with a new product: pepper beefburger with whisky sauce.
Four new ready-made dishes have been developed under the MOU brand for the German retail market, and the MOU product range now consists of 13 products in a modern design. A large number of products has furthermore been developed for the food-service markets, and new products are also being produced under the customers' own labels.
However, Danish Prime has been inhibited by a slight scarcity in production capacity, and as a result we have not had the necessary capacity for developing new products. Developments towards a higher quality have continued during the year, and a great effort has been put into enhancing the quality of the existing product range.

Production
The rapid increase in sales in recent years has entailed a heavy strain on our capacity. This has particularly applied to the Aalborg plant where new investments should alleviate that problem. A new plant section for production of toppings and ham products has thus been commissioned, and the very large extension of the frying capacity is expected to be ready for use in January.
The MOU plant at Esbjerg was very severely affected by the storm in December last year. The two cold stores were rendered completely useless, and other parts of the plant were also badly damaged. Thanks to a great effort on the part of MOU's staff, the customers were almost totally unaffected by the production disruptions this entailed.
The MOU plant has developed in a positive direction, and it is now leading the way in several respects. This applies to the work with a new target man-

agement system, for example, that has led to considerably higher motivation within the company, which has in turn led to a very tangible productivity increase, low absence due to illness, and a substantially better working climate than before. The MOU plant has embarked upon an environmental certification project according to the ISO 14001 standard.

Due to the transfer of production activities the Faaborg plant only has a relatively small production volume of highly complex products.

costs of the raw meat, pork and beef, as well as increasing prices of auxiliary substances and packaging costs, the relative profit has been reduced, because it has been impossible to get compensation for these costs fast enough. Moreover, we have had very large costs of repair and maintenance, and the financial result of the company is therefore not quite up to our expectations.

The profit for the year is thus unable to match last year's record-breaking profit but in view of the circumstances it is nevertheless satisfactory. The

Sales in the German market have been boosted with a new MOU range of ready-made dishes with consumer-friendly heating trays divided into three compartments.

The company IWANS Dybfrost, which was acquired on 1 April 1999, has now been totally integrated in the Danish Prime group. IWANS Dybfrost is now also operating according to the ISO 9001 quality system.

Heavy demands imposed by customers and public authorities – and not least by Danish Prime itself – entail heavy costs for quality assurance, for cleaning, and energy costs, and today the consequential costs account for a substantial proportion of the production cost of the product.

Accounts

Danish Prime's increase in turnover of DKK 106m corresponds to 12.5%. However, due to the heavily increasing

profit corresponds to 4% of the turnover, and the return on the average equity is 25%.

Expectations

We expect the turnover to increase and the profit to be largely the same as in the past year. As we gradually begin taking our additional capacity into use, costs will be reduced by discontinuing having weekend shifts and by reducing overtime work.

The deciding factor for next year's financial result is the development in raw meat prices.

New frying department at the Aalborg plant

The new frying department at the Aalborg plant is expected to be ready in the second quarter of 2001. This means a substantial capacity increase for pan-fried products. Operations may then be normalised, i.e. bringing an end to weekend shifts and overtime work.

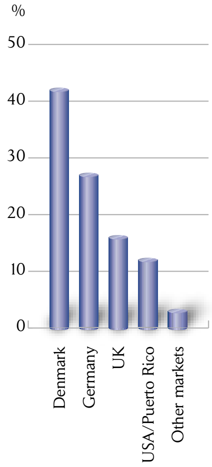
Going for innovation

Danish Prime is currently boosting its product development. The objective is to generate targeted innovation within the strategic product categories. This picture shows "Greek meatballs", the latest addition to one of the largest product groups: fried products.

DANISH PRIME

- *Type of company: K/S (Limited partnership)*
- *Business area: Manufacturing and sale of convenience products*
- *Departments: Four production plants in Denmark, three sales companies in Germany, the UK, and Sweden*
- *Danish Crown's ownership share: 100%*

Danish Prime's turnover in 1999/00 distributed on markets in %



Key figures for Danish Prime K/S (DKK millions)	1999/00	1998/99	1997/98
Turnover	956.2	849.7	812.9
Profit on primary operations	46.8	53.6	40.7
Profit for the year	37.6	53.2	33.0
Equity capital	141.8	121.1	120.8
Return on equity, %	25.1	36.1	27.2
Balance sheet total	577.0	467.9	401.0
Employees	540	531	485

Foundations for continued growth in VJS Holdings

Graham Thomas, Managing Director

Derek Kidd, Commercial Director

VJS Holdings UK Ltd. has completed another profitable successful year, highlighting almost 10% growth in consolidated sales. VJS has laid the foundations in both sales and operations to sustain good profits over the coming years.

Belvoir Foods

Belvoir Foods, Coalville has enjoyed another successful, profitable year and has achieved a 7% point growth in sales, underpinned by 26% growth in its core business, traditional high quality hand crafted hams. Continued innovation and product development have extended added value with organic cooked meat ranges. These are joined by the newly branded "Gold Range" in late 2000. Continued competitiveness in combination with the high quality of our products and our determined sales effort will secure the company's success for the five year strategy plan.

Kings Lynn

VJS FOODS, Kings Lynn has achieved a spectacular growth of 45% in chilled MAP sales tonnage, contributed to by the closure of Tulip's Wellingborough plant in June, because some productions were transferred from that plant to Kings Lynn. Growth has been supported by a GBP 4m plus investment in production facilities. Aggressive growth in component sales is a foundation of continued prosperity for the business.

Continual retail price pressures and upward price pressure on raw meats have slowed down profitability at VJS FOODS during the last year.

Expectations

Despite the negative pressures on the business, profitability is improving and our optimistic outlook for 2000/2001 is based upon the confidence arising from experience – strength in depth throughout the business together with the "will to win". Once more the focus for operations will be sales support, customer service and improving our competitiveness. Management focus, organisational development and training initiatives will also be at the heart of our business agenda for the coming year.

Accounts

In the previous years VJS's turnover also included the activities of Foodane UK. These accounted for approx. DKK 260m in the turnover for 1998/99. As from 1999/2000 the Foodane sales have been handled by the group's other sales companies.

Belvoir hams

Hams are the core business of Belvoir Foods and thus an important element in the company's strategy as a producer of high quality products. The hams are widely recognised for their high quality and traditional craftsmanship, as reflected by a 26% sales increase in the past financial year.

Delicatessen

The products from Belvoir Foods, such as pies, are sold to the delicatessen departments of supermarkets, for example.

VJS FOODS

- *Type of company: Ltd.*
- *Business area: Manufacturing and sale of meat products, luncheon meats, etc.*
- *Departments: Three production companies in the UK*
- *Danish Crown's ownership share: 100%*

Key figures for VJS Holdings UK Ltd.

(DKK millions)	1999/00	1998/99	1997/98
Turnover	834.3	941.4	1.317.8
Profit on primary operations	33.7	71.6	63.6
Equity capital	140.1	84.2	77.7
Balance sheet total	527.9	373.5	477.3
Employees	666	678	587

Turnaround achieved by the new DBC

Peter Milsted, Managing Director

The foundation for a turnaround at DBC Foodservice is now in place. Overhead costs have been reduced by 10%. Sales are up 7%. DBC has won the National Health Service chilled business. Depots became independent profit centres ("cost to serve" teams)

1999/2000 marked a watershed in the history of DBC, with a major restructuring to become a 100% owned subsidiary of Danish Crown and significant changes to the senior management.
This was followed in January 2000 with a major relaunch of the business to all staff under the theme "new DBC" and a strong back to basics refocusing of the business.
Significant progress has already been made, and the results reflect this.
Sales are ahead of last year and budget, and more importantly the gross margin is 0.7 percentage point up. Logistics costs are down year on year and overhead costs have been cut by almost 10%.
At the same time the business has focused on a strong growth drive through the national accounts sales team. This has been particularly successful with sales up 7% year on year, but sales in the last quarter up a massive 23% on the same period last year. Amongst the more significant gains was the winning of the National Health Service chilled business.
The key initiatives driving this change have been the development of a new culture of sales and operational co-operation at local branch level through the establishment at each of our 10 branches of a "cost to serve" team focused on addressing the local issues relevant to that location.
This focus on local level delivery sets the scene for the coming year which is a critical year for the business. Now that the structure is in place and the previous sales decline halted, 2000/2001 is the year when the sales growth and margin targets must be delivered to ensure the turnaround is achieved.
Specific initiatives involve targeting the national accounts team to continue to be the growth drivers of the business; driving independent free trade business through the branch sales teams; continuing the cost to serve approach at each branch; and further developing mutually beneficial business through the already successful close working relationship with sister companies in the UK such as VJS FOODS.

DBC – 98 years

DBC (Danish Bacon Company) was established in 1902 by British investors together with a few Danish pig slaughterhouses for the purpose of handling the distribution of Danish bacon in the British market. Later on the circle of owners was extended to include more Danish slaughterhouses, and in 1984 ESS-FOOD acquired the British ownership interest in DBC. DBC is now 100% owned by Danish Crown.

DBC today

Today DBC consists of ten regional depots. From these depots, using 150 refrigerated vans, DBC services the foodservice sector, schools, canteens, butcher's shops, minor retail shops, etc., and together with DBI the company thus helps to ensure Danish Crown a total distribution of bacon in the British market.

- *Type of company:* *Ltd.*
- *Business area:* *Distribution company targeted on the UK foodservice market and independent shops*
- *Departments:* *Ten regional depots in England and Wales*
- *Danish Crown's ownership share: 100%*

Key figures for Danish Bacon Company Ltd.

(DKK millions)	1999/00	1998/99	1997/98
Turnover	1,497.2	1,361.6	1,627.3
Profit on primary operations	-23.3	-39.7	-23.2
Equity capital	129.2	86.1	126.3
Balance sheet total	422.8	430.3	451.1
Employees	735	802	893

Plumrose USA boosts turnover by 18%


Steven Mintz, Vice Chairman


John Arends, President

Plumrose, DAK and Danola – three strong brands in the USA. The new facilities at Council Bluffs and Tupelo have made a positive contribution to Plumrose's result. Sale of canned ham will increase profits.

In 1999-2000 sales grew by 18% evidencing the increased strength of the Plumrose brands coupled with new marketing efforts. Having completed some major investing, Plumrose USA will concentrate on fully developing its position in the US markets.

Year in review

The impressive sales growth for 1999-2000 was a result of several factors. Category management and promotional activity have resulted in an increase in the volume shipped to existing customers. Furthermore Plumrose USA has expanded into several new markets, the sale of the West Coast brand "Danola" has grown, and several major discount and supermarket chains have been added to the growing list of customers. Operations were profitable overall although this year saw raw material costs maintaining a higher than expect level. This was especially evident in the bacon market. Imported canned ham sales contributed very positively to our sales growth and profits. The canned ham division is a very important part of Plumrose USA and we look forward to increasing contributions from this division in the future.

Our new processing facility at Council Bluffs was brought up to full capacity during the year. Savings from the production of our own loaves, cost savings by operating our new distribution centre and a close watch of our expense base contributed to our profitability.

Facilities

The new facilities at Council Bluffs and Tupelo were timely investments. Both facilities have contributed to the company's margins. The Council Bluffs production has provided Plumrose with a secure source of slicing loaves, and the Tupelo distribution centre has dramatically increased the customer service levels. Twice during the past year the Wal-Mart company has acknowledged our overall quality and service by designating Plumrose USA as supplier of the quarter.

Future

With the major restructuring done, Plumrose will invest in increasing the exposure of the Plumrose products in all markets. Expanding the number of products distributed under the Plumrose labels is also expected to return growth in sales and profits.

Council Bluffs – operating at full capacity

The positive development in sales has been helped along by the production at the new slicing facility at Council Bluffs which was established during the preceding financial year. In the course of its very first financial year the facility was brought up to full capacity.

Using famous Canadian TV chef

Demonstrations of the company's products are an important element in Plumrose's marketing activities. On several of these occasions Plumrose has hired the famous Canadian TV chef Ted Reader. In this photo he is barbecuing some bone products from Danish Crown which have been processed at the Plumrose plant Sunhill Food of Vermont.

PLUMROSE

- *Type of company: Inc.*
- *Business area: Processing and sale of bacon, ham, and bone products*
- *Departments: Four production companies, two sales, distribution, and administration offices*
- *Danish Crown's ownership share: 100%*
- *Plumrose markets the following brands:*

PLUMROSE

Danola

DAK

Key figures for Plumrose USA Inc.

(DKK millions)	1999/00	1998/99	1997/98
Turnover	1,656.9	1,179.2	1,069.1
Profit on primary operations	30.5	39.5	31.5
Equity capital	221.5	178.0	135.2
Balance sheet total	751.1	483.2	402.5
Employees	681	676	372

Simplified structure with three divisions works

Lindy Munkholm, CEO

As from the beginning of the financial year 1999/2000 the DAT-SCHAUB group has implemented a simplified structure focusing on three divisions: the Casing Division, the Slaughterhouse Product Division, and the Emborg Foods Group. This structure has led to a better overview and coordination of the group.

On 1 October 1999 the structure of the DAT-SCHAUB group was simplified, and it is currently operating with three divisions.

The Casing Division handles the production and sale of all Danish pig casings as well as the processing of and trading in natural casings, artificial casings and auxiliary substances globally.

The Slaughterhouse Product Division sells foods, originating in Danish meat, all over the world but primarily outside the OECD area.

The Emborg Foods Group, originally a traditional trading company, has developed into a globally operating food wholesaler within the areas of catering, food-service and bulk trading.

Casing Division

DAT-SCHAUB has its own staff at all Danish pig slaughterhouses where the casings are delivered to the casing factory operated locally by DAT-SCHAUB immediately after slaughtering.

The casings are then sent on to the plant at Esbjerg for processing. Further processing of the small intestines is then carried out at the plants in Portugal or in China.

In the past year, too, the market has been characterised by an oversupply which has affected the financial result in a negative direction. Some of the finally processed casings are sold through our own sales companies in the Nordic countries and in France.

Slaughterhouse Product Division

The financial result of the Slaughterhouse Product Division in the past year is somewhat affected by the amalgamation and integration of the Danish companies DAT-SCHAUB A/S International Quality Foods and DSK International Meat Traders A/S in the company DAT-SCHAUB International A/S. In addition to these companies the division comprises Findane A/S, DAT-SCHAUB Espãna S.A., Carnehansen A/S and NoriDane Food A/S as well as companies in Hungary and the Czech Republic.

Emborg Foods Group

Based at its head office at Aalborg, the Emborg Foods Group supplies a wide range of fresh and frozen foods to the world market. The Group has achieved a highly satisfactory result in the past year.

Emborg Foods

Emborg Foods was started in 1947 by the merchant Erik Emborg, and the company has therefore recently celebrated its 50th anniversary. The company's birthday present to itself was a new and very functional trading house on the outskirts of Aalborg.

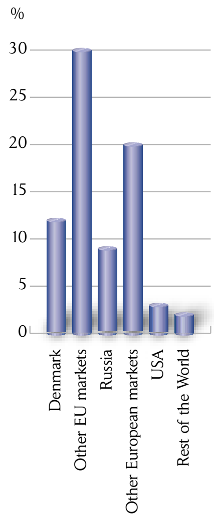
Emborg Foods – global merchant

The Emborg Foods Group started out delivering to the allied forces in the former West Germany, and some of the activities still involve supplying e.g. the Canadian troops in Bosnia with everything they need in their canteens there. At the same time the company holds a strong position in the Middle East where it supplies goods to the groceries market.

In Moscow, more than a hundred people are employed supplying local restaurants and hotels with all the foods they need.

- *Type of company: AmbA (Co-op with limited liability)*
- *Business area: Processing and sale of Danish casings, and international trade in natural and artificial casings, auxiliary substances, pork, beef, and other foods*
- *Departments: Three Danish departments, 44 sales companies and sales offices*
- *Danish Crown's ownership share: 100%*

DAT-SCHAUB's turnover in 1999/00 distributed on markets in %



Key figures for DAT-SCHAUB a.m.b.a.

(DKK millions)	1999/00	1998/99	1997/98
Turnover	5,527.1	4,849.1	5,156.3
Profit on primary operations	108.3	108.6	86.3
Profit for the year	60.4	61.1	50.0
Equity capital	197.8	183.7	171.1
Balance sheet total	1,635.2	1,633.1	1,443.6
Employees	2,367	2,177	2,192

Largest Nordic producer of spices for industry

Mogens Kindberg, Executive General Manager

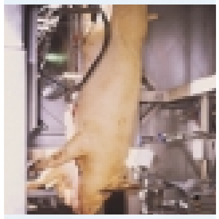
John C. Massow, General Manager

SFK sets focus on two business areas: spices and technical equipment. Activities within cleaning and clothing will be sold off. The main office will relocate to Viborg in 2001. The packaging and knives/hand tools will be moved to SMS at Kolding.

In 1999/2000 SFK changed its business strategy, and the company will concentrate on two business areas in the future: production and sale of spices, in which area SFK will become the leading company in the Nordic countries, and production and sale of technical equipment for the slaughterhouse industry, in which area SFK is already one of the market leaders in Europe.
The reason for these changes is that there have been several mergers within the Scandinavian food industry, and they have generated companies which carry out production in several countries and expect the same uniform and quick service everywhere. This entails higher demands on the capacity of the suppliers.
In the industrial market for spices and ingredients SFK holds a strong position in Denmark and Norway today. We wish to extend this position to Sweden. We are therefore embarking upon a collaboration with Nordfalks AB, which is Sweden's largest producer of spices and ingredients for ndustry and which also has a strong position in the Scandinavian retail market with the Santa Maria brand.

The collaboration implies that Nordfalks Industri AB will gradually move its production of 3,000 tons of spices from Gothenburg, Sweden, to Viborg, Denmark, where SFK has built one of the most modern spice plants in Europe.
The change in strategy implies a decision to sell off two of SFK's business areas, sale of cleaning articles and chemicals, and sale of clothing and safety equipment.
In connection with the desire to strengthen the sales activities within the area of technical equipment, the sale of packaging articles and knives will be transferred from SFK a.m.b.a. to the 100% owned subsidiary SFK Meat Systems at Kolding. Moreover, the decision has been made to relocate the main office from Avedøre to Viborg.

Financial result:
The financial result has to be deemed to be highly dissatisfactory, and SFK Meat Systems at Kolding in particular had an extremely poor year. Especially the UK market has come to a complete standstill, and on top of that there has been reluctance to make investments in the domestic market as well.



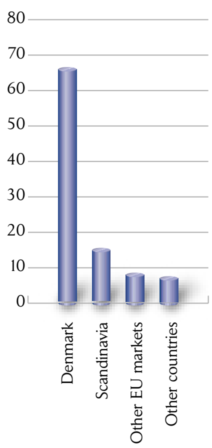
Product development
SFK-Danfotech has continued the strategy with regard to automation of the "heavy" work processes in the Danish killing lines, and the robot for loosening of rectums, parting of hams, and opening of necks and chests has been installed in several Danish killing lines. The automatic organ remover, which has been developed in cooperation with the Danish Meat Research Institute, has been finished in the course of the financial year, and the result has been positive.

New warehouse at Viborg
SFK has just built a fully automatic warehouse with space for 6,000 pallets adjacent to the spice plant at Viborg. This will save a lot of storage and distribution costs.

SFK
SFK a.m.b.a.

- *Type of company: AmbA (Co-op with limited liability)*
- *Business area: Manufacturing and sale of spices and ingredients, etc., and machines and equipment*
- *Departments: Eleven subsidiaries, four in Denmark, two in the USA, the rest in the UK, Germany, the Czech Republic, Norway and Australia.*
- *Danish Crown's ownership share: 44.0% (73% of the voting right).*

SFK's turnover in 1999/00 distributed on markets in %



Key figures for SFK a.m.b.a (DKK millions)	1999/00	1998/99*	1997/98
Turnover	881.6	672.6	891.1
Profit on primary operations	-15.7	8.3	28.6
Profit for the year	-14.5	2.4	13.6
Equity capital	52.0	65.7	64.3
Balance sheet total	459.0	432.8	360.9
Employees	558	539	525

* 1998/1999 includes only nine months' operation

Danish Crown AmbA, 2nd financial year

Annual and consolidated accounts 1999/2000

Accounting policies for the group and parent company

Egil Christensen, Group Finance Director

General

The consolidated accounts and annual accounts have been prepared in accordance with the provisions of the Danish Companies' Accounts Act, Danish accounting standards, and generally adopted accounting policies. The accounting policies are unchanged relative to the previous year.

Danish Crown AmbA merged with the wholly-owned subsidiaries ESS-FOOD AmbA and Edidan EDP AmbA as at 4 October 1999.

As at the same date the processing activities of the parent company were transferred to the wholly-owned subsidiary Tulip International P/S.

The comparative figures for the parent company's profit and loss account have not been changed, whereas the comparative figures in the balance sheet have been adjusted in accordance with the jointly prepared merger opening balance sheet.

The comparative figures for the group have not been affected by the above-mentioned mergers and transfer.

SFK a.m.b.a. is included in the comparative figures for the group with a profit and loss account that covers a period of 21 months, because this company has converted from using the calendar year as its financial year to using Danish Crown AmbA's financial year.

Consolidation

The consolidated accounts include the parent company as well as subsidiaries in which the parent company owns the majority of the voting rights directly or indirectly. Newly acquired and sold companies are included in the consolidated profit and loss account for the ownership period. Comparative figures are not adapted in connection with purchase and sale of companies.

The accounts used as basis for the consolidation are essentially prepared in accordance with the accounting policies of the parent company.

The consolidated accounts have been generated by combining uniform items from the accounts of the individual companies. This combination has involved an elimination of intragroup income and expenses, ownership shares, balances, and dividends as well as unrealised intragroup profits and losses.

In the consolidated accounts the book value of the parent company's participating interests in subsidiaries is offset by the parent company's share of the equity capital of the subsidiaries as per the date when the group relationship was established. Any differences in amounts thereby occurring are distributed in the consolidated accounts on those assets and liabilities which had values higher or lower than the book values at the time when the group relationship was established.

Any other differences in amounts are set up as assets in the form of group goodwill and are written off over the profit and loss account according to the management's individual assessment of the useful life of the asset, but not more than ten years.

Minority interests

In the statement of the group's financial result and the group's equity capital a separate entry has been made of that share of the financial result and equity capital of the subsidiaries which is related to minority interests.

Conversion of foreign currency

The profit and loss accounts of foreign subsidiaries are converted into Danish kroner according to the average exchange rates for the year. Balance sheets are converted according to the exchange rates applicable as at the end of the year.

Adjustments for changes in exchange rates occurring in the conversion of foreign subsidiaries' equity capital at the beginning of the year are adjusted over the equity capital. Adjustments for changes in exchange rates occurring as a consequence of converting foreign subsidiaries' profit and loss accounts at average exchange rates are adjusted over the profit and loss account if they are integrated foreign subsidiaries and over the equity capital if they are independent foreign subsidiaries.

Receivables and debts in foreign currency are entered at the exchange rates applying on the balance sheet date. Both realised and unrealised exchange gains and losses have been entered in the profit and loss account.

Forward contracts on foreign exchange and other financial instruments are cut off as at the balance sheet date. Both realised and unrealised gains and losses have been included in the profit and loss account.

Profit and loss account

Net turnover

The net turnover comprises invoiced sales plus export restitutions and less agent's commissions.

However, work in progress is included according to the production criterion.

Production costs

The production costs comprise raw material consumption, including purchases from members which are eligible for residual payment, as well as costs, including depreciation and salaries paid in order to achieve the turnover for the year.

Development costs are not set up as an asset but charged against the profit and loss account as and when they are incurred.

Share of profit/loss of subsidiaries and associates

The profit and loss account of the parent company includes the proportional share of the profit/loss before tax of the individual subsidiaries and associates. The consolidated profit and loss account includes the proportional share of the profit/loss before tax of the individual associates. Any share of the tax is entered under taxes.

Tax on the profit for the year

The tax on the profit for the year includes tax on the taxable income for the year as well as adjustment of deferred tax.

Deferred tax includes all temporary differences between the taxation and accounting statements.

However, provisions are not made for the tax on implemented revaluation of shares and real property which will be payable in the event of a sale thereof.

Extraordinary income and expenses
Extraordinary income and expenses include income and expenses originating in other than ordinary operations, e.g. gains or losses on the sale of property, subsidiary companies or winding-up of activities.

Balance sheet
Intangible fixed assets
Intangible fixed assets have been assessed at their purchase price less accumulated depreciation and write-downs.
Trade marks, etc. are depreciated according to the straight-line method over ten years, because their value is constantly being supported by marketing activities.
Leasehold improvements are depreciated over the term of the lease but never exceeding a maximum of ten years. Goodwill is depreciated over five years.

Tangible fixed assets
Tangible fixed assets, including financially leased assets, have been assessed at their purchase price plus appreciation and less accumulated depreciation and write-downs.
The assets are depreciated according to the straight-line method from the time of acquisition or commissioning, based on an assessment of their economic lives, and the following policies are usually applied:

Buildings	20-30 years
Technical plant and machinery	10 years
Other plant, equipment, and fittings	5 years

Depreciation has not been provided for in respect of closed-down plants, because they have been written down to their expected realisation value.
Assets with a short life or assets with a purchase price of less than DKK 20,000 are entered as expenses in the year of acquisition.
Gains and losses in connection with current replacements of tangible fixed assets are included under depreciation.

Financial fixed assets
Participating interests in subsidiaries included in the annual accounts of the parent company are assessed according to the intrinsic value method plus an added value from purchased shares. The added value is depreciated over a maximum of ten years and is included in the share of the profit/loss of subsidiaries before tax.
Participating interests in associates are also assessed according to the intrinsic value method in the annual accounts of the parent company and in the consolidated accounts. The participating interests are assessed on the basis of the most recent annual accounts available but in those instances where we know that the values at the balance sheet date have changed significantly relative to that, adjustments have been made to offset such changes.
Net revaluation of participating interests in subsidiaries and associates is transferred under the equity capital to the net revaluation reserve according to the intrinsic value method in so far as the revaluation exceeds the dividend received from the companies.
Other securities have been assessed at their purchase price or alternatively at a lower value that may apply on the balance sheet date.

Inventories
Raw materials, consumables and merchandise have been assessed at their purchase prices, whereas work in progress and finished goods have been assessed at cost prices, comprising the purchase price of raw materials and consumables plus processing costs and other costs which can be ascribed directly or indirectly to the individual goods.
Inventories have been assessed according to the FIFO principle.
In those instances where the acquisition or cost price exceeds the net realisation value they are written down to this lower value.
The net realisation value is determined taking into consideration the convertibility and marketability of the inventories and the development in their expected sales price.

Work in progress for third parties
Work in progress for third parties has been assessed at purchase price plus on account profit taking into consideration the degree of completion.

Receivables
Receivables have been assessed at face value less provisions for losses based on an individual assessment.

Securities and participating interests
Securities and participating interests which are entered as current assets mainly include listed securities, and they have been assessed at their market price on the balance sheet date. Both realised and unrealised adjustments for changes in market value are included in the profit and loss account, because such adjustments are perceived to be an integral part of the yield of securities.

Cash flow statement
The cash flow statement is made up according to the indirect method, based on the financial result of the group. The cash flow statement shows the cash flows of the group for the year, divided into operating, investing and financing activities, and how these cash flows have affected the cash and cash equivalents.
Cash flows from operating activities are made up as the group profit adjusted for non-cash operating items such as depreciation and write-downs, and changes in the operating capital, etc.
Cash flows from investing activities include cash flows from the purchase and sale of intangible, tangible and financial fixed assets.
Cash flows from financing activities include cash flows from long-term and short-term debt acquired and repaid as well as back pay to members.
The cash and cash equivalents include cash in hand and at bank as well as listed bonds which have been entered in the balance sheet as current assets.

Management's approval

Randers, 22 November 2000

Kjeld Johannesen *CEO*	Carsten S. Jakobsen *Vice CEO/President International*	Egil Christensen *Group Finance Director*

On the Board of Directors:

Niels Mikkelsen *Chairman*	Bent Claudi Lassen *Vice-chairman*	Bent H. Knudsen *Deputy Chairman*	Jens Lorenzen *Deputy Chairman*
Henning Ølgaard Bloch	Bjarke Christiansen	Per Frandsen	Bjarne Jensen
Kristian Hess Jensen	Kaj Kragkær Larsen	Carsten Bjerre Nielsen	Jørgen Pedersen
Peder Philipp	Jørgen Laursen Vig	Leo Christensen	Bruno Nielsen
Jørgen H. Rasmussen	Steen Toft		

Auditors' report

Viborg, 22 November 2000

We have audited the annual accounts and consolidated accounts prepared by the management of Danish Crown AmbA for 1999/2000.

The audit performed

In compliance with generally accepted Danish auditing standards we have planned and performed our audit with the object of obtaining a well-founded conviction that the accounts are without any material errors or omissions. In the course of our audit we have verified the basis and documentation for the amounts and other information stated in the accounts. This verification has been based on an assessment of materiality and risk. We have also taken a position on the accounting practice adopted by the management and on the accounting estimates made, and we have assessed whether or not the information contained in the accounts as a whole is satisfactory.

Our audit has not given cause for making qualifications.

Conclusion

We believe that the consolidated accounts and annual accounts have been prepared in compliance with the accounting provisions of Danish legislation, and that the accounts give a true and fair view of the assets and liabilities, the financial position, and the financial result for the year of the group and the parent company.

DELOITTE & TOUCHE
Statsautoriseret Revisionsaktieselskab

Gert Stampe *State-Authorised Public Accountant*	Torben Aunbøl *State-Authorised Public Accountant*

Profit and loss account

4 October 1999-1 October 2000

(DKK millions)	Note	Group 1999/00	Group 1998/99	Parent Company 1999/00	Parent Company 1998/99
Net turnover	1	**36,896.4**	**36,523.4**	**19,855.6**	**18,395.0**
Production costs		-31,295.4	-30,963.3	-17,353.0	-16,008.0
Gross profit		**5,601.0**	**5,560.1**	**2,502.6**	**2,387.0**
Selling and distribution costs		-3,044.8	-3,067.9	-1,089.0	-1,103.8
Administration costs		-1,140.1	-1,212.9	-462.1	-564.9
Other operating income		52.5	59.2	1.5	2.2
Other operating expenses		-13.2	-5.8	-5.0	-2.0
Profit on primary operations		**1,455.4**	**1,332.7**	**948.0**	**718.5**
Share of profit/loss of subsidiaries before tax	5	-0.1	-5.4	314.7	456.3
Share of profit/loss of associates before tax		18.3	25.1	12.9	23.3
Income from other participating interests, etc.		-1.7	-0.9	-1.8	-0.5
Financial income	6	62.2	53.7	38.3	27.2
Financial expenses	7	-450.1	-391.4	-272.3	-225.3
Profit before tax and extraordinary items		**1,084.0**	**1,013.8**	**1,039.8**	**999.5**
Tax on profit on ordinary operations	8	-63.0	-54.9	-56.7	-49.1
Profit on ordinary operations after tax		**1,021.0**	**958.9**	**983.1**	**950.4**
Extraordinary income	9	15.7	136.5	7.7	96.8
Extraordinary expenses	10	-39.9	-165.6	-3.7	-138.0
Extraordinary items before tax		**-24.2**	**-29.1**	**4.0**	**-41.2**
Tax on loss on extraordinary items	8	–	–	–	–
Extraordinary items after tax		**-24.2**	**-29.1**	**4.0**	**-41.2**
Profit before minority interests		**996.8**	**929.8**	**987.1**	**909.2**
Minority interests' share of profit		-9.7	-20.6	–	–
Group profit for the year, parent company's share		**987.1**	**909.2**	**987.1**	**909.2**
Distribution of profit					
Available for distribution:					
Profit for the year		–	–	987.1	–
Total available for distribution		–	–	**987.1**	–
to be distributed as follows:					
Back payments					
Pig-supplying members 1,163,768,549 kg at DKK 0.75		–	–	872.8	–
Sow-supplying members 55,501,171 kg at DKK 0.35		–	–	19.4	–
Cattle-supplying members 73,500,000 kg at DKK 0.65		–	–	47.8	–
Total back payments		**–**	**–**	**940.0**	**–**
Transferred to equity capital					
Transferred to net revaluation reserve		–	–	24.6	–
Transferred to other reserves		–	–	22.5	–
Total transferred to equity capital		**–**	**–**	**47.1**	**–**
Total available for distribution		**–**	**–**	**987.1**	**–**

Balance sheet

Assets as at 1 October 2000

(DKK millions)	Note	Group 1.10.2000	Group 4.10.1999	Parent Company 1.10.2000	Parent Company 4.10.1999
Fixed assets					
Intangible fixed assets	11				
Trade marks		27.2	60.6	–	–
Leasehold improvements		24.1	25.6	–	–
Goodwill		11.0	14.9	0.8	2.8
Group goodwill		241.3	266.6	–	–
Total intangible fixed assets		**303.6**	**367.7**	**0,8**	**2.8**
Tangible fixed assets	12				
Land and buildings		2,932.9	2,914.7	1,385.5	1,545.3
Technical plant and machinery		1,320.5	1,220.3	491.4	652.0
Other plant, equipment and fittings		314.0	242.3	138.5	113.4
Fixed assets under construction		215.7	166.5	44.5	84.2
Total tangible fixed assets		**4,783.1**	**4,543.8**	**2,059.9**	**2,394.9**
Financial fixed assets	13				
Participating interests in subsidiaries		2.1	9.6	1,479.4	1,422.5
Receivables from subsidiaries		–	–	155.2	190.9
Participating interests in associates		71.3	91.7	57.8	79.7
Other securities and participating interests		209.3	181.5	204.0	176.7
Total financial fixed assets		**282.7**	**282.8**	**1,896.4**	**1,869.8**
Total fixed assets		**5,369.4**	**5,194.3**	**3,957.1**	**4,267.5**
Current assets					
Inventories					
Raw materials and consumables		368.9	334.0	25.2	47.4
Work in progress		286.1	287.1	137.5	168.8
Finished goods and merchandise		2,428.9	2,664.4	1,085.6	1,439.4
Work in progress for third parties		10.7	-4.4	–	–
Total inventories		**3,094.6**	**3,281.1**	**1,248.3**	**1,655.6**
Receivables					
Receivables from sales and services		4,958.5	4,254.3	1,995.3	1,731.0
Contract receivables		245.5	187.0	245.5	187.0
Receivables from subsidiaries		–	113.8	1,387.0	1,370.7
Receivables from associates		0.3	62.7	0.2	59.5
Other receivables		306.0	295.4	33.0	56.0
Deposit of share capital		193.9	–	193.9	–
Accruals		47.5	67.9	10.3	9.0
Total receivables		**5,751.7**	**4,981.1**	**3,865.2**	**3,413.2**
Securities and participating interests		**2.9**	**6.4**	**–**	**–**
Cash at bank and in hand		**274.3**	**245.8**	**0.1**	**2.4**
Total current assets		**9,123.5**	**8,514.4**	**5,113.6**	**5,071.2**
Total assets		**14,492.9**	**13,708.7**	**9,070.7**	**9,338.7**

Balance sheet

Liabilities as at 1 October 2000

(DKK millions)	Note	Group 1.10.2000	Group 4.10.1999	Parent Company 1.10.2000	Parent Company 4.10.1999
Equity capital					
Member's accounts		193.9	–	193.9	–
Personal capital accounts		564.8	639.9	564.8	639.9
Net revaluation reserve for subsidiaries and associates		–	–	202.6	90.7
Other reserves		1,090.5	948.1	887.9	857.4
Total equity capital	14	**1,849.2**	**1,588.0**	**1,849.2**	**1,588.0**
Minority interests' share of equity capital		**83.3**	**74.7**	**–**	**–**
Provisions	15	**74.3**	**120.0**	**57.5**	**85.7**
Debt					
Long-term debt	16				
Mortgage debt		2,155.8	2,222.3	1,685.0	1,695.4
Financial leasing		35.5	66.8	24.9	51.1
Other loans		520.6	533.0	224.6	270.6
Total long-term debt		**2,711.9**	**2,822.1**	**1,934.5**	**2,017.1**
Short-term debt					
Short-term part of long-term debt		128.7	152.3	74.9	76.1
Credit institutions		5,034.5	5,042.8	2,496.1	3,349.8
Suppliers of goods and services		1,897.8	1,401.6	494.7	227.9
Debt to subsidiaries		–	6.6	182.8	152.5
Debt to associates		25.4	22.4	18.4	16.3
Corporation tax		32.4	40.8	3.8	2.3
Other debt		1,507.2	1,508.2	933.5	987.4
Accruals		140.9	126.3	18.0	32.7
Personal capital accounts to be paid		67.3	69.3	67.3	69.3
Back payments to members		940.0	733.6	940.0	733.6
Total short-term debt		**9,774.2**	**9,103.9**	**5,229.5**	**5,647.9**
Total debt		**12,486.1**	**11,926.0**	**7,164.0**	**7,665.0**
Total liabilities		**14,492.9**	**13,708.7**	**9,070.7**	**9,338.7**

Contingent liabilities, etc.	17
Securities	18
Members' liability	19

Profit and loss account

Notes 1-5

	(DKK millions)	Group 1999/00	Group 1998/99	Parent Company 1999/00	Parent Company 1998/99
1	**Net turnover**				
	Distribution on markets:				
	Domestic	3,773.5	5,353.5	2,801.4	4,723.0
	International	33,122.9	31.169.9	17,054.2	13,672.0
	Total net turnover	**36,896.4**	**36,523.4**	**19,855.6**	**18,395.0**
	Distribution on activities:				
	Pork	17,363.9	15,978.8	16,694.4	13,345.4
	Beef	5,332.6	5,972.0	3,121.1	3,552.9
	Processing	8,910.9	8,436.5	–	1,496.7
	Other activities	5,289.0	6,136.1	40.1	–
	Total net turnover	**36,896.4**	**36,523.4**	**19,855.6**	**18,395.0**
2	**Staff costs**				
	Wages and salaries	4,779.4	5,006.6	2,579.4	3,085.2
	Pensions	202.0	202.0	124.4	117.8
	Other social security costs	268.3	222.4	104.7	85.6
	Total staff costs	**5,249.7**	**5,431.0**	**2,808.5**	**3,288.6**
	Including:				
	Remuneration of parent company's Board of Directors and Board of Representatives	4.3	5.7	3.3	4.6
	Remuneration of parent company's management	10.7	10.0	10.4	9.5
	Average number of employees	19,449	19,818	10,121	11,581
3	**Depreciation**				
	The depreciation for the year is included in the following items at the following amounts:				
	Production costs	606.8	627.7	364.9	421.2
	Selling and distribution costs	78.6	90.8	1.9	8.7
	Administration costs	91.7	83.5	14.1	20.6
	Extraordinary items	5.5	57.2	–	57.2
	Other items	9.2	2.2	-0.2	–
	Total depreciation	**791.8**	**861.4**	**380.7**	**507.7**
4	**Fees to auditors elected by the Board of Representatives**				
	Audit	–	–	2.3	2.4
	Consultancy assistance	–	–	2.0	1.1
	Total fees to auditors elected by the Board of Representatives	**–**	**–**	**4.3**	**3.5**
5	**Share of profit/loss of subsidiaries before tax**				
	Proportional share of profit/loss before tax	-0.1	-5.4	332.1	477.1
	Depreciation of added value from purchase of shares	–	–	-17.4	-20.8
	Total share of profit/loss of subsidiaries before tax	**-0.1**	**-5.4**	**314.7**	**456.3**

Profit and loss account

Notes 6-10

	(DKK millions)	Group 1999/00	Group 1998/99	Parent Company 1999/00	Parent Company 1998/99
6	**Financial income**				
	Subsidiaries	–	1.1	16.1	6.4
	Other interest income	62.2	52.6	22.2	20.8
	Total financial income	**62.2**	**53.7**	**38.3**	**27.2**
7	**Financial expenses**				
	Subsidiaries	–	–	–	3.4
	Other interest expenses	450.1	391.4	272.3	221.9
	Total financial expenses	**450.1**	**391.4**	**272.3**	**225.3**
8	**Taxes**				
	Assessed tax on profit for the year	59.5	54.0	4.2	2.0
	Adjustment relating to previous years	1.7	-1.1	-0.3	-1.8
	Change of deferred tax	-0.8	-0.7	–	–
	Share of tax of subsidiaries	–	–	50.8	46.5
	Share of tax of associates	2.6	2.7	2.0	2.4
	Total taxes	**63.0**	**54.9**	**56.7**	**49.1**
	To be distributed as follows:				
	Tax on profit on ordinary operations	63.0	54.9	56.7	49.1
	Tax on loss on extraordinary items	–	–	–	–
	Total taxes	**63.0**	**54.9**	**56.7**	**49.1**
	Corporation tax paid	78.3	37.2	2.4	3.0
9	**Extraordinary income**				
	Profit on sale of activities	13.3	–	–	–
	Profit on sale of LEC	–	107.2	–	77.3
	Profit on termination of insurance and pollution suits	–	26.1	–	19.0
	Other items	2.4	3.2	7.7	0.5
	Total extraordinary income	**15.7**	**136.5**	**7.7**	**96.8**
10	**Extraordinary expenses**				
	Merger expenses	15.5	146.0	–	133.0
	Costs of structural adaptation	24.4	14.6	3.7	–
	Costs of insurance and pollution suits	–	5.0	–	5.0
	Total extraordinary expenses	**39.9**	**165.6**	**3.7**	**138.0**

Balance sheet

Note 11

(DKK millions)	Trademarks	Leasehold improvements	Goodwill	Group goodwill	Total intangible fixed assets
11 Intangible fixed assets, Group					
Total purchase price:					
Total purchase price as at 4.10.1999	474.3	35.6	42.4	368.1	920.4
Exchange rate adjustment	2.0	0.2	1.0	0.3	3.5
Additions during the year	17.8	3.0	0.8	10.5	32.1
Disposals during the year	–	–	-6.8	–	-6.8
Total purchase price as at 1.10.2000	494.1	38.8	37.4	378.9	949.2
Total depreciation and write-downs:					
Total depreciation and write-downs as at 4.10.1999	413.7	10.0	27.5	101.5	552.7
Exchange rate adjustment	–	0.2	0.9	–	1.1
Additions	5.3	–	–	–	5.3
Depreciation and write-downs for the year	47.9	4.5	4.6	36.1	93.1
Depreciation and write-downs of assets sold	–	–	-6.6	–	-6.6
Total depreciation and write-downs as at 1.10.2000	**466.9**	**14.7**	**26.4**	**137.6**	**645.6**
Book value as at 1.10.2000	**27.2**	**24.1**	**11.0**	**241.3**	**303.6**
11 Intangible fixed assets, Parent company					
Total purchase price:					
Total purchase price as at 4.10.1999	21.2	–	15.7	–	36.9
Additions during the year	–	–	–	–	–
Disposals during the year	–	–	-5.8	–	-5.8
Total purchase price as at 1.10.2000	**21.2**	**–**	**9.9**	**–**	**31.1**
Total depreciation and write-downs:					
Total depreciation and write-downs as at 4.10.1999	21.2	–	12.9	–	34.1
Depreciation and write-downs for the year	–	–	2.0	–	2.0
Depreciation and write-downs of assets sold	–	–	-5.8	–	-5.8
Total depreciation and write-downs as at 1.10.2000	**21.2**	**–**	**9.1**	**–**	**30.3**
Book value as at 1.10.2000	**–**	**–**	**0.8**	**–**	**0.8**

Balance sheet

Note 12

	(DKK millions)	Land and buildings	Technical plant and machinery	Other plant, equipment, and fittings	Fixed assets under construction	Total fixed assets
12	**Tangible fixed assets, Group**					
	Total purchase price:					
	Total purchase price as at 4.10. 1999	4,579.2	4,871.8	839.8	166.5	10,457.3
	Exchange rate adjustment	83.3	91.6	14.5	0.5	189.9
	Other adjustments	-78.8	-168.0	-28.3	-3.8	-278.9
	Completion of plants under construction	56.4	46.5	47.4	-150.3	–
	Additions during the year	271.8	334.9	154.9	202.8	964.4
	Disposals during the year	-109.0	-130.3	-65.9	–	-305.2
	Total purchase price as at 1.10. 2000	**4,802.9**	**5,046.5**	**962.4**	**215.7**	**11,027.5**
	Total appreciation:					
	Total appreciation as at 1.10. 2000	**39.0**	**4.5**	**0.3**	**–**	**43.8**
	Total depreciation and write-downs:					
	Total depreciation and write-downs as at 10.5. 1998	1,703.5	3,656.0	597.8	–	5,957.3
	Exchange rate adjustment	23.7	56.0	9.5	–	89.2
	Other adjustments	-61.2	-191.3	-26.4	–	-278.9
	Depreciation and write-downs for the year	279.7	311.8	107.2	–	698.7
	Depreciation and write-downs of assets sold	-36.7	-102.0	-39.4	–	-178.1
	Total depreciation and write-downs as at 1.10. 2000	**1,909.0**	**3,730.5**	**648.7**	**–**	**6,288.2**
	Book value as at 1.10. 2000	**2,932.9**	**1,320.5**	**314.0**	**215.7**	**4,783.1**
	Public assessment, Danish real property, as at 1.1.2000	1,825.2	–	–	–	–
	Book value, foreign real property, amounts to	682.1	–	–	–	–
12	**Tangible fixed assets, Parent company**					
	Total purchase price:					
	Total purchase price as at 4.10. 1999	2,676.9	2,789.0	456.8	84.2	6,006.9
	Completion of plants under construction	33.2	18.4	28.8	-80.4	–
	Additions during the year	138.5	70.8	59.6	40.7	309.6
	Disposals during the year	-244.8	-333.9	-58.2	–	-636.9
	Total purchase price as at 1.10. 2000	**2,603.8**	**2,544.3**	**487.0**	**44.5**	**5,679.6**
	Total depreciation and write-downs:					
	Total depreciation and write-downs as at 4.10. 1999	1,131.6	2,137.0	343.4	–	3,612.0
	Depreciation and write-downs for the year	178.9	157.5	42.3	–	378.7
	Depreciation and write-downs of assets sold	-92.2	-241.6	-37.2	–	-371.0
	Total depreciation and write-downs as at 1.10. 2000	**1,218.3**	**2,052.9**	**348.5**	**–**	**3,619.7**
	Book value as at 1.10. 2000	**1,385.5**	**491.4**	**138.5**	**44.5**	**2,059.9**
	Public assessment, Danish real property, as at 1.1.2000	1,147.5	–	–	–	–

Balance sheet

Note 13

(DKK millions)		Participating interests in subsidiaries	Receivables from subsidiaries	Participating interests in associates	Other securites	Total fixed assets
13	**Financial fixed assets, Group**					
	Total purchase price:					
	Total purchase price as at 4.10. 1999	14.7	–	84.5	194.0	293.2
	Exchange rate adjustment	–	–	1.3	–	1.3
	Additions during the year	–	–	0.2	0.5	0.7
	Disposals during the year	-13.2	–	-23.5	-3.2	-39.9
	Total purchase price as at 1.10. 2000	**1.5**	**–**	**62.5**	**191.3**	**255.3**
	Total value adjustments:					
	Total value adjustments as at 4.10. 1999	-5.1	–	7.2	-12.5	-10.4
	Exchange rate adjustment		–	-0.2	–	-0.2
	Share of net profit before tax	-0.1	–	18.3	-1.7	16.5
	Share of tax	–	–	-2.6	–	-2.6
	Dividend during the year	–	–	-9.9	–	-9.9
	Disposals during the year	5.8	–	-4.0	2.2	4.0
	Other adjustments	–	–		30.0	30.0
	Total value adjustments as at 1.10. 2000	**0.6**	**–**	**8.8**	**18.0**	**27.4**
	Book value as at 1.10. 2000	**2.1**	**–**	**71.3**	**209.3**	**282.7**
13	**Financial fixed assets, Parent company**					
	Total purchase price:					
	Total purchase price as at 4.10.1999	1,473.7	190.9	75.3	188.8	1,928.7
	Adjustment for changes in market value	63.1	4.1	–	–	67.2
	Additions during the year	114.4	67.0	–	–	181.4
	Disposals during the year	-177.2	-106.8	-22.1	-3.1	-309.2
	Total purchase price as at 1.10. 2000	**1,474.0**	**155.2**	**53.2**	**185.7**	**1,868.1**
	Total value adjustments:					
	Total value adjustments as at 4.10.1999	-51.2	–	4.4	-12.1	-58.9
	Adjustment for changes in market value	38.5	–	-0.4	–	38.1
	Share of net profit before tax	314.7	–	12.9	-1.8	325.8
	Share of tax	-50.8	–	-2.0	–	-52.8
	Dividend during the year	-240.2	–	-9.9	–	-250.1
	Disposals during the year	-5.6	–	-0.4	2.2	-3.8
	Other adjustments	–	–	–	30.0	30.0
	Total value adjustments as at 1.10. 2000	**5.4**	**–**	**4.6**	**18.3**	**28.3**
	Book value as at 1.10. 2000	**1,479.4**	**155.2**	**57.8**	**204.0**	**1,896.4**

Balance sheet

Notes 14-15

(DKK millions)		Group 1.10.2000	Group 4.10.1999	Parent Company 1.10.2000	Parent Company 4.10.1999
14	**Equity capital**				
	Member's accounts				
	Balance as at 4.10.1999	–	–	–	–
	Share capital contribution of the year	193.9	–	193.9	–
	Total member's accounts	**193.9**	**–**	**193.9**	**–**
	Personal capital accounts:				
	Balance as at 4.10.1999	639.9	580.5	639.9	580.5
	Transferred for payment	-75.1	-73.3	-75.1	-73.3
	Transferred from distribution of profit	–	132.7	–	132.7
	Total personal capital accounts	**564.8**	**639.9**	**564.8**	**639.9**
	Net revaluation reserve for subsidiaries and associates:				
	Balance as at 4.10.1999	–	–	90.7	–
	Adjustment for changes in exchange rate of equity capital in foreign subsidiaries etc. at beginning of year	–	–	94.3	49.0
	Transferred to other reserves	–	–	-7.0	–
	Transferred from distribution of profit	–	–	24.6	41.7
	Total net revaluation reserve	**–**	**–**	**202.6**	**90.7**
	Other reserves:				
	Balance as at 4.10.1999	948.1	856.0	857.4	856.0
	Adjustment for changes in exchange rate of equity capital in foreign subsidiaries etc. at beginning of year	94.3	49.2	–	0.2
	Other adjustments	1.0	–	1.0	–
	Transferred from net revaluation reserve	–	–	7.0	–
	Transferred from distribution of profit	47.1	42.9	22.5	1.2
	Total other reserves	**1,090.5**	**948.1**	**887.9**	**857.4**
	Total equity capital	**1,849.2**	**1,588.0**	**1,849.2**	**1,588.0**
15	**Provisions**				
	Pension commitments	29.4	36.3	15.5	20.3
	Merger expenses	–	44.9	–	42.0
	Costs of insurance and pollution suits	20.0	9.5	20.0	5.0
	Deferred tax	-19.4	-7.3	–	–
	Costs of structural adaptation	3.7	18.4	3.7	18.4
	Badwill	5.5	7.6	–	–
	Other provisions	6.0	–	6.0	–
	Lawsuits	29.1	10.6	12.3	–
	Total provisions	**74.3**	**120.0**	**57.5**	**85.7**

Balance sheet

Notes 16-19

(DKK millions)		Group 1.10.2000	Group 4.10.1999	Parent Company 1.10.2000	Parent Company 4.10.1999
16	**Long-term debt**				
	Of the long-term debt the following falls due for payment after five years:				
	Mortgage debt	1,798.5	2,049.3	1,527.4	1,679.6
	Financial leasing	–	5.9	–	–
	Other loans	92.5	251.1	–	–
	Total	**1,891.0**	**2,306.3**	**1,527.4**	**1,679.6**
17	**Contingent liabilities**				
	Guarantees to subsidiaries	–	2.7	4,135.7	2,014.0
	Other guarantees	224.3	742.9	206.6	281.2
	Guarantee obligations towards the EU directorate	1,031.0	646.7	551.7	319.2
	Obligation to make repayment to Strukturdirektoratet*	50.1	38.5	49.0	34.8
	Letting and leasing obligations	345.9	238.3	96.8	20.0
	Other contingent liabilities	5.5	8.0	0.6	0.6

The parent company has issued a declaration of intent to the bankers of several subsidiaries, covering the financial commitment at any time.

		Group 1.10.2000	Group 4.10.1999	Parent Company 1.10.2000	Parent Company 4.10.1999
18	**Securities**				
	Security has been granted in the following assets for mortgage debt and other long-term debt:				
	Land, buildings, and technical plant	2,462.8	2,500.6	1,958.3	2,017.3
	Book value of the above-mentioned assets	2,661.3	2,690.9	1,738.1	1,988.1
	Bonds, etc.	4.0	12.8	–	–

19 Members' liability

The members are personally as well as jointly and severally liable for the Company's commitments.

The liability for the individual member is calculated on the basis of member supplies, with a maximum liability of DKK 25,000.

The total liability of members as at 1.10.2000 amounts to DKK 549.0m.

Danish Crown AmbA had 21,958 members as at 1.10.2000.

Cash flow statement

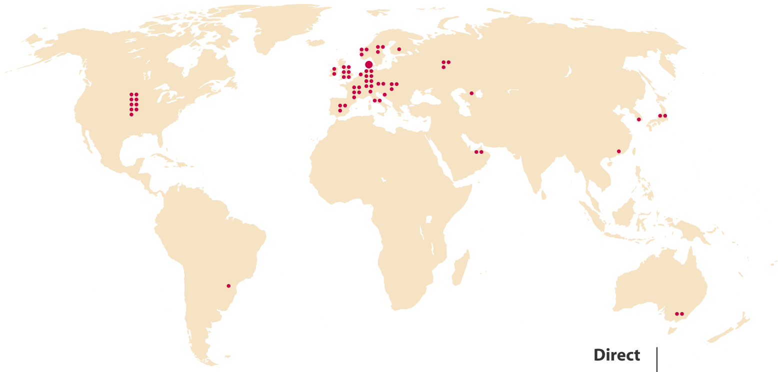
(DKK millions)	Group 1999/00	Group 1998/99
Cash flow from operating activities		
Profit for the year	987.1	909.2
Depreciation	791.8	855.1
Share of profit/loss of financial fixed assets	-13.9	-16.1
Change in provisions	-45.7	-70.7
Change in inventories	186.5	91.5
Change in receivables	-576.7	-267.3
Change in debt to suppliers, etc.	436.1	-678.6
Cash provided by operating activities	**1,765.2**	**823.1**
Cash flow from investing activities		
Investment in intangible fixed assets	-26.6	-113.8
Investment in tangible fixed assets	-837.3	-821.1
Investment in financial fixed assets	45.1	5.7
Cash used in investing activities	**-818.8**	**-929.2**
Cash flow from financing activities		
Payment of personal capital accounts	-69.3	-48.2
Payment of residual payment	-733.6	-656.5
Change in short-term bank credit	-8.3	288.9
Change in mortgage debt	-66.5	1,128.6
Change in financial leasing	-31.3	-11.0
Change in other long-term debt	-12.4	-681.5
Cash provided by financing activities	**-921.4**	**20.3**
Change in cash, cash equivalents, and securities	25.0	-85.8
Cash, cash equivalents, and securities as at 4.10.1999	252.2	338.0
Cash, cash equivalents, and securities as at 1.10.2000	**277.2**	**252.2**

List of group members

Company name		Direct ownership share %
▼ **Tulip International P/S ® ■**	Denmark	95.0
Tulip International (UK) Ltd.	UK	100.0
Tulip International (UK) Bacon Division Ltd.	UK	100.0
Tulip International (UK) Cooked Meat Division Ltd.	UK	100.0
Tulip International GmbH	Germany	100.0
Tulip International France S.A.	France	100.0
Tulip International Sverige AB	Sweden	100.0
Tulip Italiana S.R.L.	Italy	100.0
Majesty Inc.	USA	100.0
Scan-Tulip A/S	France	40.0
▼ **Danish Prime Food-Company K/S ® ■**	Denmark	95.0
Mou Dybfrost A/S	Denmark	100.0
Iwans Dybfrost ApS	Denmark	100.0
Hyggemad ApS	Denmark	100.0
Best Holding GmbH	Germany	100.0
Danish Prime Food Company GmbH	Germany	100.0
Mou Food Company GmbH	Germany	100.0
Danish Prime Ltd.	UK	100.0
Danish Prime AB	Sweden	100.0
▼ **Danish Crown Holding Ltd.**	UK	100.0
VJS Holdings UK Ltd.	UK	100.0
VJS Foods Ltd.	UK	100.0
Glenbrooke Ltd.	UK	100.0
Plumrose Ltd.	UK	100.0
Laxgate Ltd.	UK	100.0
Belvoir Ltd.	UK	100.0
Foodane Ltd.	UK	100.0
Celebrity Food Factories Ltd.	UK	100.0
Danish Bacon Company Ltd.	UK	100.0
ESS-FOOD UK Ltd.	UK	100.0
Danish Bacon Independent Ltd	UK	100.0
▼ **SFK a.m.b.a.**	Denmark	41.2
SFK Meat Systems a.m.b.a.	Denmark	100.0
SFK-Danfotech Holding A/S	Denmark	60.0
SFK-Danfotech A/S	Denmark	100.0

Company name		Direct ownership share %
SFK-America Inc.	USA	100.0
Danfood Technology Ltd.	UK	30.4
SFK Ltd.	UK	100.0
SFK Australia Pty. Ltd.	Australia	100.0
SFK Technology A/S	Denmark	50.1
Digitag A/S	Denmark	51.0
SFK Technology Inc.	USA	100.0
SFK Technology GmbH	Germany	100.0
SFK Norge AS	Norway	50.3
SFK CR, spol.s.r.o.	Czech Rep.	100.0
Landbrugets Samkøb ApS	Denmark	50.0
▼ **DAT-SCHAUB a.m.b.a.**	Denmark	79.8
DAT-SCHAUB Holding A/S	Denmark	100.0
Emborg Foods A/S	Denmark	100.0
Emborg Foods GmbH	Germany	100.0
Danegoods HbmH	Germany	100.0
Emborg Foods USA Inc.	USA	100.0
ZAO Emborg Foods AO	Russia	60.0
Emborg House AO	Russia	100.0
Emborg Foods Polska Sp.z.o.o.	Poland	100.0
Emborg Foods Norge AS	Norway	100.0
Ranum Mejeri A/S	Denmark	100.0
DAT-SCHAUB International A/S	Denmark	100.0
Carnehansen A/S	Denmark	100.0
Dansk Svensk Koedexport s.r.o.	Czech Rep.	100.0
DAT-SCHAUB Hungary KFT	Hungary	100.0
DAT-SCHAUB España S.A.	Spain	100.0
Dann'Ka S.L. ■	Spain	50.0
NoriDane Food A/S	Denmark	50.0
DAT-SCHAUB France S.A.	France	100.0
Soussana S.A.	France	100.0
Argental s.a.r.l.	France	100.0
Alandal S.A.	Portugal	100.0
S.A. Boyauderie du Poitou	France	100.0
SCI Champs Despres	France	100.0

List of group members



	Company name		Direct ownership share %
	S.A. Cima	Spain	100.0
	S.A. Trissal	Portugal	50.0
	Oriental Sino Limited	Hong Kong	45.0
	YLC	China	100.0
	S.A. Peignon	France	28.0
	Aktieselskabet DAT-SCHAUB Danmark	Denmark	100.0
	DAT-SCHAUB Spedition ApS	Denmark	100.0
	Dann'Ka S.L. ■	Spain	50.0
	Arne B. Corneliussen AS	Norway	100.0
	Oy DAT-SCHAUB Finland Ab	Finland	100.0
	DAT SCHAUB AB	Sweden	100.0
	DAT-SCHAUB (PORTO) S.A.	Portugal	100.0
	DAT-SCHAUB (Portugal) Lda.	Portugal	100.0
	DAT-SCHAUB USA Inc.	USA	100.0
	Dansk Kuldekonservering A/S	Denmark	55.0
	Dubai Meat Packers Ltd. (filial)	U.A.E.	100.0
	Findane A/S	Denmark	100.0
	OTHER SUBSIDIARIES		
	Plumrose USA Inc.	USA	100.0
	Sunhill Food of Vermont Inc.	USA	100.0
	Foodane USA Inc.	USA	100.0
	Danish Crown GmbH	Germany	100.0
	Danish Crown Schlachtzentrum Nordfriesland GmbH	Germany	100.0
	Foodane Japan Ltd.	Japan	100.0
	Danish Crown S.A.	Switzerland	100.0
	Danish Crown/Beef Division S.A.	Switzerland	100.0
	Q.A. Meat Ltd.	UK	90.0
	DAK AO	Russia	100.0
	Foodane AO	Russia	100.0
	Danish Crown S.a.r.l.	France	100.0
	Carnes Danesas S.A.	Spain	100.0
▼	Danish Crown Incorporated A/S	Denmark	100.0
	Tulip International P/S ® ■	Denmark	5.0
▼	Danish Prime A/S	Denmark	100.0
	Danish Prime Food-Company K/S ® ■	Denmark	5.0
	Scan-Hide A.m.b.a.	Denmark	75.1
	Viking Shipping ApS	Denmark	100.0
	Selskabet af 23. maj 2000	Denmark	100.0
	Danish Crown Trading IV A/S	Denmark	100.0
	Dansk Hesteslagteri A/S	Denmark	75.0
▼	Friland Food A/S	Denmark	60.0
	Friland Food AB	Sweden	100.0
	ESS-FOOD España S.A.	Spain	100.0
▼	ESS-FOOD S.A.	France	100.0
	Desfis S.A.	France	100.0
▼	SCI E.F. Immobilier Orléans	France	100.0
	SCI RP Bernay	France	70.0
	ESS-FOOD WW S.A. Paris	France	100.0
	ESS-FOOD España S.A.	Spain	100.0
▼	Globe Meat Holland B.V.	Holland	100.0
	Pelco B.V.	Holland	100.0
	ESS-FOOD Benelux B.V.	Holland	100.0
	ESS-FOOD Japan Co. Ltd.	Japan	100.0
	ESS-FOOD Moskva (Representation office)	Russia	100.0
	ESS-FOOD Korea Co. Ltd.	Korea	100.0
	Meat World	Korea	100.0
	ESS-FOOD (H.K.) Ltd.	Hong Kong	100.0
	ESS-FOOD USA Inc.	USA	100.0
	Globe Meat Danmark ApS	Denmark	100.0
	Hamcoship ApS	Denmark	100.0
	ESS-FOOD Hungaria Kft.	Hungary	96.0
	ASSOCIATED COMPANIES		
	Daka amba	Denmark	44.3
	Intercool Food Technology A/S	Denmark	50.0
	Agri-Norcold A/S	Denmark	34.2

▼ The following text in red indicates subsidiaries of the company

■ Mentioned in the list of group members more than once


NORDISK MILJØMÆRKNING
541 096
AAKJÆRS · VEJLE