ANNUAL REPORT 2006/07

The Danish Crown Group

CONTENTS

MANAGEMENT REPORT
– Increased profit ratio and new opportunities for development

The principal trend characterising the Danish Crown Group operating results in 2006/07 is a fall in turnover but increased earnings per DKK turnover. These developments are the result of the Group's focus strategy and verify that the strategy is correct.

While group turnover has fallen 9 percent to DKK 44.3 billion, we have seen a 1 percent increase in group primary earnings (EBIT). Excluding the share of last year's earnings accounted for by profit earned by selling off activities, primary earnings increased by more than 9 percent. Group operating margin increased from 3.8 percent to 4.2 percent of turnover.

Contributions to group primary earnings before tax, interest and group costs this year were as follows: fresh meat sector 67 percent (62 percent), processing sector 30 percent (34 percent) and trading sector and other companies 3 percent (4 percent).

In absolute figures, primary earnings from the fresh meat sector increased by DKK 178.9 million (16 percent), while earnings from the processing sector were reduced by DKK 29.9 million (5 percent) and increased in the trading sector by DKK 11.0 million (18 percent). Group profit was DKK 1,229.9 million, which is consistent with last year.

Supplementary payments this year increased from DKK 0.65/kg to DKK 0.75/kg for pigs. Meanwhile, supplementary payments fell by DKK 0.10/kg and DKK 0.05/kg respectively, to DKK 0.55/kg for sows and DKK 0.85/kg for cattle.

Bearing in mind the group result and competitiveness of prices paid for pigs this year, the year's earnings can be regarded as satisfactory. Global supply mechanisms within meat production react with significant delay. At the end of the financial year, there is an imbalance between factor prices and product prices that continues to affect international meat production, including the Group's members.

Fresh meat sector

Raw materials from our members are the most important factor influencing development in the fresh meat sector. In turn, developments in primary production of pigs for slaughter also have great bearing on this business area.

During the financial year, there have been dramatic increases in animal feed prices which have a negative effect on operating profits in meat production. Global supply mechanisms in meat production react with a significant delay which explains why, at the end of the financial year, there is an imbalance between factor prices and product prices in meat production internationally. This, of course, affects our members too.

Pork division: Global market developments over the year have affected pig prices that at DKK 9.40/kg including residual payments are 3 percent under last year's average price. Despite a slight fall in prices, Danish Crown has successfully achieved a significant improvement in the Danish quoted price, relative to neighbouring countries' this year.

Danish Crown's broad market access, also to countries outside the EU, working in tandem with a long list of internal initiatives, has thus contributed to significantly strengthening the pork division's competitiveness.

Unfortunately, some events this year have presented the group with massive challenges, particularly two serious fires at Blans and Skive. The division reacted quickly and efficiently to deal with this enormous challenge. However, the situation has obviously tapped resources and, on closing the financial year, we have not yet caught up with a backlog of pigs for slaughter.

There has been a significant improvement in operating profits at the pork division, expressed as DKK 0.10 higher supplementary payment and slightly more competitive pig prices. Bearing these factors in mind, the operating results – despite the unforeseen challenges – are very satisfactory, and are, in fact, the best results in the past five years.

At international casing company DAT-Schaub, development has been continuous and organic over the financial year, and the market for pig casing has developed in a positive direction. With a 20 percent improvement in operating results relative to last year, DAT-Schaub's result is very satisfactory.

Beef division: For the first time in five years the price of cattle for slaughtering has fallen in 2006/07. Average price has been DKK 0.49/kg lower than last year. Even so, the beef division has achieved a very satisfactory result which has produced a supplementary price of DKK 0.85/kg, close to last year's record level.

A shift in slaughtering has meant increased tonnage relative to last year and slaughtering capacity has at times fallen short of requirements.

Activities at Husum and Scan-Hide have made significant contributions to the division again this year. Furthermore, during the year, the division has extended the range of its activities with a new factory, at which a number of new beef products will be processed, the main objective being to add value.

Processing sector

The focus at Danish Crown's processing sector in the financial year 2006/07 was not so much on growth, but more on optimising company structure and competitiveness. Therefore, turnover remained at the same level as the previous year. As a result of market conditions and structural costs, operating profits were approximately 5 percent lower than last year.

Tulip Ltd. (UK) is the sector's largest company. Tulip Ltd. has made several structural investments and adjustments during the year, including selling off the company's poultry factory at Morecambe. Despite this sale, annual turnover at just over DKK 10 billion was maintained over the year and Tulip Ltd. now has a particularly efficient production system at its disposal and a strong position on the UK market, the group's largest national market. The many structural projects have meant that operating profits are marginally lower than last year. However, Tulip Ltd. profits continue to contribute handsomely to the sector's total result and are therefore regarded as satisfactory.

At Tulip Food Company, focus on the assortment and markets has caused a slight reduction in turnover. We are, however, pleased to note that the strategy has produced increased profits for the second consecutive year. Tulip's market position is strengthened at home and abroad, and a number of activities within innovation and supply chain have created a firm foundation for offensive development in the future.

The refinement sector's American company, Plumrose, maintains a strong market position for its specialised assortment. However, as a result of market conditions and low rates of exchange on the dollar, the company's operating profits have not developed as foreseen.

Sokołów in Poland has undergone a positive development in the Group's core business areas. However, extra costs associated with running-in the Pozmeat factory have meant that primary group earnings are lower than last year. The Pozmeat purchase is regarded as a potentially very significant contributor to Sokołów's future development.

At year end the processing sector has strengthened its competitiveness and established a foundation for future growth in the form of future acquisitions. Overall though, the result for the sector this year is under the budgeted level.

Trading sector and other companies

The Danish Crown Group focus strategy has resulted in significant simplification of this business area. This has been achieved through divestments realised in the last financial year, the effects of which are apparent in the accounts for the current financial year, in the form of a fall in turnover of DKK 2.5 billion. The sales have had no apparent effect on group operating profits.

The remaining core business activities include international trading in meat and meat products, and Friland A/S, a company that markets a number of niche products within the fresh meat sector, including organic meat. This year Friland's turnover and profits have developed positively and the company has been in a position to give very good prices to members who have special meat production.

ESS-FOOD too has delivered a satisfactory result. During the year, DAT-Schaub International A/S changed its name to ESS-FOOD A/S, a strong name in international meat trading, that is now shared by all international trading companies within the group.

Group issues

Also this year, Danish Crown has maintained a firm control on costs at group level, although massive fire damage has had a negative effect on insurance. This year's Danish Crown Group result includes no significant profit on sales of companies or real estate.

Despite rising market interest rates, group net financial costs are unchanged relative to last year, because the balance sheet has been trimmed. In both financial years, this entry includes gains from fixed asset investments.

The Group has reduced net interest bearing debt by DKK 731.2 million, and this entry is now approximately DKK 2 billion lower than two years ago. At the same time equity is increased to DKK 342.5 million, of which approximately two-thirds is held in members' accounts. This means that our equity ratio this year has increased from 22.3 to 24.4 percent (including total capital resources).

This means that the Group is in a good position to finance the takeovers that are expected to be effectuated during the coming financial year. During the past year, takeover projects have been announced in connection with companies in the UK, the Slovak Republic and Sweden. These are all projects that will contribute to development of the Group's international processing strategy.

At the end of the financial year, the total number of employees in the Group was approximately 24,900, which is around 250 fewer than the previous year. The reduction is attributed mainly to ongoing rationalisation and automation in all areas of the Group.

Personnel development activities have continued through the year and the number of industrial disputes has been minimal. At the same time, many employees have demonstrated a strong will to change, in relation not only to planned but also to unplanned reorganisations of production, like the two serious fires at Danish slaughterhouses that hit the company this year. At the end of the financial year, we have implemented a broad-based project, a survey among employees and managers that will be instrumental to the future development of the company.

Outlook for the coming year

For Danish Crown's members there is one decisive question: How long will it be before market forces can re-establish a balance between animal feed prices and meat prices? Danish Crown expects that the market will begin to move in the right direction again at the beginning of 2008, and that profitability in primary production will improve significantly during the year.

Therefore, we expect to see pork and beef prices rise significantly in the coming financial year. At the same time, Danish Crown believes that the meat quantities available to the Group's fresh meat sector will be maintained over the year.

Danish Crown will see growth in the processing sector that is a positive effect both of rationalisation and of development projects that have already been carried out. However, there is a risk that rising prices for raw materials will cause a temporary reduction in gross profit during the period of delay, i.e. until a new price balance is established. Growth in the processing sector is expected to be achieved on the basis of takeovers that will be realised in the next financial year.

In the light of rising costs in Denmark and the monetary situation, it will be imperative that we continue to focus on rationalisation and internationalisation of group production. Furthermore, interest rates that, at the start of the new financial year, are slightly higher than last year's level, could influence future development. All in all, the group result for the coming financial year is expected to be consistent with this year.

FINANCIAL REPORT

Accounting policies and estimates
Accounting policies are unchanged since last year.

Group structure
No significant changes to group structure have been made during the financial year 2006/07. At the end of the financial year, Danish Crown has announced the Group's intention to takeover companies in the UK, Sweden and the Slovak Republic. None of these takeovers were completed at the end of the financial year which means that, if they do materialise, they will affect profits and the balance sheet in financial year 2007/08.

The takeover of Sokołów, the Polish slaughterhouse and processing company, was finalised in 2005/06. This company is still owned jointly (50/50) with the Finnish slaughtering company, HKScan Oy, and is 100 percent controlled by a joint subsidiary. The company is included in the consolidated accounts on a pro-rata basis.

Income statement
Group turnover for the 2006/07 financial year was DKK 44.3 billion, which is DKK 4.2 billion lower than turnover in the last financial year. This reduction is due to divestment during 2005/06 of a number of companies whose spheres of activity were outside our core business area. These divestments have only now full effect on group turnover, and DKK 2.5 billion of the reduction can be attributed to divestments. Within continuing business areas, there has been a slight fall in turnover of pork and beef which is attributed to falling price levels, while turnover in the processing and trading companies is almost at the same level as 2005/06.

Direct costs have been reduced, primarily as a result of divestments but lower prices for raw materials have also been significant, as the average quoted price in 2006/07 was lower than in 2005/06. Indirect costs this year are at last year's level because continuing costs development has eliminated savings achieved from completed divestments. Indirect costs are also affected by costs incurred amounting to DKK 10 million, which was the excess on insurance for the two major fires that hit the parent company's production facilities at Blans and Skive. Apart from this, the two fires have had no effect on the year's result.

Depreciation and amortisation rose slightly in 2006/07 compared to the previous financial year. This increase was foreseen as there have been significant investments in the UK, and, for the first time, goodwill depreciation for Sokołów has had an effect on a full year.

Net financing expenses are at the same level as in 2005/06. Interest costs have increased as a result of steadily increasing interest rates this year, especially for short-term and current operating loans. Their effect has been counteracted by increased financial income, primarily as rate gains. During 2006/07, Danish Crown has sold off a large shareholding in Finnish slaughtering company HKScan Oy, which brought actual rate gain for the year to DKK 107.5 million.

The parent company's consolidated income statement includes profits from a number of subsidiaries with production, refinement and trading activities. Key subsidiaries include DAT-Schaub a.m.b.a., Tulip Food Company, and Tulip UK.

Fixed assets
Total consolidated fixed assets have fallen by DKK 765.3 million since the end of the last financial year. Intangible fixed assets have fallen in line with goodwill depreciation. Meanwhile, tangible fixed assets have also fallen as a result of a level of investment that is a little lower than accounted depreciation. Finally, fixed asset investments have fallen as a result of Danish Crown's sale during the year of a significant shareholding in HKScan Oy.

Current assets
Current assets have increased DKK 338.9 million since last year's end of year balance. The increase is attributed to periodic fluctuation in balance sheet items associated with primary operating activities.

Equity
The Group's equity has been calculated in accordance with new principles introduced in connection with the annual report 2005/06. The principles now match the internationally recognised practice of entering dividends and supplementary payments on the payment date, rather than on the balance sheet date.

Group equity at the end of the financial year 2006/07 amounts to DKK 4,186.5 million, representing an increase of DKK 342.5 million relative to last year's equity. Most of the increase can be attributed to continued accruement of members' accounts. At the same time, payments from the old personal accounts were discontinued at the end of 2005/06. Moreover, the Board of Representatives decided to consolidate the company, investing a further DKK 146.0 million, including gains from divestments completed in 2005/06.

In accordance with current company resolutions, the last payment in connection with the accruement of members' accounts will be made in December 2007. Future adjustment of members' accounts will be undertaken relative to fluctuations in deliveries (kg) by members in the period from the time the accruement process started in 1999/2000 until a future point in time when a decision to further increase members' accounts may be made.

At the close of the 2006/07 financial year, the solvency ratio was 24.4 percent, calculated on the basis of total resources capital.

Liabilities
Continued specific focus was given to trimming the balance sheet during the financial year 2006/07. Trimming the balance sheet to the same extent as in 2005/06 has not been possible as there has been no significant divestment in 2006/07. The balance sheet total in 2006/07 has fallen by

DKK 426.4 million, due to current operating activities. Net interest bearing debt is reduced by DKK 731.2 million, relative to the level on 1 October 2006.

The Group continues to base its lending primarily on financing and credit with terms exceeding one year, and evenly distributed up to terms of 20 years, if mortgage loans are included. As a result, there is no major need to refinance over the next three to five years, if operations remain unchanged.

Cash flow statement

Cash flow from operating and investment activities in 2006/07 is positive again this year, like last year, although at a slightly lower level, due to the great effect last year of completed divestments.

Corporate Governance

The parent company of the Group is a cooperative, which is managed via the company's highest authority - the Board of Representatives, elected from among the company's 13,465 members.

This year the number of members of the Board of Representatives and on the Supervisory Board respectively has been reduced in accordance with a Board of Representatives' resolution. As a result, the Board of Representatives has been reduced from 323 members to 234 members, and the Supervisory Board from 22 members to 15 members, effective from 1 January 2007. Thirteen will be elected among the members and employees, and two elected externally.

Currency exposure

As an export company operating internationally, Danish Crown is exposed to currency exposure in relation to conversion to DKK.

The Group's major currencies are GBP, JPY, USD, EUR and DKK, and 32 percent of total currency turnover is in DKK and EUR, where little or no exchange rate risk is involved.

The Group's currency exposure policy calls for ongoing hedging of foreign currency export income, within a framework defined by the Supervisory Board.

Danish Crown has a number of investments in foreign subsidiaries, and conversion of the equity in these subsidiaries to DKK depends on the exchange rate on the balance sheet date. The Group has a general policy of not hedging the currency exposure in relation to the Group's equity share in foreign subsidiaries - the translation, or conversion, risk.

Interest rate exposure

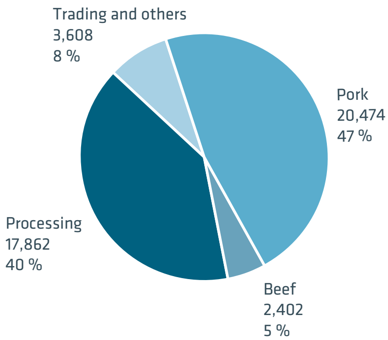
Interest rate exposure is the risk of changes in the market value of assets or liabilities as a result of changes in interest rate conditions. For Danish Crown, this risk is primarily linked to company debts, given that the Group does not have any significant long-term interest-bearing assets on the balance sheet date. The Group's net interest-bearing debt on 30 September 2007 totals DKK 12,024.9 million.
Fixed rate mortgage loans, repo transactions, interest rate swaps and combinations of interest rate and currency swaps are used to manage interest rate exposure.

As of 30 September 2007, fixed rate interest loans accounted for 20 percent of the Group's total interest-bearing debt. The remainder is financed on the basis of variable interest rates. A one percent change in the market interest rate is estimated to have a DKK 101 million impact on total annual interest rate expenses, all other factors aside.

CORE BUSINESS AREAS

Net turnover for 2006/07 by business area

Net turnover for the Group is divided between the primary business areas as follows (DKK million):



All comments on the Group's primary business areas have been prepared based on gross turnover, including internal turnover.

Pork division

	2006/07	2005/06	2004/05
Slaughtered A kg (million)	1,536.6	1,577.0	1,627.7
Turnover, DKK million	24,187.3	25,626.3	25,014.1
Operating profit, DKK million	1,223.9	1,040.7	1,093.1
Operating profit as %	5.1	4.1	4.4

Number of members

Structural changes in the primary agriculture are continuing, leading to a decline in the number of pig suppliers. At the end of September 2007, Danish Crown had 6,977 members supplying either pigs alone, or pigs and sows. This is 1,233 (15 percent) fewer members than at the same time last year.

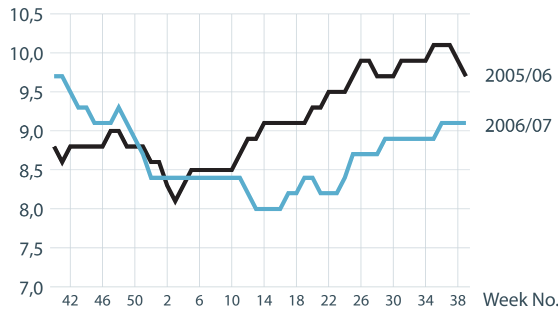
Pig and sow supplies

The total number of pigs and sows received for slaughtering in 2006/07 was 18,162,072. Of that figure, we received 17,683,033 pigs from members, representing a reduction of 912,562 pigs, a decrease of 4.9 percent relative to last year. The number of sows, large boars and finishers was 398,943, compared to 433,485 last year. Part of the reduction is explained by the backlog of slaughtering that has plagued the company for most of the year and which worsened in the aftermath of the fires that hit the slaughterhouses at Blans and Skive, in April and July respectively.

Slight fall in quoted prices in 2006/07

An over-supply of pork on the global market has caused lower quoted prices in 2006/07, where the average was DKK 8.65/kg, representing a DKK 0.43/kg reduction relative to the previous year.

Quoted price DKK per kg



Total quantity sold has fallen 4.6 percent relative to 2005/06. Declining sales can be attributed to EU markets in particular, where a sharply increased supply of pork in Germany has pressured the market there and in neighbouring countries.

Production structure

Efforts to improve sales productivity have continued throughout 2006/07. Strong focus on further automation and the introduction of "best practice" on all machinery have improved competitiveness.

The production structure has not been changed this year but the two fires meant that production at Blans and Skive had to be transferred to other plants as overtime and weekend work. The new slaughterhouse in Horsens is producing at a rate that far exceeds planned capacity, partly due to a great deal of flexibility on the part of personnel from the plants that were hit by fire.

The fires have had no adverse effect on the year's results because compensation for operating losses is entered into the accounts on an ongoing basis as an insurance coverage asset. Increased wear and tear on remaining facilities as a result of the fires may well have caused a few more production stoppages than usual and therefore slightly higher maintenance costs, and planned rationalisations and other operative improvements have had to be postponed.

Following negotiations with employees at Skive in October 2007, it was decided that the slaughterhouse there will only be partly rebuilt. Slaughtering will be resumed but cutting and deboning will be transferred to other plants. The plant at Blans will be rebuilt in its entirety. Finally, cutting and deboning activities at Viborg will be transferred to other plants. The Viborg activities closed on 1 October 2007.

The Danish market

We have succeeded in maintaining our market share in the Danish retail market in 2006/07. The year has seen increasing demand for meat packed for retail, especially to supermarkets with a butchery department.

Demand for quality products, including "Crown of Cooking", and investment in the "100 % Danish meat from Danish Crown" campaign have produced results. We estimate that more than 50 percent of the Danish retail trade is now selling our products.

There has also been a parallel increase in sales of more expensive cuts of traditional Danish pork, such as loin and tenderloin. The food service market is also enjoying positive development. Sales of pork from the "Antonius" special pig have stagnated slightly and steps have been taken to ensure that last year's positive development is replicated.

Our cooperation with leading Danish chefs and butchers continues and the aim is to create a more comprehensive assortment of quality products based on Danish pork.

DAT-Schaub a.m.b.a.

Production and sales of pig casings have been satisfactory during the 2006/07 financial year. A reduction in the number of slaughterings in Denmark, Sweden and Germany has meant that it has been difficult to meet high demand for quality pig casings.

The supply of lamb casings, used primarily in the production of thinner types of sausage, has, by contrast, been greater than demand and global market prices fell slightly. Group profits on turnover of lamb casings have, therefore, not been entirely satisfactory.

Apart from production and sales of natural casings, the DAT-Schaub Group manufactures and sells a broad assortment of artificial casings and ingredients on selected markets. Sales in this category have been satisfactory in 2006/07.

Following a number of years in which DAT-Schaub made several takeovers, the Group has invested more energy in development projects, consolidation and adjustments in 2006/07. Significant resources have been spent on investments and rationalisation in Poland and are expected to contribute positively to the Group's results in the future. Warehousing and other activities have been transferred from Sweden to Denmark and Portugal, and these transfers are expected to have a satisfactory effect. Market position in Finland and the Baltic countries is consolidated and planned rationalisations have been implemented.

The most recent rationalisations and trimming of the balance sheet now mean that the DAT-Schaub Group is well prepared for further expansion. The market for natural casings is expected to be buoyant in 2008 and we expect to see continued growth in turnover and profits in 2007/08.

Beef division

	2006/07	2005/06	2004/05
Slaughtered A kg (million)	69.7	67.8	72.5
Turnover, DKK million	2,921.8	3,009.6	2,799.4
Operating profit, DKK million	88.8	93.1	72.5
Operating profit as %	3.0	3.1	2.6

Number of members

Structural development in primary beef production is continuing and, by the end of September 2007, Danish Crown had 7,325 members that produce cattle, against 7,898 the previous year, corresponding to a 7.3 percent reduction.

Cattle supplies

The total number of Danish animals received for slaughtering in 2006/07 was 282,062 animals, compared to 276,939 the previous year. Of these, 270,613 were slaughtered at slaughterhouses in Denmark and 11,449 animals at the slaughterhouse at Husum.

In the financial year there has been a 2.0 percent increase in supplies of cattle for slaughtering in Denmark. Danish Crown's share has increased 1.9 percent and our share of total number of slaughterings nationally in Denmark is now 59.3 percent, against last year's 59.4 percent.

In 2006/07 100,460 cattle were slaughtered at the slaughterhouse in Husum. In addition, 58,099 lambs were slaughtered at Husum. These figures mean that there has been a 0.8 percent decline in the number of cattle slaughterings and a 4.1 percent increase in lamb slaughterings, compared to last year.

Quoted price

At EU level, Danish Crown's quoted price over the year has been the same as or a little above the countries with which we are accustomed to comparing ourselves. Our quoted price has, on average, been DKK 0.49/kg lower than in 2005/06. Annual average price for cattle has been DKK 0.63/kg lower, DKK 0.77 /kg lower for bulls and DKK 0.61/kg lower for heifers. By contrast, our quoted price for Danish Veal was DKK 0.06/kg higher.

Market conditions

The beef and veal markets developed negatively in 2006/07. The first months of the financial year were as expected, but poor weather in early summer and in barbecue season meant that consumption was very low and prices fell.

During the same period, sales to Russia evaporated, due to fierce competition especially from Brazil. This put pressure on the European beef market and brought falling prices, especially for raw materials.

There have, however, also been some positive events in 2006/07. We have successfully introduced two new meat concepts in the Danish retail market, and the Danish Veal concept is becoming ever stronger in its market.

The future

In the coming financial year, we will focus on increasing processing and on adding value to beef and veal. New products from the plant at Sdr. Felding will be introduced.

On our export markets, more focus will be placed on the catering market in Italy, by establishing a central warehouse from which smaller customers can be serviced directly.

Reducing costs and optimising utilisation of deboning capacity will continue.

Processing companies

The Group's processing companies are: Tulip Food Company, Tulip Ltd., Plumrose USA, Sunhill Food and Sokołów.

The total turnover for the processing sector was DKK 17.9 billion, and the sector realised operating profits of DKK 584.3 million.

	2006/07	2005/06	2004/05
Sales, tonnes	645,982	658,229	657,098
Turnover, DKK million	17,923.8	18,161.8	17,675.8
Operating profit, DKK million	584.3	614.2	573.4
Operating profit as %	3.3	3.4	3.2

Tulip Food Company

Tulip Food Company manages the Group's sales of processed products within the EU, excluding the UK and Poland. Tulip Food Company also has significant exports to a number of countries outside the EU.

Again in 2006/07, the financial year reflects that Tulip Food Company is making progress and further improvement to primary operating profits, despite increasing costs and negative development in the rate of exchange on key markets. Turnover is almost at the same level as the previous year. While the total covers impressive growth within strategic growth areas, sales of non-strategic products are reduced as planned.

A new brand strategy and a new platform for communications has strengthened the company's position as indicated by a significant increase in sales of branded products on the Scandinavian markets this year. By contrast, development in exchange rates in overseas markets has had a negative effect on turnover.

Production structure is being adjusted constantly. During the year, the decision was made to close the factory at Brabrand. At our two most recent factories at Svenstrup and Oldenburg, development is now very positive. Both facilities contribute significantly to Tulip Food Company profits. The factory in Vejle has taken over production from Brabrand.

A simultaneous sharp increase in demand for the factory's products has caused temporary bottleneck problems. These are expected to be resolved at the start of the new financial year. The sales structure too has been altered with the closure of sales offices in the USA and Finland. We have also initiated a number of strategic activities aimed at improving profitability in Sweden, Germany and France.

The company's overall structure has been changed with the establishment of two new strategic business areas: The Innovation and Supply Chain departments. Innovation at Tulip Food Company has been bolstered in 2006/07. This year we launched more than 100 new products and carried out more than 800 product adjustments. At the same time, the product number portfolio is reduced, simplifying the business and fortifying the company's competitive edge.

In future heavy investments will continue in innovation, food safety and efficient, competitive delivery service to customers. We have reserved funds to strengthen the offensive effort in the years to come.

Despite the prospect that exchange conditions will continue to be problematic and that raw material prices will continue to rise, profits are expected to increase in 2007/08.

Tulip Ltd.

Tulip Ltd. is an important company on the UK pork market and, as such, it is imperative that the company can deliver attractive products, of the quality required and in quantities that meet demand, as and when customers expect them, regardless of market conditions.

During the past year Tulip Ltd. has carried out a major adjustment process within production. Production of ham/cold cuts has been transferred from Chard and Chippenham over to Coalville and Kings Lynn. Bacon production at Thetford has been moved to Cornwall and Westerleigh. Small-scale sausage production at a factory in Bexhill has been moved to Peckham and integrated in existing production. The Morecambe factory, which produced pre-processed poultry products, has been sold off as the product programme lies outside Tulip's core assortment.

During recent years, major investments aimed at facilitating the restructuring process have been made, not least at Kings Lynn, Coalville, Tipton and Westerleigh. The investment projects at these factories have been completed this year. Focus in the coming financial year will be on delivering the projected improvements in production costs that the investments are intended to provide. Furthermore, investment in expanding the Corsham factory that services Waitrose, is intended to ensure that we will be able to produce sufficient quantities to meet demand in the years to come.

As a result of investments and transferring production, Tulip's production platform is well-equipped to meet future competitive requirements.

Transfers have undoubtedly been a heavy burden on the organisation this past year. Notwithstanding, in this year of transformation, we have succeeded in selling almost the same volume as in the previous year, when the figures are adjusted for the divestment of the Morecambe factory at the end of May 2007.

In July, there was an outbreak of foot and mouth disease in southern England, close to the State testing station. As a result, slaughtering was stopped for a short time. More significantly, however, there was a temporary ban on exports from the UK. Pig prices at purchase level and national turnover level have not been affected in the short term which means that Tulip has borne much of the burden caused by the outbreak.

Taking the difficult conditions into account, at the beginning of 2007/08, Tulip is in a relatively positive competitive position. Focus must now be directed forward and outward. Product development and innovation must ensure deliveries to the major supermarket chains and Tulip brand products will be promoted to strengthen the company's position within the supply chain. Takeover of Geo. Adams is expected to be completed during the first quarter of 2007/08. This acquisition will give added impetus to Tulip's strategy that aims to intensify close cooperation with our customers.

Plumrose USA

Plumrose USA manages the Group's processing activities in the USA. Production is focused on the three primary factories in Council Bluffs, Iowa, Elkhart, Indiana, and Booneville, Mississippi. Two distribution centres are located in Tupelo, Mississippi, and East Brunswick, New Jersey, as well as two sales offices in Arkansas and California. Principal products are cold cuts and bacon.

The year 2006/07 has brought a slight increase in turnover, compared to 2005/06. Competition on the US market is very tough and rising raw material prices and increased marketing costs have made their mark. Plumrose's share of Danish Crown's operating results has decreased as a consequence of falling rates of exchange on the dollar.

Plumrose USA is currently investing in developing products for its own brands, including healthier products with lower sodium content, and new types of functional packaging.

Sokołów

The operating result for 2006/07 indicates that Sokołów's original core business is in a period of stable and positive development, characterised by strong sales of branded products both to traditional retail trade, and, in particular, to the supermarket sector. Sokołów is Poland's second largest meat production group and has one of Poland's strongest brand names. Activities at the beginning of the year were centred at 6 factories with a comprehensive distribution network of profile stores.

At the beginning of the financial year 2006/07 the company took over the modern Pozmeat factory at Poznan. At the time of the takeover, the factory had no employees and no production. The factory was bought on reasonable terms but the extraordinary costs associated with starting up the factory's pig slaughtering and refinement functions are very apparent in the operating profits for this financial year. There have also been extraordinary costs in connection with renovation of a breeding and multiplying production facility.

The Sokołów Group's profits are lower than in 2005/06 but we expect to see a significant improvement in the new financial year, once the running-in process at Pozmeat is completed.

At the Sokołów factory at Kolo, a department has been set up to debone pork. It is run as a cooperative venture between Sokołów and Danish Crown's Pork Division. This department has gradually been run in during the year and has contributed to increased trade between Sokołów and Tulip Food Company.

Sokołów is owned by the Swedish company, Saturn Nordic Holding AB, which, in turn, is owned by Danish Crown and the Finnish company, HKScan Oy, where each has a 50 percent share. Consequently, 50 percent of Saturn Nordic Holding is consolidated in Danish Crown's group result.

Trading companies

The Group's trading companies are ESS-FOOD France, ESS-FOOD Japan, ESS-FOOD A/S (formerly DAT-SCHAUB International A/S) and Friland.

	2006/07	2005/06	2004/05
Sales, tonnes	272,302	300,233	394,362
Turnover, DKK million	3,677.1	3,921.0	5,190.8
Operating profit, DKK million	72.3	61.3	96.7
Operating profit as %	2.0	1.6	1.9

ESS-FOOD France

The companies in ESS-FOOD France operate primarily as sales channels for Danish products, but also produce and market French and Spanish products.

ESS-FOOD France has not received as many products from Denmark as in previous years, due to the fact that prices on the French market have not been attractive to Danish Crown. The company continues to export successfully, especially to the markets in Russia and South Africa.

ESS-FOOD Japan

ESS-FOOD Japan is phasing out as it was decided during the year to shut down the company's activities.

The Japanese market has been strongly competitive this year, and the declining value of the yen had a negative impact on sales.

DC Trading Ltd., Japan

The decision has been made to start up a new, more focused trading company in Japan, whose principle aim will be to market Danish products. The new company started its trading activities on 1 October 2007.

ESS-FOOD A/S (formerly DAT-SCHAUB International A/S)

The company's core business is buying and selling meat products.

The year has been characterised by increasing demand in China. By contrast, there has been a slight reduction in demand on certain other markets during the financial year. Due to export embargoes, outbreaks of Foot and Mouth disease in Brazil and UK have had a negative effect on activities in these two countries.

In the financial year, turnover, tonnage and profits were satisfactory. Turnover and profits are, however, both slightly lower than last year. The company has continued to focus on strict risk management during the financial year.

The company's structure has been changed during 2006/07 as, at the beginning of the year, the company merged with Findane A/S, a step which has brought about administrative savings. A new representative office has been opened in the USA to strengthen the company's presence in North America.

At the end of the financial year the company changed its name from DAT-SCHAUB International to ESS-FOOD. The change of name was motivated by a desire to differentiate the trading company from the casing company, DAT-Schaub a.m.b.a.

The company is expected to develop positively in the coming financial year.

Friland

Focus at Friland is on organic products and other products where animal welfare is key.

During the year, there has been extra demand for these products which meant that there has been a significant increase in turnover.

At Friland, turnover of organic products has increased most. A breakdown of the figures reveals that turnover of organic pork has increased most, although turnover on organic beef has also risen. The increased turnover has been achieved on the basis of a healthy increase in the number of organic slaughterings of both pigs and cattle.

Following a couple of years with relatively little growth, the brand "Frilandsgrisen" (Friland Pig) has increased turnover, despite a fall in the number of animals slaughtered. Growth has been achieved in Denmark and on exports of loins and streaky bacon to the UK.

Friland's remaining special beef products, Limousine and Angus, have also experienced growth this year.

HUMAN RESOURCES

In recent years, we have witnessed a labour shortage in Danish society generally, and the employees starting out on the labour market hold completely different values to employees of the past.

Labour market developments mean that management is required to rethink jobs and job content so that the individual employee is held by the company and is offered challenging tasks and individual responsibilities.

Social profile

Danish Crown has undergone a relatively long period of structural adjustment, which has included factory closures. Danish Crown has a social plan that helps employees from closed factories find new jobs, either within the Group or in other companies or branches after they have completed further education and training.

The social plan has meant that the general public sees Danish Crown in a positive light where the Group's dealings with employees affected by factory closures are concerned. At the same time, the rate of success in terms of the number of employees in new jobs, either at Danish Crown or in other companies, is almost 100 percent.

In addition, setting up courses for employees with a non-Danish ethnic background and for people on social security has produced a three-way win-win situation: Danish Crown has a supply of new employees, the individual employee gets a good permanent job and the public authorities save on welfare benefits.

Management

Management tasks are subject to constant change. This year and in the coming year, recruitment and personnel development will be important factors. Years ago, anyone who was good at his profession could get by in management. In the future, however, the individual manager will have to be able to tackle the professional and managerial angles simultaneously. This represents a challenge that Danish Crown seeks to meet head on when we employ new managers or develop present managers by means of internal management courses, individual coaching and processes in which we work with a management team at an individual factory.

Serious fires at Blans and Skive

In the aftermath of the fires at Blans and Skive, very swift redeployment of personnel was required. Within a few days, a plan was in place that offered temporary employment to each individual employee. Our swift reaction made it possible to retain employees from the factories that were hit by fire and ensures that the recruitment effort required when the factories resume production will be not as onerous as it would otherwise have been.

Recruitment

One of this year's major challenges has been to attract and employ the right employees, a challenge we share with the majority of companies in Denmark. This applies to apprentices, production workers and white collar workers/managers.

This year, Danish Crown has successfully recruited production workers from Germany, Poland, and, most recently, the Czech Republic. Where white collar workers and managers are concerned, we have initiated a variety of Employer Branding activities which are intended to improve awareness of Danish Crown and to ensure that we are in a position to attract employees with the right kinds of competencies.

Management and employee survey

At the end of the financial year we carried out a survey among employees and managers in the parent company. The aim of the survey was to collect real facts (as opposed to mere supposition) about a number of employee and manager related conditions. This information will be used in connection with locating activities where they will have greatest effect on the business. At the end of the year the data is not yet processed at individual factory level. However, overall results on two principal factors, motivation and commitment, indicate that, at company level, Danish Crown scores slightly better than other larger companies that have completed the same survey.

The company ought to be proud of these results, as they underline that we have a firm foundation for the future.

ENVIRONMENTAL REPORT - PARENT COMPANY

Serious fires at Blans and Skive

The emergency plans that were prepared in the wake of the fires at Blans and Skive included temporary transfer of production to other slaughterhouses. In this connection, Danish Crown has cooperated closely with the Danish environmental authorities to achieve the necessary permits. The individual company's environmental permits define how operations at the individual production facility are to take place - in terms of production times, volume produced, transportation, etc. The environmental authorities are responsible for deciding on a case by case basis, whether or not to approve extension of operations at a slaughterhouse. Furthermore, the respective local council has to be able to cope with the extra volume of wastewater.

The water purifying plant at Blans

The biological purifying plant close to the Blans slaughterhouse broke down in 2006, a short time before planned extension of the plant was due to start. This meant, on the one hand, that there was acute need for the environmental authorities' approval of a temporary emergency procedure for purifying organically polluted wastewater. On the other hand, the breakdown of the old purification plant has meant that a new, state-of-the-art purification plant has been built. The DKK 27 million investment was put into service during September 2007 followed by a running-in period.

Regulating risk from ammonia cooling systems

The use of ammonia-based cooling systems in densely populated areas is now subject to new regulations in a joint notice, produced by Danish environmental authorities, work environment authorities, the police and emergency services. This means that a number of companies that operate ammonia cooling systems are obliged to prepare safety documentation describing company safety policy and contingency plans for the cooling systems and ammonia storage. The authorities have yet to decide how the new regulations will be administered. And for this reason, it remains unclear how many Danish Crown companies will be subject to the new regulations. At the end of the year, preparation of documentation of safety policies is underway at five Danish Crown companies and a further 3-5 companies are expected to follow suit.

Certification

The process of obtaining environmental and work environmental certification for the Danish Crown companies is ongoing. Danish Crown currently has six certified factories. Within the past year the pig slaughterhouses at Sæby and Ringsted have completed the certification process.

The slaughterhouse at Skive was to be certified just as it was hit by fire. Certification at Skive is postponed for the time being. We plan certification at Rønne, Vojens, Skærbæk and Horsens in 2007/08.

State environmental centres

The local government reform in Denmark has transferred official responsibility for slaughterhouses from the regional authorities to new State-run environmental centres. In order to promote cooperation with the environmental authorities, Danish Crown held an environment seminar at the slaughterhouse at Esbjerg. At the seminar, new environmental inspection officers were introduced to Danish Crown's policies vis à vis the environment and to how we tackle environmental issues.

Ringsted

In January 2007, the slaughterhouse at Ringsted received renewed environmental approval. Apart from minor adjustments in other areas, the environmental approval report includes gradual introduction of steps to reduce slaughterhouse odours. A detailed internal survey and project planning are underway and we expect to invest heavily. In fact, investments amounting to approximately DKK 12 million will be required. The new plant must be completed by the end of 2008.

CO_2

The slaughterhouses at Ringsted and Horsens are included in European quota regulations. This means that, for the years 2005-2007, they have been allocated CO_2 quotas based on previous periods of reference.

Financial Figures (DKK 1,000)	2006/07	2005/06
Treatment and discharge of wastewater	72,848	75,564
Disposal of sludge; stomach and casing contents; and fertilizer	17,354	15,437
Waste management and waste disposal	7,167	5,437
Disposal of animal by-products	85,469	107,487
Noise and odour measurement	1,064	2,700

Environmental Figures (per tonne of meat produced)		2006/07	2005/06
Energy consumption	MWh	0.25	0.28
Water consumption	m^3	2.6	2.9
CO_2 emissions 1)	kg	22	26
Waste water emissions 2)	m^3	2.5	2.7
BOD_5 emissions 3)	kg	4.1	5.5
Nitrogen emissions 3)	kg	0.6	0.7
Recycled to biogas production 4)	kg	58.5	59.3
Estimated biogas production	m^3	3,386,000	3,288,000
Biogas production as number of households' consumption	households	818	794

1) Lower CO_2 emissions are due to partial replacement of fossil fuels with CO_2 neutral animal fats.
2) Reduction in water consumption because slaughterings were collected at fewer slaughterhouses, due to the two fires.
3) Fall in BOD_5 and nitrogen emissions is due to closures at Grindsted and Odense.
4) Reduced biogas volume due to reduction in volume of sludge from the purifying plant at Blans.

KEY FIGURES FOR THE GROUP

Amount in DKK million	2002/03	2003/04	2004/05	2005/06	2006/07
Income statement					
Net turnover	40,367.7	44,369.8	48,598.4	48,534.0	44,345.8
Operating profit	1,542.9	1,657.1	1,734.8	1,859.7	1,871.8
Financial income and expenses, net	-262.2	-353.0	-391.8	-490.3	-490.7
Profit for the year	1,214.2	1,260.8	1,228.0	1,232.0	1,229.9
Balance sheet					
Balance sheet total	17,470.7	22,016.9	23,224.9	21,706.0	21,279.6
Investment in property, plant and equipment	2,296.1	3,709.1	1,860.6	848.9	848.8
Subordinated loans	0.0	1,000.0	1,000.0	1,000.0	1,000.0
Equity	3,344.6	3,533.7	3,686.3	3,844.0	4,186.5
Solvency ratio *)	19.1 %	20.6 %	20.2 %	22.3 %	24.4 %
Cash flow					
Cash flows from operating and investment activities	466.2	-3,169.1	-71.2	2,738.3	1,321.8
Number of employees					
Average number of full-time employees	23,053	23,948	28,553	26,938	24,334
Supplementary payments, DKK/kg					
Supplementary payments, pigs	0.70	0.70	0.70	0.65	0.75
Supplementary payments, sows	0.55	0.60	0.60	0.65	0.55
Supplementary payments, cattle	0.65	0.80	0.80	0.90	0.85
Supply from members, million kg					
Pigs	1,518.7	1,573.4	1,551.4	1,504.8	1,468.9
Sows	75.1	79.0	76.3	72.2	67.7
Cattle	73.4	75.1	72.5	67.8	69.7
Number of members					
Number of members	19.799	18.253	16.718	15.044	13.465

**) Calculated based on subordinated loans and equity*

MANAGEMENT STATEMENT

Statement by the Management on the annual report

Today we have presented the annual report for the financial year 2 October 2006 - 30 September 2007 for Danish Crown AmbA.

The annual report is presented in accordance with the Danish Financial Statements Act and Danish Accounting Standards.

We consider the applied accounting policies appropriate for the annual report, to provide a true and fairview of the Group's and the Parent company's assets, equity and liabilities, financial position, earnings, and the Group's cash flows.

We recommend the annual report be adopted by the Board of Representatives.

Randers, 19 November 2007

Executive Board	Kjeld Johannesen *CEO*	Carsten Jakobsen *Vice CEO*	Preben Sunke *CFO*
		Jens Haven Christiansen *Director*	Flemming N. Enevoldsen *Managing Director*

Supervisory Board	Niels Mikkelsen *Chairman*	Erik Bredholt *Vice Chairman*	Karl Kristian Andersen
	Niels Daugaard Buhl	Peder Damgaard	Kim Frimer
	Hans Klejsgaard Hansen	Niels Jakob Hansen	Asger Krogsgaard
	Erik Larsen	Poul Møller	Peder Philipp
	Leo Christensen *employee representative*	Hans Søgaard Hansen *employee representative*	Søren Tinggaard *employee representative*

INDEPENDENT AUDITOR'S REPORT

To the members of Danish Crown AmbA

We have audited the annual report of Danish Crown AmbA for the financial year 2 October 2006 to 30 September 2007, which comprises the statement by Management on the annual report, Management's review, accounting policies, income statement, balance sheet, statement of changes in equity and the notes for the Group as well as the Parent Company and the consolidated cash flow statement. The annual report has been prepared in accordance with the Danish Financial Statements Act and Danish Accounting Standards.

Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of an annual report in accordance with the Danish Financial Statements Act and Danish Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and basis of opinion

Our responsibility is to express an opinion on this annual report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of an annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the Parent Company's financial position at 30 September 2007, and of their financial performance and the consolidated cash flows for the financial year 2 October 2006 to 30 September 2007 in accordance with the Danish Financial Statements Act and Danish Accounting Standards.

Viborg, 19 November 2007

Deloitte
Statsautoriseret Revisionsaktieselskab

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

ACCOUNTING POLICIES

General comments

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting Class C enterprises (large) and Danish Accounting Standards.

Accounting policies are unchanged since last year.

Recognition and measurement

Assets are recognised in the balance sheet when, as a result of a previous event, it is probable that future economic benefits will flow to the Group and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected for each item, as described below.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date, are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recorded in the income statement as financial income or financial expenses.

Consolidated financial statements

The consolidated financial statements are prepared on the basis of the annual reports of the parent company, Danish Crown AmbA, and its subsidiaries in which the parent company, directly or indirectly, holds more than 50 percent of the voting rights or in any other way has a controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20 and 50 percent of the voting rights and exercises significant but not controlling influence, are regarded as associates.

Associates which are managed together with one or more enterprises (joint ventures) are consolidated on a pro rata basis, which implies that the individual accounting items are included in proportion to the share of ownership of the enterprise. Other associates are included at the proportionate share with which they have contributed to the result and equity (equity method).

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the parent company, its subsidiaries and pro rata consolidated enterprises. The consolidated financial statements are prepared by combining uniform items. On consolidation, intragroup income and expenses, intragroup accounts as well as profits and losses on transactions between the consolidated enterprises, are eliminated. The financial statements used for consolidation have been prepared primarily by application of the Group's accounting policies.

Subsidiaries' items are recognised in full in the consolidated financial statements. Minority interests' pro rata share of profit/loss and net assets are disclosed as a specific item in the income statement and the balance sheet, respectively.

Investments in subsidiaries and enterprises consolidated on a pro rata basis are offset at the pro rata share of the net assets of such subsidiaries and enterprises at the takeover date with net assets having been calculated at fair value.

Enterprise combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of their acquisition or establishment. Divested or liquidated enterprises are recognised in the consolidated income statement up to the time of their divestment or liquidation.

The purchase method is applied in the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to agreed and published restructuring in the acquired enterprise. Allowance is made for the tax effect of the restatements.

Positive differences (goodwill) between the cost of the acquired share and the fair value of the assets and liabilities taken over, are recognised under intangible assets, and amortised systematically on the income statement, based on an individual assessment of their useful life, up to a maximum of 20 years. Negative differences (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet as deferred income, and they are recognised in the income statement as and when adverse development is realised.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding up of subsidiaries and associates are calculated as the difference between selling price or settlement price and carrying amount of the net assets at the time of divestment or winding up, inclusive of non-amortised goodwill and estimated divestment or winding up expenses. Profits and losses are recognised in the income statement under Other Operating Income or Other Operating Expenses, respectively.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date, are converted using the exchange rate at balance sheet date. Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at balance sheet date, are registered in the income statement as Financial Income or Financial Expenses.

On recognition of figures for foreign subsidiaries, statements of income and items in the balance sheet are translated using average annual exchange rates. Balance sheet items are translated using exchange rates at balance sheet date. Exchange rate differences that arise when translating the foreign subsidiary's equity at the beginning of the year, using the exchange rates on balance sheet date, are recognised directly in equity. Exchange rate differences that arise when translating the income statements of foreign subsidiaries from average exchange rates into exchange rates in effect on balance sheet date, are recognised in the income statement if they are integrated, foreign subsidiaries, or classified directly as equity if they are independent, foreign subsidiaries.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in equity.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments are recognised in the income statement together with changes in the value of the hedged asset or liability.

Changes in the current value of derivative financial instruments, that are applied for hedging net investments in independent foreign subsidiaries or associates, are recognised directly in equity.

Income statement

Net turnover

Net turnover is recognised in the income statement when delivery is made, and risk has passed to the buyer. Net turnover comprises invoiced sales plus export restitutions and minus agency commissions.

Production costs

Production costs comprise direct and indirect costs incurred in earning net turnover. In production costs, the cost of raw materials, including meat from members where such meat is entitled to supplementary payments, consumables, production staff and depreciation on production plant, are all included.

Production costs also include costs of development projects that do not meet the criteria for recognition in the balance sheet, and amortisation of recognised development projects.

Distribution costs

Distribution costs comprise costs incurred for distribution of goods sold and sales campaigns, including costs regarding sales and distribution staff, advertising costs, depreciation and amortisation.

Administrative costs

Administrative costs comprise costs incurred for management and administration of the Group, including costs relating to administrative staff and Management, stationery and office supplies, as well as depreciation and amortisation.

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a secondary nature to the Group's primary activities.

Financial income and expenses

These items comprise interest income and expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, mortgage amortisation premium relating to mortgage debt, cash discounts etc., as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

Income taxes

The tax charge of the year comprises current tax as well as changes in deferred tax. Taxes are computed based on cooperative and income tax charged.

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year’s taxable income, adjusted for prepaid tax.

Deferred tax is recognised and measured by applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax-based value of the assets is calculated based on the planned use of each asset.

Deferred tax is valued based on the tax regulations and rates in the respective countries that will apply on the balance sheet date when the deferred tax is expected to be triggered as current tax. Changes in deferred taxation resulting from changes in tax rates are included in the income statement.

Deferred tax assets, including the tax base of tax loss carried forward, are recognised in the balance sheet at their estimated realisable value, either offset against deferred tax liabilities or as net tax assets.

In parts of the Group that are liable to pay income tax and where joint taxation has been established, the tax charge for the year is fully distributed between the entities/subsidiaries.

Balance sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and write-down.

Intangible assets are amortised on a straight-line basis, based on an assessment of their expected lifetime. Amortisation is usually carried out based on the following principles:

Trademarks	10 years
Goodwill/Group goodwill	up to 20 years

Trademarks etc. are amortised over a period of 10 years, as the value of these assets is currently supported by marketing activities.

The amortisation period of goodwill/Group goodwill is usually 5-10 years. However, it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile. The longer amortisation period is applied where it more accurately reflects the Group's benefit from the relevant resources.

Intangible assets are assessed on a current basis and written down to recoverable amount if the carrying amount exceeds the estimated future net income from the enterprise or activity to which the asset is related.

Property, plant and equipment

Property, plant and equipment including assets held under finance leases, are measured at cost less accumulated depreciation and write-down.

Cost comprises the acquisition price, costs directly attributable to acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. For company-manufactured assets, cost comprises direct and indirect costs of materials, components, sub-contractors and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Interest expenses on loans for financing the production of very significant property, plant and equipment are included in costs if they relate to the manufacturing period. All other financing costs are recognised in the income statement.

The assets are depreciated on a straight-line basis from the date of acquisition or from the day they are put into service, based on an assessment of their useful lifetime. Depreciation is generally carried out using the following principles:

Land	not depreciated
Buildings	20 - 40 years
Plant and machinery	10 years
Other fixtures and fittings	5 - 20 years

Plants which have been closed down are not depreciated as they are written down to their expected net realisable value.

Assets with short useful lifetime or costing less than DKK 40,000 are recognised as costs in the income statement at the date of acquisition.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Gains and losses realised in connection with current replacement of property, plant and equipment are recognised in the income statement as depreciation.

Fixed asset investments

Investments in subsidiaries and associates are recognised and measured under the equity method. This means that, in the balance sheet, investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill on consolidation, and plus or minus unrealised intragroup profits or losses.

The parent company's share of the enterprises' profits or losses after elimination of unrealised intragroup profits and losses, and minus or plus amortisation of positive, or negative, goodwill on consolidation, is recognised in the income statement.

Subsidiaries and associates with negative equity are measured at zero value. Any receivables from these enterprises are written down by the parent company's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognised under provisions if the parent company has a legal or constructive obligation to cover the deficit of the relevant enterprise.

Net revaluation of investments in subsidiaries and associates is taken to reserve for net revaluation under the equity method if the carrying amount exceeds costs.

The purchase method is applied on acquisition of subsidiaries and associates; see above description under consolidated financial statements.

Other securities are measured at amortised cost.

Inventories

Inventories are measured at the lower of costs using the FIFO method and net realisable value.

Costs of goods for resale, raw materials and consumables consists of purchase price plus landing costs. Costs of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs as well as indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation and write-down on machinery, factory buildings and equipment applied for the manufacturing process, as well as costs of factory administration and management. Financing costs are not included in costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute the sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

Deferred Income
Deferred income comprises incurred costs relating to subsequent financial years. Deferred income is measured at amortised cost which usually corresponds to the nominal value.

Securities and investments
Securities recognised under current assets mainly comprises listed bonds and investments measured at fair value (quoted price) at balance sheet date.

Dividend and supplementary payment
Dividend and supplementary payment are recognised as receivables and liabilities, respectively, at the time of adoption by the Annual General Meeting. Proposed dividend and supplementary payment for the financial year are shown as a separate item under equity.

Provisions
Pension obligations:
The Group has entered into pension agreements with a significant number of the Group's employees.

The pension agreements comprise contribution-based and benefit-based plans.

In the contribution-based plans, which are mainly used by the Danish companies, the Group pays fixed contributions to independent pension funds on a current basis. The Group is under no obligation to pay any additional amounts.

It is characteristic of the benefit-based schemes, which are mainly used by the Group's UK enterprises, that the parent company is under obligation to pay a predefined contribution in connection with retirement, depending on the years of service of the employee in question, etc.

The obligation related to benefit-based pension plans is calculated annually, by way of an actuarial calculation that is based on certain parameters concerning e.g. future development in the rates of interest and inflation, average life expectancy of employees, etc.

The actuarial net present value less the fair value of any assets related to the scheme is recognised in the balance sheet under pension obligations. Actuarial gains and losses arising as a consequence of the change in the assumptions upon which the calculation of the pension obligation is based or in the calculation of the assets related to the pension scheme, are recognised in the income statement.

Actuarial gains or losses which exceed the highest of either the calculated pension obligation or the fair value of the assets held by the pension funds, are amortised over the expected remaining working lives of the employees of the Group. Actuarial gains or losses below the 10 percent limit are not recognised in the financial statements, but are included in the actuarial calculations pointing forward.

Other provisions
Other provisions comprise anticipated costs of decided and published restructurings, guarantee commitments, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Mortgage debt and debt with other credit institutions
At the time of borrowing, mortgage debt and debt at credit institutions are measured at cost, corresponding to the proceeds received less transaction costs incurred. Debts are subsequently measured at amortised cost, which corresponds to the capitalised value applying the effective interest method.

Lease commitments
Lease commitments regarding assets held under finance leases are recognised in the balance sheet as liabilities other than provisions. Following initial recognition, lease commitments are recognised at cost. The interest portion of lease payments is recognised over the term of the contracts as financial costs in the income statement.

Other financial liabilities
Other financial liabilities are recognised at amortised cost which usually corresponds to nominal value.

Deferred Income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at amortised cost which usually corresponds to the nominal value.

Cash flow statement

The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the parent company because it is included in the consolidated cash flow statement.

Cash flows from operating activities are calculated as the profit of the year adjusted for non-cash operating items and working capital changes etc. Cash flows from investment activities comprises payments in connection with the purchase and sale of intangible assets, property, plant and equipment, as well as fixed asset investments.

Cash flows from financing activities comprises cash flows from the raising and repayment of long and short-term liabilities and supplementary payments to the members.

Cash and cash equivalents comprise cash and securities which are included in the balance sheet as current assets.

Segment information

Information is provided on the allocation of revenue on business segments and geographical markets. The segmental disclosures comply with the Group’s accounting policies and internal financial management.

INCOME STATEMENT

2 October 2006 - 30 September 2007
(DKK million)

	Note	GROUP		PARENT COMPANY	
		2006/07	2005/06	2006/07	2005/06
Net turnover	1	**44,345.8**	**48,534.0**	**23,953.9**	**25,476.3**
Production costs	2,3	-37,593.6	-41,457.9	-20,735.7	-22,304.3
Gross profit		**6,752.2**	**7,076.1**	**3,218.2**	**3,172.0**
Distribution costs	2,3	-3,403.2	-3,773.6	-1,534.1	-1,511.1
Administrative costs	2,3,4	-1,445.7	-1,537.1	-553.5	-602.8
Operating profit from ordinary activity		**1,903.3**	**1,765.4**	**1,130.6**	**1,058.1**
Other operating income		20.9	128.9	0.0	115.5
Other operating costs		-52.4	-34.6	-45.0	-21.6
Operating profit		**1,871.8**	**1,859.7**	**1,085.6**	**1,152.0**
Share of profit/loss in subsidiaries	5	0.0	0.0	247.1	262.3
Share of profit/loss in associates		26.9	9.0	28.9	16.8
Income from other investments		0.5	1.0	0.5	0.2
Financial income	6	192.6	186.6	171.0	122.0
Financial expenses	7	-683.3	-676.9	-302.6	-316.2
Profit before tax		**1,408.5**	**1,379.4**	**1,230.5**	**1,237.1**
Tax on profit for the year	8	-151.6	-120.2	-0.6	-5.1
Group profit for the year		**1,256.9**	**1,259.2**	**1,229.9**	**1,232.0**
Minority interests' share of profit		-27.0	-27.2	0.0	0.0
Profit for the year		**1,229.9**	**1,232.0**	**1,229.9**	**1,232.0**

Distribution of profit					
Amount for distribution:					
Profit for the year				1,229.9	
Total amount for distribution				**1,229.9**	
distributed as follows:					
Supplementary payment for the year					
Pigs supplied by members: 1,468,919,334 kg at DKK 0.75				1,101.7	
Sows supplied by members: 67,692,393 kg at DKK 0.55				37.2	
Cattle supplied by members: 69,666,265 kg at DKK 0.85				59.2	
Total supplementary payment for the year				**1,198.1**	
Transferred to equity					
Transferred to other reserves				31.8	
Total transferred to equity				**31.8**	
Total amount distributed				**1,229.9**	

BALANCE SHEET – ASSETS

As of 30 September 2007
(DKK million)

		GROUP		PARENT COMPANY	
Fixed assets	**Note**	**30/9 2007**	**1/10 2006**	**30/9 2007**	**1/10 2006**
Intangible assets	9				
Trademarks etc.		2.3	1.4	0.0	0.0
Goodwill		28.1	34.0	0.2	0.2
Group Goodwill		855.6	939.9	0.0	0.0
Total intangible assets		**886.0**	**975.3**	**0.2**	**0.2**
Property, plant and equipment	10				
Land and buildings		5,466.9	5,892.2	2,728.6	3,081.8
Plant and machinery		3,192.9	3,271.7	1,244.4	1,323.1
Other fixtures and fittings, tools and equipment		403.0	411.0	152.5	167.4
Property, plant and equipment in progress		770.0	695.3	244.4	125.0
Total property, plant and equipment		**9,832.8**	**10,270.2**	**4,369.9**	**4,697.3**
Fixed asset investments	11				
Investments in subsidiaries		0.0	0.0	1,520.6	1,659.8
Receivables from subsidiaries		0.0	0.0	28.7	33.9
Investments in associates		469.0	465.2	994.0	977.1
Other securities and investments		60.8	303.2	50.7	290.3
Total fixed asset investments		**529.8**	**768.4**	**2,594.0**	**2.961,1**
Total fixed assets		**11,248.6**	**12,013.9**	**6,964.1**	**7,658.6**

Current assets				
Inventories				
Raw materials and consumables	668.7	707.6	49.7	43.2
Work in progress	376.6	392.4	115.6	135.7
Finished goods and goods for resale	2,453.5	2,310.9	1,046.0	924.7
Total inventories	**3,498.8**	**3,410.9**	**1,211.3**	**1,103.6**
Receivables				
Trade receivables	5,100.5	5,307.6	1,776.0	1,959.0
Contract receivables	148.7	186.0	148.7	186.0
Receivables from subsidiaries	0.0	0.0	1,119.8	1,112.7
Receivables from associates	4.6	2.2	1.0	0.5
Other receivables	709.1	291.1	341.4	30.0
Deferred income	134.0	125.2	64.3	62.7
Total receivables	**6,096.9**	**5,912.1**	**3,451.2**	**3,350.9**
Securities and investments	**239.9**	**125.8**	**0.0**	**0.0**
Cash	**195.4**	**243.3**	**13.1**	**16.3**
Total current assets	**10,031.0**	**9,692.1**	**4,675.6**	**4,470.8**
Total assets	**21,279.6**	**21,706.0**	**11,639.7**	**12,129.4**

BALANCE SHEET - EQUITY AND LIABILITIES

As at 30 September 2007
(DKK million)

		GROUP		PARENT COMPANY	
Equity	**Note**	**30/9 2007**	**1/10 2006**	**30/9 2007**	**1/10 2006**
Members' accounts		1,558.9	1,319.9	1,558.9	1,319.9
Reserve for net revaluation of investments		0.0	0.0	83.1	205.8
Other reserves		1,429.5	1,438.1	1,346.4	1,232.3
Proposed supplementary payment for the year		1,198.1	1,086.0	1,198.1	1,086.0
Total equity		**4,186.5**	**3,844.0**	**4,186.5**	**3,844.0**
Minority interests		**62.4**	**59.0**	**0.0**	**0.0**
Provisions	12	**724.9**	**624.3**	**79.2**	**105.2**
Liabilities					
Long-term liabilities	13				
Subordinated loans		1,000.0	1,000.0	1,000.0	1,000.0
Mortgage debt		3,517.6	3,787.5	3,222.5	3,420.8
Lease commitments		15.1	23.3	0.3	0.0
Other credit institutions		6,547.3	6,762.5	1,270.1	1,479.7
Total long-term liabilities		**11,080.0**	**11,573.3**	**5,492.9**	**5,900.5**
Short-term liabilities					
Short-term part of long-term liabilities		175.0	431.4	61.1	307.9
Credit institutions		1,205.2	1,120.5	212.4	296.5
Trade payables		2,229.5	2,231.9	875.8	845.2
Debt to subsidiaries		0.0	0.0	102.0	88.4
Debt to associates		45.5	14.7	34.1	2.0
Other payables		1,461.7	1,558.7	552.5	552.5
Deferred Income		108.9	119.5	43.2	58.5
Proposed payment to members' and capital accounts		0.0	128.7	0.0	128.7
Total short-term liabilities		**5,225.8**	**5,605.4**	**1,881.1**	**2,279.7**
Total liabilities		**16,305.8**	**17,178.7**	**7,374.0**	**8,180.2**
Total equity and liabilities		**21,279.6**	**21,706.0**	**11,639.7**	**12,129.4**

Contingent liabilities	14
Provision of security	15
Members' liability	16
Currency exposure and financial instruments	17
Related party transactions	18

STATEMENT OF CHANGES IN EQUITY

As at 30 September 2007
(DKK million)

Group	Members' accounts	Personal capital accounts	Reserve for net revaluation of investments	Other reserves	Proposed supplementary payment for the year	Total
Equity as at 3 October 2005	1,105.6	100.8	0.0	1,290.1	1,189.8	3.686.3
Net payments for the year	214.3	-100.8	0.0	0.0	-1,189.8	-1,076.3
Ex. rate adjustment, foreign companies	0.0	0.0	0.0	-3.6	0.0	-3.6
Other adjustments	0.0	0.0	0.0	5.6	0.0	5.6
Profit for the year	0.0	0.0	0.0	146.0	1,086.0	1,232.0
Equity as at 1 October 2006	**1,319.9**	**0.0**	**0.0**	**1,438.1**	**1,086.0**	**3,844.0**
Net payments for the year	239.0	0.0	0.0	0.0	-1,086.0	-847.0
Ex. rate adjustment, foreign companies	0.0	0.0	0.0	-47.3	0.0	-47.3
Other adjustments	0.0	0.0	0.0	6.9	0.0	6.9
Profit for the year	0.0	0.0	0.0	31.8	1,198.1	1,229.9
Equity as at 30 September 2007	**1,558.9**	**0.0**	**0.0**	**1,429.5**	**1,198.1**	**4,186.5**

Parent company						
Equity as at 3 October 2005	1,105.6	100.8	267.7	1,022.4	1,189.8	3,686.3
Net payments for the year	214.3	-100.8	0.0	0.0	-1,189.8	-1,076.3
Ex. rate adjustment, foreign companies	0.0	0.0	-3.6	0.0	0.0	-3.6
Other adjustments	0.0	0.0	5.6	0.0	0.0	5.6
Profit for the year	0.0	0.0	0.0	146.0	1,086.0	1,232.0
Transfer	0.0	0.0	-63.9	63.9	0.0	0.0
Equity as at 1 October 2006	**1,319.9**	**0.0**	**205.8**	**1,232.3**	**1,086.0**	**3,844.0**
Net payments for the year	239.0	0.0	0.0	0.0	-1,086.0	-847.0
Ex. rate adjustment, foreign companies	0.0	0.0	-47.3	0.0	0.0	-47.3
Other adjustments	0.0	0.0	6.5	0.4	0.0	6.9
Profit for the year	0.0	0.0	0.0	31.8	1,198.1	1,229.9
Transfer	0.0	0.0	-81.9	81.9	0.0	0.0
Equity as at 30 September 2007	**1,558.9**	**0.0**	**83.1**	**1,346.4**	**1,198.1**	**4,186.5**

CASH FLOW STATEMENT

2 October 2006 - 30 September 2007
(DKK million)

	GROUP	
Cash flow from operating activities	**2006/07**	**2005/06**
Profit for the year	1,229.9	1,232.0
Depreciation, amortisation and write-down	1,272.2	1,272.6
Share of profit/loss generated by fixed asset investments	-27.4	-10.0
Change in provisions	100.6	35.4
Change in inventories	-87.9	706.4
Change in receivables	-184.8	417.4
Change in trade payables, etc.	-496.6	-59.0
Total cash flow from operating activates	**1,806.0**	**3,594.8**
Cash flow from investment activities		
Investment in intangible assets	-19.2	-57.5
Investment in property, plant and equipment	-848.8	-848.9
Investment in fixed asset investments	383.8	49.9
Total cash flow from investment activities	**-484.2**	**-856.5**
Total cash flow from operating and investing activities	**1,321.8**	**2,738.3**
Cash flow from financing activities		
Deposit of members' capital	239.0	214.3
Payment of personal capital accounts	0.0	-172.3
Payment of supplementary payment	-1,086.0	-1,189.8
Change in short-term bank credit	84.7	-1,237.2
Change in mortgage debt	-269.9	-585.5
Change in lease commitments	-8.2	-9.5
Change in other long-term debt	-215.2	231.7
Total cash flow from financing activities	**-1,255.6**	**-2,748.3**
Change in cash and securities	66.2	-10.0
Cash and securities as at 2 October 2006	369.1	379.1
Cash and securities as at 30 September 2007	**435.3**	**369.1**

NOTES
(DKK million)

1	Net turnover	GROUP 2006/07	GROUP 2005/06	PARENT COMPANY 2006/07	PARENT COMPANY 2005/06
	Distributed by market:				
	Denmark	5,052.6	5,000.6	4,380.5	4,514.0
	International	39,293.2	43,533.4	19,573.4	20,962.3
	Total net turnover	**44,345.8**	**48,534.0**	**23,953.9**	**25,476.3**
	Distributed by sector:				
	Pork division	20,473.8	21,798.0	21,983.7	23,500.6
	Beef division	2,401.8	2,544.9	1,970.2	1,975.7
	Processing companies	17,861.8	17,995.6	0.0	0.0
	Trading and other companies	3,608.4	6,195.5	0.0	0.0
	Total net turnover	**44,345.8**	**48,534.0**	**23,953.9**	**25,476.3**

2	Staff costs				
	Wages and salaries	6,257.2	6,662.1	3,100.0	3,231.6
	Pensions	317.3	330.7	207.1	208.0
	Other social security costs	610.9	624.8	225.6	235.9
	Total staff costs	**7,185.4**	**7,617.6**	**3,532.7**	**3,675.5**
	This includes:				
	Remuneration of parent company's Supervisory Board	3.9	4.4	3.6	4.0
	Remuneration of Board of Representatives	3.0	5.2	3.0	5.2
	Remuneration of parent company's Executive Board	25.3	24.8	14.1	15.0
	Average number of employees	24,334	26,938	9,135	9,922

3	Depreciation, amortisation and write-down				
	Intangible assets	90.7	92.0	0.0	0.0
	Property, plant and equipment	1,181.5	1,180.6	540.0	564.6
	Exchange rate adjustments	5.0	-0.2	0.0	0.0
	Profit from sale of property, plant and equipment	11.0	-59.0	2.3	-0.2
	Total depreciation, amortisation and write-down	**1,288.2**	**1,213.4**	**542.3**	**564.4**
	Depreciation, amortisation and write-down are included in the following items:				
	Production costs	1,083.9	992.4	495.5	516.8
	Distribution costs	33.4	42.8	8.3	9.3
	Administrative costs	170.9	178.2	38.5	38.3
	Total depreciation, amortisation and write-down	**1,288.2**	**1,213.4**	**542.3**	**564.4**

NOTES
(DKK million)

		GROUP		PARENT COMPANY	
4	**Audit fees**	**2006/07**	**2005/06**	**2006/07**	**2005/06**
	Audit fee, Deloitte	11.6	12.6	2.7	2.7
	Audit fee, others	1.4	2.1	0.0	0.0
	Other services, Deloitte	5.7	5.5	2.2	1.1
	Other services, others	2.6	3.1	0.1	0.1
	Total audit fees	**21.3**	**23.3**	**5.0**	**3.9**

5	**Share of profit/loss in subsidiaries**				
	Share of profit/loss	0.0	0.0	257.0	236.7
	Unrealised intra-group profits	0.0	0.0	2.8	42.6
	Amortisation on additional value in connection with acquisition of shares	0.0	0.0	-12.7	-17.0
	Total share of profit/loss in subsidiaries	**0.0**	**0.0**	**247.1**	**262.3**

6	**Financial income**				
	Subsidiaries	0.0	0.0	15.1	19.0
	Other interest	192.6	186.6	155.9	103.0
	Total financial income	**192.6**	**186.6**	**171.0**	**122.0**

7	**Financial expenses**				
	Subsidiaries	0.0	0.0	0.2	0.6
	Other interest	683.3	676.9	302.4	315.6
	Total financial expenses	**683.3**	**676.9**	**302.6**	**316.2**

8	**Tax on profit for the year**				
	Tax on profit for the year	106.5	84.9	5.2	8.6
	Adjustments related to previous years	-31.7	-23.1	-4.6	-3.5
	Change in deferred tax	76.8	58.4	0.0	0.0
	Total tax on profit for the year	**151.6**	**120.2**	**0.6**	**5.1**

NOTES

(DKK million)

9 Intangible assets, Group	Trade-marks, etc.	Goodwill	Group goodwill	Intangible assets total
Total cost:				
Total cost as at 2 October 2006	463.9	69.0	1,371.2	1,904.1
Exchange rate adjustment	0.4	-0.3	-33.9	-33.8
Transfer	0.0	0.0	31.5	31.5
Additions during year	1.9	0.0	0.0	1.9
Disposals during year	0.0	-0.9	0.0	-0.9
Total cost as at 30 September 2007	**466.2**	**67.8**	**1,368.8**	**1,902.8**
Total amortisation and write-down:				
Total amortisation and write-down as at 2 October 2006	462.5	35.0	431.3	928.8
Exchange rate adjustment	0.4	0.0	-2.3	-1.9
Additions	0.0	0.0	0.0	0.0
Depreciation, amortisation and write-down for the year	1.0	5.5	84.2	90.7
Amortisation and write-down on assets disposed of	0.0	-0.8	0.0	-0.8
Total amortisation and write-down as at 30 September 2007	**463.9**	**39.7**	**513.2**	**1,016.8**
Carrying amount as at 30 September 2007	**2.3**	**28.1**	**855.6**	**886.0**
Carrying amount as at 1 October 2006	1.4	34.0	939.9	975.3
Intangible assets, parent company				
Total cost:				
Total cost as at 2 October 2006	24.4	8.8	0.0	33.2
Additions during year	0.0	0.0	0.0	0.0
Disposals during year	0.0	0.0	0.0	0.0
Total cost as at 30 September 2007	**24.4**	**8.8**	**0.0**	**33.2**
Total amortisation and write-down:				
Total amortisation and write-down as at 2 October 2006	24.4	8.6	0.0	33.0
Depreciation, amortisation and write-down for the year	0.0	0.0	0.0	0.0
Amortisation and write-down on assets disposed of	0.0	0.0	0.0	0.0
Total amortisation and write-down as at 30 September 2007	**24.4**	**8.6**	**0.0**	**33.0**
Carrying amount as at 30 September 2007	**0.0**	**0.2**	**0.0**	**0.2**
Carrying amount as at 1 October 2006	0.0	0.2	0.0	0.2

NOTES

(DKK million)

10	Property, plant and equipment, Group	Land and buildings	Plant and machinery	Other fixtures and fittings	Property, plant and equipment in progress	Total property plant and equipment
	Total cost:					
	Total cost as at 2 October 2006	10,004.8	9,406.8	1,625.6	695.3	21,732.5
	Exchange rate adjustment	-59.6	-77.6	-3.6	-14.1	-154.9
	Completion of plant in progress	193.9	410.0	42.6	-646.5	0.0
	Additions during year	67.4	262.7	139.6	735.3	1,205.0
	Disposals during year	-784.5	-849.6	-132.9	0.0	-1,767.0
	Total cost as at 30 September 2007	**9,422.0**	**9,152.3**	**1,671.3**	**770.0**	**21,015.6**
	Total revaluation:					
	Total revaluation as at 2 October 2006	30.9	5.8	0.5	0.0	37.2
	Disposals during year	0.0	0.0	0.0	0.0	0.0
	Total revaluation as at 30 September 2007	**30.9**	**5.8**	**0.5**	**0.0**	**37.2**
	Total amortisation and write-down:					
	Total amortisation and write-down as at 2 October 2006	4,143.5	6,140.9	1,215.1	0.0	11,499.5
	Exchange rate adjustment	-11.6	-35.7	-2.9	0.0	-50.2
	Depreciation, amortisation and write-down for the year	433.8	587.0	160.7	0.0	1,181.5
	Amortisation and write-down on assets disposed of	-579.7	-727.0	-104.1	0.0	-1,410.8
	Total amortisation and write-down as at 30 September 2007	**3,986.0**	**5,965.2**	**1,268.8**	**0.0**	**11,220.0**
	Carrying amount as at 30 September 2007	**5,466.9**	**3,192.9**	**403.0**	**770.0**	**9,832.8**
	Carrying amount as at 1 October 2006	5,892.2	3,271.7	411.0	695.3	10,270.2
	The carrying amount as at 30 September 2007 includes:					
	Recognised leased assets	7.1	14.3	1.2	0.0	22.6
	Recognised interest expenses	102.6	18.7	2.5	0.0	123.8
	Latest official annual evaluation of Danish properties as at 1 October 2006	2,040.8				
	Carrying amount of foreign properties	2,090.5				

NOTES

(DKK million)

10 Property, plant and equipment, parent company	Land and buildings	Product-tion plant and machinery	Other plant, operating plant and equipment	Property, plant and equipment in progress	Total property, plant and equipment
Total cost:					
Total cost as at 2 October 2006	5,854.2	4,004.3	804.5	125.0	10,788.0
Completion of plant in progress	26.4	53.8	8.7	-88.9	0.0
Additions during year	28.6	90.6	42.5	208.3	370.0
Disposals during year	-576.3	-337.3	-47.0	0.0	-960.6
Total cost as at 30 September 2007	**5,332.9**	**3,811.4**	**808.7**	**244.4**	**10,197.4**
Total amortisation and write-down:					
Total amortisation and write-down as at 2 October 2006	2,772.4	2,681.2	637.1	0.0	6,090.7
Depreciation, amortisation and write-down for the year	280.0	203.9	56.1	0.0	540.0
Amortisation and write-down on assets disposed of	-448.1	-318.1	-37.0	0.0	-803.2
Total amortisation and write-down as at 30 September 2007	**2,604.3**	**2,567.0**	**656.2**	**0.0**	**5,827.5**
Carrying amount as at 30 September 2007	**2,728.6**	**1,244.4**	**152.5**	**244.4**	**4,369.9**
Carrying amount as at 1 October 2006	3,081.8	1,323.1	167.4	125.0	4,697.3
The carrying amount as at 30 September 2007 includes:					
Recognised leased assets	0.0	0.0	1.2	0.0	1.2
Recognised interest expenses	102.6	18.7	2.5	0.0	123.8
Latest official annual valuation of Danish properties as at 1 October 2006	1,375.9				

NOTES

(DKK million)

11	Fixed asset investments, Group	Investments in subsidiaries	Receivables from subsidiaries	Investments in subsidiaries	Other securities and investments	Total fixed asset investments
	Total cost:					
	Total cost as at 2 October 2006	0.0	0.0	205.4	175.7	381.1
	Exchange rate adjustment	0.0	0.0	0.0	0.0	0.0
	Additions during year	0.0	0.0	16.4	0.0	16.4
	Disposals during year	0.0	0.0	-0.6	-141.0	-141.6
	Total cost as at 30 September 2007	**0.0**	**0.0**	**221.2**	**34.7**	**255.9**
	Total value adjustment:					
	Total value adjustment as at 2 October 2006	0.0	0.0	259.8	127.5	387.3
	Exchange rate adjustment	0.0	0.0	-1.1	119.4	118.3
	Share of net profit/loss	0.0	0.0	26.9	0.5	27.4
	Distribution of dividends	0.0	0.0	-40.6	0.0	-40.6
	Additions during year	0.0	0.0	3.5	0.0	3.5
	Disposals during year	0.0	0.0	-0.2	-221.3	-221.5
	Other adjustments	0.0	0.0	-0.5	0.0	-0.5
	Total value adjustment as at 30 September 2007	**0.0**	**0.0**	**247.8**	**26.1**	**273.9**
	Carrying amount as at 30 September 2007	**0.0**	**0.0**	**469.0**	**60.8**	**529.8**
	Carrying amount as at 1 October 2006	0.0	0.0	465.2	303.2	768.4

NOTES
(DKK million)

11	Fixed asset investments, parent company	Investments in subsidiaries	Receivables from subsidiaries	Investments in subsidiaries	Other securities and investments	Total fixed asset investments
	Total cost:					
	Total cost as at 2 October 2006	1,653.7	33.9	674.2	162.3	2,524.1
	Exchange rate adjustment	-40.1	0.0	3.2	0.0	-36.9
	Additions during year	1.0	1.3	0.0	0.0	2.3
	Disposals during year	-0.5	-6.5	0.0	-137.7	-144.7
	Total cost as at 30 September 2007	**1,614.1**	**28.7**	**677.4**	**24.6**	**2,344.8**
	Total value adjustment:					
	Total value adjustment as at 2 October 2006	6.1	0.0	302.9	128.0	437.0
	Exchange rate adjustment	-14.6	0.0	4.0	119.6	109.0
	Share of net profit/loss	247.1	0.0	28.9	0.5	276.5
	Distribution of dividends	-339.3	0.0	-21.5	0.0	-360.8
	Additions during year	0.0	0.0	3.6	0.0	3.6
	Disposals during year	-0.6	0.0	0.0	-222.0	-222.6
	Other adjustments	7.8	0.0	-1.3	0.0	6.5
	Total value adjustment as at 30 September 2007	**-93.5**	**0.0**	**316.6**	**26.1**	**249.2**
	Carrying amount as at 30 September 2007	**1,520.6**	**28.7**	**994.0**	**50.7**	**2,594.0**
	Carrying amount as at 1 October 2006	1,659.8	33.9	977.1	290.3	2,961.1

NOTES

(DKK million)

12	Provisions	GROUP 30/9 2007	GROUP 1/10 2006	PARENT COMPANY 30/9 2007	PARENT COMPANY 1/10 2006
	Pension obligations	257.1	290.7	57.6	65.2
	Deferred tax	174.9	74.3	0.0	0.0
	Restructuring expenses	19.6	26.4	14.6	26.4
	Insurance provisions	212.8	163.8	0.0	2.7
	Other provisions	60.5	69.1	7.0	10.9
	Total provisions	**724.9**	**624.3**	**79.2**	**105.2**
	Realisation dates for provisions expected to be:				
	Within one year	94.2	73.4	20.2	34.1
	After one year	630.7	550.9	59.0	71.1
	Total provisions	**724.9**	**624.3**	**79.2**	**105.2**

Group	Pension provisions	Deferred tax	Restructuring expenses	Insurance provisions	Other provisions
Provisions as at 2 October 2006	290.7	74.3	26.4	163.8	69.1
Exchange rate adjustments	-6.0	-7.7	0.0	0.0	0.0
Transfer	0.0	31.5	0.0	0.0	0.0
Applied during the year	-48.0	0.0	-13.4	-2.8	-33.8
Allocated for the year	20.4	76.8	6.6	51.8	25.2
Provisions as at 30 September 2007	**257.1**	**174.9**	**19.6**	**212.8**	**60.5**

Parent company					
Provisions as at 2 October 2006	65.2	0.0	26.4	2.7	10.9
Applied during the year	-9.3	0.0	-14.3	-2.7	-8.6
Allocated for the year	1.7	0.0	2.5	0.0	4.7
Provisions as at 30 September 2007	**57.6**	**0.0**	**14.6**	**0.0**	**7.0**

NOTES

(DKK million)

13	Long-term liabilities, Group	Due within one year	Due between 1 and 5 years	Due after 5 years	Total long-term liabilities
	Subordinated loans	0.0	550.0	450.0	1.000.0
	Mortgage debt	83.5	517.4	3,000.2	3,601.1
	Lease commitments	8.8	13.5	1.6	23.9
	Other credit institutions	82.7	5,774.6	772.7	6,630.0
	Long-term liabilities as at 30 September 2007	**175.0**	**6,855.5**	**4,224.5**	**11,255.0**
	Long-term liabilities as at 1 October 2006	431.4	6,537.0	5,036.3	12,004.7
	Long-term liabilities, parent company				
	Subordinated loans	0.0	550.0	450.0	1,000.0
	Mortgage debt	55.0	397.6	2,824.9	3,277.5
	Lease commitments	1.1	0.3	0.0	1.4
	Other credit institutions	5.0	1,270.1	0.0	1,275.1
	Long-term liabilities as at 30 September 2007	**61.1**	**2,218.0**	**3,274.9**	**5,554.0**
	Long-term liabilities as at 1 October 2006	307.9	1,866.0	4,034.5	6,208.4

Interest rate exposure	GROUP		PARENT COMPANY	
Long-term liabilities, by currency	**30/9 2007**	**1/10 2006**	**30/9 2007**	**1/10 2006**
DKK	6,754.5	7,196.0	4,950.6	5,623.3
EUR	586.8	669.0	234.2	297.4
GBP	2,931.4	3,067.7	72.4	121.2
USD	507.9	768.5	9.6	19.4
JPY	144.6	10.4	60.4	10.4
SEK	24.8	103.7	1.6	1.5
NOK	1.4	17.5	0.0	0.0
PLN	178.3	85.5	104.4	50.2
AUD	120.3	84.5	120.3	84.5
Others	5.0	1.9	0.5	0.5
Total long-term liabilities	**11,255.0**	**12,004.7**	**5,554.0**	**6,208.4**
Weighted average interest rate	5.27 %	4.66 %	5.14 %	4.73 %

Of the Group's long-term loans, DKK 4,314.9 million has been raised as fixed-rate loans (excluding subordinated loans mentioned below) and DKK 5,940.1 million has been raised as floating-rate loans. Of the parent company's loans, DKK 3,295.0 million (excluding subordinated loan) has been raised as fixed-rate loans and DKK 1,259.0 million has been raised as floating-rate loans. At balance sheet date, DKK 2,948.5 million has been refinanced from fixed-rate loans to floating-rate loans by way of financial instruments. Together with the underlying liabilities, the financial instruments have been stated at their fair value at balance sheet date and have been recognised in the income statement under Financial Income and Expenses. The weighted rate of interest on the long-term debt of the Group is 5.18 percent (excluding subordinated loans) before recognition of financial instruments. For the parent company, the weighted rate of interest is 4.89 percent (excluding subordinated loans) before recognition of financial instruments.

In the Parent company, subordinated loans of DKK 1,000.0 million have been raised. These loans expire in 2012 and 2014. The loans are for DKK 550.0 million at a fixed rate of interest 6.125 percent (expiring 2012), and DKK 450.0 million at a fixed rate of interest 6.375 percent (expiring 2014). The subordinated loans are subordinated to the other creditors of the Company.

NOTES

(DKK million)

		GROUP		PARENT COMPANY	
14	**Contingent liabilities**	**30/9 2007**	**1/10 2006**	**30/9 2007**	**1/10 2006**
	Guarantees provided to subsidiaries, maximum	0.0	0.0	4,601.3	4,690.6
	Guarantees provided to subsidiaries, applied	0.0	0.0	2,689.7	2,782.5
	Other guarantees	62.0	49.9	0.0	0.7
	Contractual obligations regarding property, plant and equipment	115.5	242.9	0.0	0.0
	Guarantees provided to the EU Directorate	11.1	35.4	3.1	23.8
	Repayment obligation	6.1	40.0	4.9	38.8
	Rental and lease commitments	124.1	134.9	7.5	0.0
	Others	123.4	1.9	21.6	0.6

The Group is involved in isolated lawsuits and disputes. Management is of the opinion that the outcome of these will not have a significant impact on the financial position of the Group.

15	**Provision of security**				
	The assets below have been provided as security for mortgage debt and other long-term debts:				
	Land, buildings and plant, etc.	3,659.2	3,791.7	3,308.3	3,382.2
	Carrying amount of above assets	5,058.5	5,157.2	4,120.4	4,285.8

16 Members' liability

The members are personally and severally liable for the parent company's commitments.
The liability of the individual member is calculated on the basis of members' supplies, with a maximum liability of DKK 25.000.
Total cost as at 30 September 2007: DKK 336.6 million
As at 30 September 2007, Danish Crown AmbA had 13,465 members.

(DKK million)

17	Currency exposure and financial instruments, Group	Receivables	Liabilities	Hedged by way of forward contracts	Net position 30/9 2007
	EUR	1,525.0	628.9	598.9	297.2
	GBP	955.7	233.8	599.9	122.0
	JPY	1,113.4	177.3	926.3	9.8
	USD	1,028.6	262.5	713.0	53.1
	Others	634.3	403.8	146.7	83.8
	Total currency exposure and financial instruments	**5,257.0**	**1,706.3**	**2,984.8**	**565.9**

A significant portion of the sale of goods by Danish Crown Group is denominated in other currencies than DKK. However, a large portion of the Group's expenses, including purchase of goods, is in DKK. The net positions of the Group in all export currencies are assessed on an ongoing basis. Gains and losses on assets and liabilities (hedged items) and financial instruments are recognised in the income statement at fair value.

As a rule, the conversion risk, i.e. the possibility/risk of losses or gains in connection with the conversion of net investments in foreign subsidiaries into DKK, is not hedged. Gains or losses realised in this respect are recognised directly on equity.

18 Related party transactions

Associates and members of the Supervisory Board and Executive Board of Danish Crown AmbA are considered related parties.

As the Company is a cooperative society, it has received supplies from its members, including the Supervisory Board.

Besides this, there have been no significant transactions with related parties, apart from management remuneration which has been included in note 2, Staff costs.

All related party transactions have been carried out on arm's length basis.

GROUP STRUCTURE

Company name		Direct ownership %
Danish Crown Holding A/S	Denmark	100.0
Danish Crown Beef Company A/S	*Denmark*	*100.0*
Danish Crown Salg og Service A/S	*Denmark*	*100.0*
DC II A/S	*Denmark*	*100.0*
Antonius A/S	*Denmark*	*100.0*
Steff Food A/S	*Denmark*	*100.0*
Danish Crown Insurance A/S	*Denmark*	*100.0*
Danish Crown UK Limited	*UK*	*100.0*
Danish CR Foods 05, S.A.	*Spain*	*100.0*
Danish Crown Incorporated A/S	*Denmark*	*100.0*
*Tulip Food Company P/S *)*	*Denmark*	*5.0*
ESS-FOOD Holding A/S	Denmark	100.0
ESS-FOOD A/S	*Denmark*	*100.0*
Carnehansen A/S	*Denmark*	*100.0*
Dansk Svensk Koedexport s.r.o.	*Czech Republic*	*100.0*
DAT-SCHAUB Hungary KFT	*Hungary*	*100.0*
DAT-SCHAUB Australia Pty Ltd.	*Australia*	*100.0*
DAT-SCHAUB International (H.K.) Ltd.	*Hong Kong*	*100.0*
DAT-SCHAUB Brazil Servicos de Consultoria Ltda	*Brazil*	*100.0*
NoriDane Food A/S	*Denmark*	*50.0*
Dansk Kuldekonservering A/S	*Denmark*	*100.0*
DC Krydderi Holding A/S	Denmark	100.0
SFK Systems A/S	*Denmark*	*20.0*
Tulip International (UK) Ltd.	UK	100.0
Tulip Ltd.	*UK*	*100.0*
Tulip Food Company P/S *)	Denmark	95.0
Tulip Food Company Holding ApS	*Denmark*	*100.0*
TFC af 1/1 2004 ApS	*Denmark*	*100.0*
TFC Fast Food A/S	*Denmark*	*100.0*
P.G. Leasing A/S	*Denmark*	*100.0*
Best Holding GmbH	*Germany*	*100.0*
Tulip Food Service GmbH	*Germany*	*100.0*
Tulip Fleischwaren Oldenburg GmbH	*Germany*	*100.0*
Tulip Food Company GmbH	*Germany*	*100.0*
Tulip Food Company France S.A.	*France*	*100.0*
Tulip Food Company AB	*Sweden*	*100.0*
Pölsemannen AB	*Sweden*	*100.0*
Tulip Food Company Oy	*Finland*	*100.0*
Tulip Food Company Italiana S.r.L.	*Italy*	*100.0*
Tulip Food Company Japan co. Ltd.	*Japan*	*100.0*
Majesty Inc.	*USA*	*100.0*
Tulip Food Service Ltd.	*UK*	*100.0*
Danish Deli Ltd.	*UK*	*100.0*
DAT-Schaub a.m.b.a.	Denmark	94.4
Oriental Sino Limited	*Hong Kong*	*45.0*
Yancheng Lianyi Casing Products Co. Ltd.	*China*	*33.0*
DAT-Schaub Holding A/S	*Denmark*	*100.0*
DAT-Schaub (PORTO) S.A.	*Portugal*	*100.0*
DAT-Schaub USA Inc.	*USA*	*100.0*
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*
Boyauderie du Poitou S.A.	*France*	*100.0*
Cima S.A.	*Spain*	*100.0*
Aktieselskabet DAT-Schaub Danmark	*Denmark*	*100.0*
Arne B. Corneliussen AS	*Norway*	*100.0*
Oy DAT-Schaub Finland Ab	*Finland*	*100.0*
Thomeko Oy	*Finland*	*51.0*
Thomeko Eesti OÛ	*Estonia*	*100.0*
SIA Thomeko Latvia	*Latvia*	*51.0*
DAT-Schaub Eesti OÛ	*Estonia*	*80.0*
DAT-Schaub AB	*Sweden*	*100.0*

Company name		Direct ownership %
DAT-Schaub (Deutschland) GmbH	*Germany*	*100.0*
Gerhard Küpers GmbH	*Germany*	*100.0*
DIF Organveredlung Gerhard Küpers GmbH & Co. KG	*Germany*	*100,0*
CKW Pharma-Extrakt Beteiligungs- und Verwaltungsgesellschaft GmbH	*Germany*	*50.0*
CKW Pharma-Extrakt GmbH & Co. KG	*Germany*	*50.0*
DAT-Schaub Casing (Australia) Pty Ltd.	*Australia*	*100.0*
DAT-Schaub Polska Sp. z o. o.	*Poland*	*100.0*
DAT-Schaub (UK) Ltd.	*UK*	*100.0*

Other subsidiaries

Danish Crown USA Inc.	USA	100.0
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
Oldenburger Convenience GmbH	*Germany*	*100.0*
Danish Crown Sp. z o. o.	*Poland*	*100.0*
Danish Crown Schlachtzentrum Nordfriesland GmbH	Germany	100.0
DC Trading Co. Ltd.	Japan	100.0
Foodane Japan Ltd.	Japan	100.0
ESS-FOOD Japan Co. Ltd.	Japan	100.0
Danish Crown S.A.	Switzerland	100.0
Danish Crown/Beef Division S.A.	Switzerland	100.0
DAK AO	Russia	100.0
Danish Crown España S.A.	Spain	100.0
Scan-Hide A.m.b.a.	Denmark	66.6
Dansk Hesteslagteri A/S	Denmark	75.0
Friland A/S	Denmark	100.0
Friland Food AB	*Sweden*	*100.0*
J. Hansen Vermarktungsgesellschaft mbH	*Germany*	*100.0*

Company name		Direct ownership %
Friland Polska Sp. z o. o.	*Poland*	*100.0*
ESS-FOOD S.A.S	France	100.0
Desfis S.A.S	*France*	*100.0*
SCI E.F. Immobilier Orléans	France	100.0
SCI RP Bernay	*France*	*85.0*
DAT-SCHAUB International Benelux B.V.	Netherlands	100.0
Danish Crown AmbA, Korean Liaison Branch office	Korea	100.0

Associated companies

Daka a.m.b.a.	Denmark	48.0
Agri-Norcold A/S	Denmark	43.0
Danske Slagterier (Danish Slaughterhouses)	Denmark	97.0
Saturn Nordic Holding AB	Sweden	50.0
Sokolów S.A.	*Poland*	*100.0*

*) Included in the group structure more than once

Indenting indicates subsidiary relationship
Italics = subsidiary of a subsidiary, etc.

Danish Crown AmbA
Marsvej 43
DK-8900 Randers

Tel. +45 8919 1919
Fax +45 8644 8066

dc@danishcrown.dk
www.danishcrown.dk

Company reg. no 21643939

DANISH CROWN