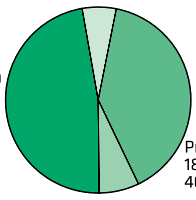
ANNUAL REPORT 2009/10

DANISH CROWN GROUP

Business areas

(DKKm)



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Group key figures

Revenue
DKK 45.2bn

Operating profit
DKK 1.9bn

Net profit for the year
DKK 1.6bn

Equity
DKK 4.6bn

Balance sheet total
DKK 22.2bn

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DANISH CROWN POSTS BEST RESULTS EVER

Randers, 25 November 2010

- The results for the year presented by Danish Crown clearly demonstrate the strong position of the group. The net profit for the year is DKK 1.648 billion against DKK 1.164 billion last year, and the massive growth is primarily attributable to reduced costs in Denmark and markedly improved results in the foreign companies.

- The excellent results have been achieved through dedicated efforts, and it is thus a pleasure to present them. I'm not afraid to admit that without the very focused approach which has been taken with DC Future, our competitive edge would have been nothing like what it is today, nor would our results, says Kjeld Johannesen, CEO of Danish Crown, who also emphasises that a large number of factors have impacted the results.

- The record earnings posted by the foreign divisions, in particular, are part of DC Future, and the plan has contributed very significantly to the results. However, sales in the world market have also been very favourable in the course of the year, and our knowledge and access to markets such as Russia and Asia is very important. Moreover, our financing costs have been very low, which is also a contributory factor, says Kjeld Johannesen.

All in all, a total of DKK 1.316 billion will be paid out to the company's owners, the highest level of supplementary payments in Danish Crown's 20-year history. The supplementary payments will translate into DKK 0.75 per kg for sow producers, DKK 0.95 for pork producers and DKK 1.25 for cattle producers.

A balance has now been struck between payments into and out of DC members' accounts. This means that the supplementary payments will be disbursed in full and in cash to all members who have been members for more than eight years.

- The financial crisis is by no means over on the farms, and the money is badly needed. There is therefore every reason to celebrate that we are now competitive in terms of the prices being paid out to members. This year, Danish Crown is offering the highest prices to farmers, and this makes a big difference, says Niels Mikkelsen, Chairman of Danish Crown's Board of Directors.

He points out that Danish farmers are still under immense pressure, and that competitiveness remains absolutely key.

- Competitiveness is inextricably linked to the framework conditions under which both primary production and the meat sector operate, and this is where there is a lack of political will. When we launched DC Future, we were promised that politically imposed burdens to the tune of DKK 300 million would be removed, and we are still waiting for this to materialise, says Niels Mikkelsen.

In addition to the record supplementary payments, there will be a substantial increase in equity. Partly as a result of non-recurring income items and changed accounting policies.

- Exciting developments are taking place in Danish Crown, but these developments require financial solidity and additional capital. It is a responsible decision which will make it possible to pursue the ambitious targets set out in DC2015, says Kjeld Johannesen.

In recent years, Danish Crown has become ever more international. Today, approx. 35 % of employees work in Denmark, while the rest of the workplaces in the group are found abroad.

- This is a natural development for a company which exports approx. 90 % of its production. Moreover, a continuous reduction in production costs is needed if we are to remain competitive. Today, 84 % of our processing activities take place outside Denmark, and this is a precondition for being able to slaughter Danish pigs in Denmark, and thereby maintain a considerable number of workplaces in this country, says Kjeld Johannesen.

He emphasises that the challenges have not gone away, even though there is every reason to celebrate this year's results.

- We still have some way to go when it comes to reducing our payroll costs as part of DC Future, something we must do if we are to remain on a positive track. We cannot rely on low interest rates and favourable market conditions; the company's production economy must be able to withstand fluctuations, also in the long term, says Kjeld Johannesen.

MANAGEMENT'S REVIEW

Competitiveness and record supplementary payments

FINANCIAL HIGHLIGHTS FOR DANISH CROWN

DKKm	
2009/10	2008/09
Revenue	
45,211	44,757
Operating profit	
1,857	1,730
Net profit for the year	
1,648	1,164
Balance sheet total	
22,153	21,306
Equity	
4,639	3,940
Equity incl. subordinate loan	
5,636	4,935
Supplies from members, million kg	
1,377	1,402
Supplementary payments, DKKm	
1,316	981
No. of members	
9,847	10,685
No. of employees, end of year	
23,085	23,500

The 2009/10 financial year was characterised by marked growth in Danish Crown – both in terms of the results posted and in the form of considerably more competitive raw material prices. Measured in relation to supplies from members, the results are the best ever in Danish Crown's 20-year history.

The excellent results are primarily attributable to four factors: The efforts to cut costs in Denmark have borne fruit, strong earnings by the group's processing sector, a tail wind in the non-EU markets and competitive financing.

At DKK 45.2 billion, revenue grew by a modest 1 % – a development which is, among other things, attributable to the supply of Danish raw materials having declined by a couple of per cent. The consolidated profit is DKK 1.65 billion, up 46 % relative to last year.

The financial statements, which are for the first time presented in accordance with the International Financial Reporting Standards (IFRS), are to a very large extent influenced by the plan launched in spring 2009 under the name of DC Future, and which concludes with the presentation of these financial statements. Most of the targets set out in this plan have been met. However, considerable efforts will still have to be put into cutting cost levels in the Danish production, both in relation to payroll costs and in relation to the burdens imposed by the public authorities on the company and its members.

The results for the year are also to a very large extent a product of a focused strategy which has, over the past ten years, led to the creation of a substantial international portfolio of meat and processing companies owned by the group – a portfolio which is now making very significant contributions to the group's results through the dedicated efforts of all the companies pulling in the same direction.

This year, the fresh meat sector contributed 47 % (56 %) of primary earnings before tax, interest and group costs, with the processing sector contributing 50 % (44 %) and the trading sector accounting for 3 % (< 1 %). The changed sectoral distribution can be ascribed primarily to growth in the processing sector, but also to the prices paid to suppliers in the fresh meat sector being more in line with market prices.

This year, a recommendation is made for supplementary payments for pigs, sows and cattle of DKK 0.95, DKK 0.75 and DKK 1.25 per kg For all three categories, this represents the highest supplementary payments per kg in Danish Crown's 20-year history.

Pork Division

The division's results are lower than last year, but in reality represent a considerable improvement as the competitiveness of the prices paid to suppliers has been strengthened markedly in the course of the year, and prices are now the highest that they have been for a number of years. Comparisons with prices in other countries are subject to increasing uncertainty and a lack of transparency, but our estimate is that relative competitiveness has been strengthened by DKK 0.60-0.70 in the course of the year – a development which resulted in a considerable increase in the supply of pigs to Danish Crown in early summer, so much so that a waiting list was in operation for a while.

This is partly due to the very considerable cost cuts which have been realised as part of the DC Future plan – also reductions in payroll costs – and partly due to the fact that Danish Crown this year has benefited extensively from its access to overseas markets where a relatively weak euro strengthened the relative competitiveness of prices compared to those of overseas suppliers.

The average settlement for finishers totalled DKK 9.83 per kg, including supplementary payments, up DKK 0.05 relative to last year's average.

DAT-Schaub has made another very substantial contribution to the division's earnings this year. Danish Crown's investment in Swedish slaughterhouse and fresh meat activities – including KLS Ugglarps – is now also generating a satisfactory return after a two-year running-in period.

Against the backdrop of the considerable challenges facing the division at the beginning of the year in terms of cost levels in Denmark and stagnating supplies of raw materials, we regard the division's results as very satisfactory.

Beef Division

The Beef Division was extremely competitive throughout the year; it won market share and also recorded growth in absolute volumes handled in Denmark. The division's investments in processing capacity in Germany and a higher level of processing in Denmark in recent years have contributed significantly to earnings, while the results of Scan-Hide have been strengthened considerably in step with the normalisation of the international market for hides.

Prices were down at the beginning of the year, but despite the continuing economic crisis they have developed positively so that the Beef Division has paid an average of DKK 18.67 per kg, including supplementary payments, which is DKK 1.01 higher than last year's average.

The division's earnings and profit for appropriation reached so far unseen heights this year and allow both record supplementary payments and extraordinary provisions to be made for the future development of the division's structure with a view to ensuring long-term competitiveness. The results are extremely satisfactory.

Processing sector

Danish Crown's processing sector now consists of four business units: Tulip UK, Tulip Food Company, Plumrose and Sokołów – Danish Crown has a 50 % stake in Sokołów. The whole sector posted very satisfactory results this year.

Developments in Tulip Food Company are particularly noteworthy with primary earnings having more than doubled; during the past two years, the company has thus performed a turnaround to produce key figures which take it to the very top of the processing sector. A lot of hard work on innovation, cutting costs, flagging-out and restructuring have borne fruit, and the German operations acquired in the course of the year also made a positive contribution to results.

Tulip UK remains the largest company in the sector. Operating in an extremely difficult market in the UK, the company has nevertheless posted another set of very satisfactory results and made a major contribution to the consolidated earnings of the group. The results are based on structural developments and investments made over a number of years with a view to ensuring a high level of competitiveness and thereby stability – also in situations where market conditions are less favourable.

US-based Plumrose – which now also includes the company Sunhill Food of Vermont – realised satisfactory results and growth relative to last year. High capacity utilisation is contributing to strengthening the company's competitiveness.

Sokołów in Poland realised record earnings at a very satisfactory level this year. With its high-profile brands and quality products, Sokołów enjoys a strong position in the large Polish market, which means that the the company is emerging strengthened from the economic crisis.

Trading sector

After last year's losses in the ESS-FOOD group, earnings are back on track. Together with the separate ESS-FOOD company in France, the sector this year posted an impressive return on the invested capital. ESS-FOOD plays a central role in the Danish Crown group's activities in the large Chinese market.

Group affairs

Danish Crown's associates – including Daka, SPF Danmark and Hatting-KS – are this year making increased contributions to the group's results. The contributions from associates also include non-recurring income from the realisation of assets in Danske Slagterier.

The group's interest-bearing net debt amounts to just under DKK 12 billion and is thus very close to last year's level, while the balance sheet total has been increased by almost DKK 1 billion, primarily as a result of changing foreign exchange rates. Equity is up DKK 0.7 billion, both via transfers to reserves, changes in the exchange rates at which equity in foreign subsidiaries is recognised and proposed increases in supplementary payments. Moreover, consolidation of equity has this year been increased by the positive effect of the change in accounting policies. The solvency ratio, including subordinate loans, now totals 25 %.

Both as a result of developments in market interest rates and thanks to expedient financing arrangements, the group has realised substantial savings, reducing its financing costs by DKK 0.2 billion relative to the year before.

At the end of the financial year, the number of employees stood at approx. 23,100, down approx. 400 relative to last year. 60 % of employees are working abroad, where an additional approx. 3,500 are employed by subsuppliers.

Outlook for the coming year

At the beginning of the new financial year, Danish Crown launched a new strategy plan under the name of DC2015. This is a growth plan which is expected to increase both revenue and earnings in the group in the coming years, while at the same time making the group less sensitive to economic cycles. The first step in this development is the acquisition of Germany's fourth-largest pig slaughterhouse business, which is expected to take effect from the turn of the year. The integration and development of this new subsidiary in the Pork Division will thus be an important task in 2011.

Another important task will be the group's continued efforts to reduce cost levels in Denmark. The targets set out in DC Future still apply and must be realised.

The group will devote considerable attention to product innovation and new market initiatives, among other things via organisational initiatives in the fresh meat sector focusing on value creation.

The new financial year will see the implementation of the restructuring of the group decided in the autumn, which means that operations – except supplies from members – are transferred to the subsidiary Danish Crown A/S. This will make it possible to introduce subsequent changes in equity. The debate about the various possibilities will continue among Danish Crown's owners in 2011.

At the beginning of the financial year, market prospects are surrounded by some uncertainty, which can be attributed to a number of factors. Firstly, demand in a number of western markets will still be hampered by the financial crisis and its after-effects – especially in the form of budgetary cuts in the public sector. Secondly, falls in certain main currencies will impact the relative competitiveness in overseas markets, and finally Danish Crown's members, like their foreign colleagues, have again been hit by significant increases in feed prices, which will only be reflected in the product markets after some time and which are therefore putting primary production under pressure.

However, there are also grounds for optimism in that the European production of meat is relatively low after a number of difficult years. In step with a normalisation of demand, prices of pork and beef would therefore be expected to increase.

Danish Crown is confident that the current challenges in the market can be handled, and given the continued focus on increasing the creation of value and reducing costs, the outlook is one of satisfactory results for 2010/11.

FINANCIAL REVIEW

Accounting policies and accounting estimates – transition to IFRS

The accounting policies have been changed relative to last year as the group's accounting policies have been changed from the Danish Financial Statements Act to IFRS as of 4 October 2009. The comparative figures for 2008/09 have been restated in accordance with the IFRS standards, and the opening balance sheet as at 29 September 2008 has also been restated so that it too follows the transitional provisions in IFRS 1 concerning first-time adoption of International Financial Reporting Standards.

It should be noted that the parent, Danish Crown AmbA, will continue to prepare its financial statements according to the provisions of the Danish Financial Statements Act.

The transition to presenting the financial statements in accordance with IFRS for example impacts the Danish Crown group in the following areas:

- Goodwill is no longer amortised on a straight-line basis, but is subject to an annual impairment test in which the value of goodwill is assessed on the basis of several financial ratios.
- Provisions are made for pension obligations for schemes where the pension obligations rest with the company itself (defined-benefit plans), with adjustment of actuarial gains and losses in other comprehensive income. Danish Crown has used the transition to IFRS to opt out of the corridor approach where large fluctuations in pension obligations are evened out over a number of years.
- Running-in expenses and construction loan interest during the running-in period have been reversed.
- Changed valuation of inventories.
- Costs relating to company acquisitions can no longer be capitalised as a part of goodwill, but are expensed in the income statement.
- Changes in deferred tax resulting from changes in accounting policies.
- The minority shareholders' share of the results is not eliminated, but is recognised separately in the distribution of profit, and the minority shareholders' share of the companies' equity also remains on a separate line under the group's equity.
- Adjustments in equity will in future be classified as other comprehensive income.
- The notes have been significantly expanded.

All adopted and relevant standards have been applied on implementation.

The effect of the transition to IFRS is shown in the notes for the financial statements along with explanations of the most significant changes to the figures.

The most significant changes for the 2008/09 financial year are:

The operating profit (EBIT) rose from DKK 1,638 million to DKK 1,730 million, primarily as a result of a reversal of goodwill amortisation. Other adjustments comprise changed depreciation on buildings as a result of rules on capitalisation of start-up costs and an adjustment of the value of inventories.

The consolidated profit inclusive of minorities' share of the profit rose from DKK 1,057 million to DKK 1,164 million.

The group's balance sheet total as at 4 October 2009 rose from DKK 20,915 million to DKK 21,306 million, primarily as a result of the increasing value of goodwill. Other balance sheet items under assets showed modest changes. Under equity and liabilities, provisions rose from DKK 643 million to DKK 775 million, while short-term debt (excluding provisions) rose from DKK 6,666 million to DKK 6,805 million.

Equity including minorities rose from DKK 3,885 million to DKK 3,940 million.

For a further specification of the changes in the income statement and balance sheet, reference is made to note 1 of the financial statements.

The basis of appropriation comprises the net profit for the year reduced by goodwill amortised in the most recent financial statements presented in accordance with the Danish Financial Statements Act, non-recurring items and non-controlling interests' share of the net profit. At the same time, an amount, usually the equivalent of 3-4 øre per kg, is deducted for free consolidation.

Group structure

No significant changes were made to the group structure during the 2009/10 financial year. However, in January the subsidiary Tulip Food Company acquired the processing company Nietfeld in Germany.

No companies were divested during the financial year.

Results for 2009/10

Consolidated revenue for the 2009/10 financial year amounted to DKK 45.2 billion, up DKK 0.4 billion relative to the 2008/09 financial year. The largely unchanged revenue reflects an increase resulting from higher selling prices and a fall resulting from a decline in total supplies of animals of 1.7 %. Other changes include a positive effect of slightly increasing exchange rates. Finally, there has been a modest positive effect of Tulip Food Company's new activity in Germany and Swedish activities within retail-packed meat.

Direct costs have increased due to higher price levels and thus higher prices paid to suppliers during the year. The higher prices are explained partly by rising world market prices of raw materials, but even more so by a significantly enhanced earnings level in the processing sector. The growth has made it possible to pay higher prices to suppliers throughout the year. The indirect costs in per cent of revenue have fallen as a result of cost cuts and the transfer of high-cost production to low-cost countries. Finally, the impact of the financial crisis has diminished for several business units and in several markets.

Depreciation on existing plants increased slightly in 2009/10 relative to the previous financial year. This is partly due to investments in recent years in Sweden, the UK and Germany, and 2009/10 is therefore the first year which sees the full-year effect of depreciation on these investments. To this should be added a minor increase from the acquired enterprises.

The net finance costs fell further in 2009/10 as a result of the continued decline in interest rates and amounted to DKK 257 million against DKK 459 million in 2008/09. Declining interest rates in Denmark, the UK, the USA and Sweden in particular have contributed to the fall. The net interest-bearing debt was stable throughout the year. Also in 2009/10, there was a small unrealised gain on the company's shareholdings.

Non-current assets

The group's non-current assets increased to a limited extent, primarily due to increases in GBP and USD exchange rates, secondarily due to some minor acquisitions. Intangible assets rose slightly for the same reasons; there has been no significant addition of goodwill during the year, but goodwill amounts in the UK rose in step with exchange rates.

Current assets

Current assets rose by DKK 486 million. Trade receivables rose in particular, primarily as a result of a higher selling price. Other changes can be attributed to the previously mentioned increases in GBP and USD exchange rates and the usual periodic fluctuations in balance sheet items relating to operating activities.

Equity

The group's equity is stated in accordance with the IFRS principles and is thus impacted by value adjustments in the opening balance as at 29 September 2008. Moreover, minority shares are included in equity, but are shown as a separate item. As has been the case so far, supplementary payments are included in equity up until the time of disbursement.

Group equity at the end of the 2009/10 financial year amounted to DKK 4,639 million, up DKK 699 million relative to equity at the same time last year. The increase in equity is thus primarily attributable to the improved results and to the translation adjustment of value of equity investments in subsidiaries at the beginning of the year, mainly in the UK, the USA, Sweden and Poland. The improved results are also leading to higher supplementary payments.

The balance in members' accounts is largely unchanged, but has fallen slightly due to marginally falling volumes and disbursements to former members. The principles governing members' accounts are unaffected by the transition to IFRS.

At the end of the 2009/10 financial year, the solvency ratio calculated on the basis of total subordinate loans was 25.4 % compared with 23.2 % the year before. This development is attributable to the increase in equity as the change in balance sheet total is relatively modest.

Payables

The group's net interest-bearing debt at the end of 2009/10 is largely unchanged relative to the same time last year and now totals DKK 11,996 million against DKK 11,868 million the year before.

The group's financing structure is mainly based on credits with a term to maturity of more than one year. 78 % of the interest-bearing debt is thus long-term debt, of which approx. half falls due more than five years from the balance sheet date.

Cash flow statement

Cash flows from operating and investing activities in 2009/10 were positive, primarily as a result of reduced net balance sheet items relating to operating activities. At the same time, cash flows from investing activities improved relative to last year which was impacted by acquisitions and additions to property, plant and equipment.

Corporate governance

The parent 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 9,847 members. The number of members has fallen by 838 since last year.

The Board of Representatives consists of 230 elected representatives of owners and employees. The company's Board of Directors consists of 15 members.

Currency risk

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

The group's major currencies are GBP, JPY, USD, EUR and DKK. 36 % of the total currency turnover is in DKK and EUR, involving little or no currency risk.

The group's currency risk policy calls for the ongoing hedging of foreign currency export income, within a framework defined by the Board of Directors.

Danish Crown has a number of investments in foreign subsidiaries, and conversion of the equity in these subsidiaries to DKK depends on the exchange rate at the balance sheet date. The group has a general policy of not hedging currency risks relating to the group's equity interest in foreign subsidiaries, the so-called translation or conversion risk.

Interest rate risk

Interest rate risk is the risk of changes in the market value of assets or liabilities as a result of changes in interest rate conditions. For Danish Crown, this risk is primarily linked to company payables, given that the group does not have any significant long-term interest-bearing assets at the balance sheet date. The group's net interest-bearing debt totalled DKK 11,996 million on 3 October 2010.

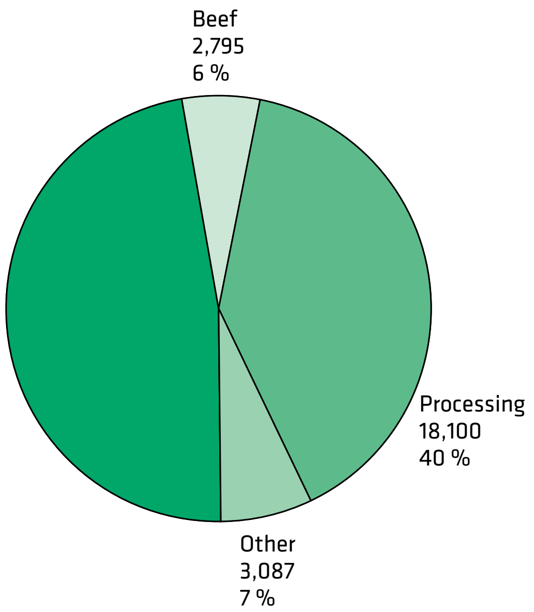
Fixed-rate bond loans, repo transactions, interest rate swaps and combinations of interest rate and currency swaps are used to manage interest rate risk.

As at 3 October 2010, the group's share of fixed-rate loans accounted for 18,8 % of total interest-bearing debt (excluding subordinate loan). The remainder is financed on the basis of floating interest rates. A change in the market rate of 1 percentage point is estimated to have a DKK 94 million impact on total annual interest expenses.

BUSINESS AREAS

Net revenue for 2009/10 by business area

Consolidated revenue is divided between business areas as follows (DKKm):



All comments on the group's core business areas have been prepared based on gross revenue, including internal revenue.

PORK DIVISION

	2009/10	2008/09	2007/08
Slaughtered A kg (million)	1,308.2	1,335.1	1,494.9
Revenue, DKKm	24,539.8	24,830.6	24,647.8
Operating profit, DKKm	794.6	947.5	1,289.3
Operating profit, %	3.2	3.8	5.2

No. of members

At the end of September 2010, Danish Crown had 4,276 members supplying either pigs alone or pigs and sows. This is 610 or 12 % fewer members than at the same time last year.

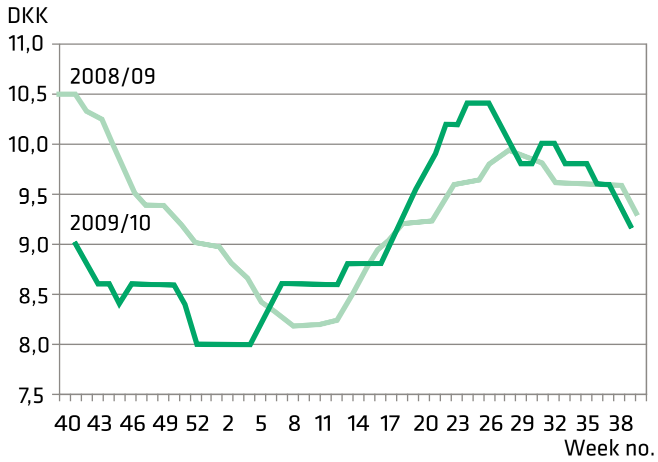
Pig and sow supplies

The total number of pigs and sows received for slaughter in 2009/10 was 15,777,514, including large boars and finishers, representing a 2.2 % fall relative to last year. A total of 15,364,213 pigs were received for slaughter, corresponding to a fall of 330,591 pigs relative to last year. The decline should be seen in the context of the fact that 2008/09 had 53 weeks, whereas 2009/10 had 52 weeks. Measured in terms of the number of slaughterings per week, the fall is thus only 0.2 %. A total of 344,990 sows were received from members relative to last year's 347,824. Adjusted for the number of weeks, this represents a slight increase.

Quoted prices in 2009/10

The financial year started with a quoted price of DKK 9.00 and ended with a price of DKK 9.20. The average was DKK 9.08 per kg (DKK 9.27 per kg in 2008/09) including volume discounts. The average quoted price was DKK 8.88 per kg (DKK 9.08 per kg in 2008/09). The figures are exclusive of supplementary payments.

DEVELOPMENT IN QUOTED PRICE (PORK), DKK PER KG



Total volume sold amounted to 1,446,000 tonnes, down 8.7 % (7 % when adjusted for 1 week less) relative to 2008/09.

Production structure

The structural changes announced at the end of 2008/09 in the form of the closing-down of Rødding have been implemented. Of the 308 employees affected by the closure, 265 have found new jobs. Current capacity matches current levels of activity.

At the same time, the implementation of DC Future has contributed to strengthening competitiveness. Over and above the structural changes implemented, focus has been on indirect costs, logistics, purchasing and establishing joint functions in the group as well as on the flagging-out of deboning and cutting activities. Only the most necessary investments have been made at the Danish plants, and at the end of the financial year, slaughtering capacity was established in Germany. Negotiations are ongoing with employees concerning a new collective agreement, the industry organisation has been streamlined, and the settlement system has been modified to attract more raw materials.

The last element in the DC Future model is the removal of the politically imposed competition handicaps, and DC is engaged in ongoing dialogue with the political system on this. Increased earnings in the joint subsidiaries, especially the processing companies, is also part of DC Future, but will be described in further detail under these business areas.

Danish market

Sales in the Danish market have been satisfactory. The first half of the year was particularly so. In the course of the year, tonnage was increased by just over 3 % relative to last year. The increase stems primarily from increased sales of retail-packed beef.

Sales of pork have been stable. Sales of retail-packed meat have generally seen strong growth, while there has been a decline of almost 10 % in sales of meat for shops with their own butchery departments. The foodservice market has also seen satisfactory growth. Both tonnage and sales contribution margin are up more than 10 %.

Demand for typical discount products has increased, and even though the market has remained under pressure, growth has been achieved in the middle segment via '100% Danish'; sales of speciality pork products is up slightly. Sales of Crown of Cooking have been disappointing.

International market

Sales for the year as a whole have been very satisfactory, and spring 2010 was historically good. Not since the period with disease outbreaks in the Netherlands and Taiwan has the sales situation been as favourable.

Earnings meant that the prices quoted in Denmark matched prices in Germany for large parts of the year when including supplementary payments (last year's level).

Especially in the first half of 2009/10, a lot of work went into transferring sales to markets where the highest prices could be obtained. The situation with a continued fall in the number of slaughterings and satisfactory sales to, especially, Russia, but also satisfactory sales to the Japanese market in spring, relieved the pressure created by volumes, and the situation was exploited to drive the European price up. This meant that Danish Crown was able to offer the highest prices in Europe. However, the lower tonnage concurrently with increasing sales to third countries also meant that the tonnages allocated to European customers had to be cut.

All in all, the UK, German and Polish markets saw a considerable drop in volumes. This is reinforced by a plentiful supply of meat in Europe, and with a cold winter and a wet spring, the barbecue season did not really take off in Germany, resulting in a further surplus of meat in Europe.

From the beginning of Q2, focus was on very short contracts and spot trading. This sales pattern is very unusual in that a 70/30 distribution between long contracts and spot trading is normally desirable, but given the situation, this was an effective step. Together with the development in sales, which meant that more focus was directed at third countries, this development was further reinforced by changes in the main currencies.

All in all, the sales strategy focusing on third-country markets was very successful in 2009/10, as demand was strong in these markets, while the supply of meat in Europe was plentiful.

DAT-Schaub a.m.b.a.

The DAT-Schaub group had a satisfactory year increasing consolidated revenue from DKK 2,511 million to DKK 2,530 million, while profit was down slightly relative to last year's record results. The increase in revenue is partly attributable to the US subsidiary Casing Associates Inc. being consolidated for the whole financial year whereas only nine months of revenue is included in the comparative figures. Moreover, a number of variations are seen in revenue, primarily due to fluctuations in foreign exchange rates.

The fall in the profit for the year is primarily attributable to last year's results having been influenced by an incredibly positive market for all the group's products, whereas demand in 2009/10 was more moderate, leading in particular to falls in the price of pig casings.

DAT-Schaub a.m.b.a. has, despite having paid relatively high prices for casing sets received from Danish cooperative pig slaughterhouses, posted satisfactory results. The German subsidiary DIF Organveredlung posted very satisfactory results having been favoured by good sales prices for mucosa which the company processes at a subsidiary. DS-France, formerly Soussana S.A. and Boyauderie du Poitou S.A.S. posted record results and growth of 6 %. Arne B. Corneliussen AS in Norway, which – like DS-France – offers a wide programme of natural and artificial casings and ingredients, has seen very satisfactory growth in a fiercely competitive Norwegian market.

The group's newest company, Waikiwi Casings Co. Ltd in

New Zealand, has been part of the DAT-Schaub group for eight months and has not contributed positively to the group's operations; performance is expected to improve in the coming financial year.

Due to the strongly increasing prices for pig casings in 2009/10, more funds have on average been tied up relative to the previous financial year. In combination with considerable increases in interest margins in the banks, this has meant increased finance costs for the financial year.

Casing Associates Inc. is consolidated for twelve months, which was not the case in the last financial year. The acquisition of Waikiwi Casings Co. Ltd is included from 1 February 2010. The share of profit for associates and the non-controlling interests' share of the results are unchanged relative to the previous financial year. Profit is therefore regarded as being satisfactory at 6.2 % of revenue. The return on invested capital is also regarded as satisfactory at just over 25 %.

BEEF DIVISION

	2009/10	2008/09	2007/08
Slaughtered A kg (million)	68.8	66.7	64.3
Revenue, DKKm	3,469.7	3,100.1	3,181.0
Operating profit, DKKm	113.3	62.5	89.2
Operating profit, %	3.3	2.0	2.8

No. of members
At the end of September 2010, Danish Crown had 5,992 members supplying cattle against 6,314 the previous year, down 5.1 %.

Cattle supplies
The total number of Danish animals received for slaughter was 278,576, representing a slight increase from the year before.

At the end of September, Danish Crown's share of slaughterings in Denmark stood at 60.4 %, which is 2.8 % higher than last year.

In 2009/10, 88,369 cattle and 51,283 lambs were slaughtered at the slaughterhouse in Husum, representing a fall of 6.8 % and an increase of 15.4 %, respectively.

Quoted price
At the end of 2009/10, the average settlement price is DKK 0.51 higher per kg relative to the previous year, which is primarily attributable to increased production and improved earnings from retail-packed products in Skjern and Sdr. Felding and higher prices for hides.

Market conditions
The market for beef and veal has developed positively in the past financial year. In the aftermath of the crisis, the first few months of the financial year were difficult, and after a moderate end to the calendar year where trading in slightly more expensive products tends to pick up, several of the important markets started showing signs of growing optimism.

In particular, the important Russian market opened up in earnest, with strengthened liquidity and good demand, especially for deboned young bull quarters and briskets of beef, and this development has continued throughout the year; towards the end of the period, the market has been opened for exports of boned products. In late summer, the EU decided to reduce restitutions by 50 %, which hit the Russian market in particular, but the strength of the market has largely compensated for the loss.

Main markets such as Denmark and Germany have been characterised by stable trading with parameters such as quality and security of delivery again playing a role, which was not the case at the height of the financial crisis when almost the only thing that mattered was price. The high-price markets in Italy and Spain were characterised by slowness throughout the year and have taken considerably longer regaining their former strength. There is still some way to go, and the process has caused a change in consumer behaviour which will lead to a permanent change in sales patterns. The same trends are seen in the other markets in southern Europe.

During the year, focus on speciality and concept products, primarily for the Danish retail trade and foodservice sector, for example Dansk Kalv, Dansk Kødkvæg and TenderBeef, has contributed to strengthening the Beef Division's position in the Danish market and ensuring earnings during weak periods with a large supply of beef and veal.

Targeted sales of barbecue and summer products broke all records during the season and ensured full utilisation of the Beef Division's retail and processing facilities, resulting in good earnings and high employment.

In the coming period, focus will be on further growth within specialisation and processing with a view to ensuring that customised products and concepts reach end-users, thereby safeguarding sales in a competitive market which will be characterised by surplus capacity for a while following Hilton Food's entry on the market and their collaboration with COOP in Denmark.

In future, strategic collaboration with key customers in the domestic market and abroad will be an important element in the supply of beef and veal products, with quality, traceability and documentation playing an ever greater role. For this purpose, projects have been launched to ensure the quality certification of the Beef Division's factories. This work is expected to be completed in the course of 2011 and will help pave the way for future growth.

In the 'old' export markets, 2010/11 will be a year of regaining what has been lost. While consolidating and expanding opportunities in eastern and central Europe, growth will be driven by the export markets. Following the recent opening of the Turkish market, new opportunities are opening up.

Dramatically reduced imports of beef from South America to the EU have contributed to stabilising sales during the year, and this trend is looking set to continue. Many factors have played a role in this process, for example drought, feed prices, increasing demand from new markets, but the end result is that the world market price for beef is increasing and nearing price levels in the EU.

The measures already implemented to ensure optimum utilisation of slaughtering and deboning capacity are expected to contribute positively throughout the year to strengthening the Beef Division's market position.

PROCESSING COMPANIES

	2009/10	2008/09	2007/08
Sales, tonnes	697,241	689,441	765,220
Revenue, DKKm	18,159.0	18,055.1	19,602.6
Operating profit, DKKm	978.8	789.3	491.7
Operating profit, %	5.4	4.4	2.5

The group's processing sector consists of Tulip Ltd, Tulip Food Company, Plumrose USA and Sokołów. Sunhill Food of Vermont has merged with Plumrose USA since last year. KLS Ugglarps, which was included last year, has been transferred to the Pork Division. The figures for 2007/08 have not been restated to reflect this.

Total revenue in the processing sector amounted to DKK 18.2 billion. The sector posted an operating profit of DKK 979 million, thus continuing the positive development from last year.

Tulip Ltd
Tulip Ltd, which ranks among the largest national companies in the UK market for meat and meat products, maintained its position over the year.

Over the years, major investments have been made in production plant and equipment, involving extensive modernisation and streamlining of several factories, and the production plant is now more competitive than ever.

The closing-down of outdated factories and the consolidation of production at fewer plants have reduced costs significantly.

As was the case last year, 2009/10 was characterised by general uncertainty as to socioeconomic developments, which has made consumers more cautious.

Competition in the retail sector is fierce, and the most important competition parameters are special offers and lower prices. For the meat industry, this has meant that the strong pressure on prices which was seen last year mounted further in 2009/10. The industry has surplus capacity, and everybody is struggling to maintain sales. For Tulip Ltd this meant that 2009/10 was characterised by continued focus on cutting costs with a view to maintaining the company's competitiveness.

Investments in modern production equipment continued in the quest for further streamlining of the factories; also, costs were reduced as a result of the action plan launched at the beginning of the year. A new administrative system was implemented in 2009/10, which has resulted in a leaner and more efficient administration.

Commercially, it has been necessary to swiftly adapt to the change in demand from customers and consumers who have been under pressure and thus shifted their focus from high-price to more low-price products. Together with the leading retail chains, Tulip Ltd has adapted its products to the changing situation.

The effect of the activities launched has compensated for a lot of the price pressure from customers, making it possible to return another set of good results for 2009/10.

The uncertain economic situation is set to throw up new challenges in the coming years, and new and targeted activities are therefore being planned on several fronts: customer focus, better product innovation in collaboration with key customers and continued streamlining of production, including investments in more efficient equipment.

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.

After a couple of financial years with intensified focus on cutting costs, reducing funds tied-up and cultivating markets efficiently, Tulip has succeeded in markedly improving results.

The reconstruction of the Oldenburg factory had been completed before the beginning of the financial year, and Tulip has thus benefited from the upgraded production facilities for the full twelve months At the beginning of the financial year, the organisation had also been stabilised following the many redundancies among salaried employees earlier in the year.

As part of efforts aimed at streamlining the production facilities, the production plant in Sdr. Borup was closed down in Q1. The closure meant the loss of about 170 jobs. Production was moved to Svenstrup and Oldenburg/Schüttorf, which has reduced costs.

With effect from 1 January 2010, the German company Nietfeld Feinkost was taken over. Nietfeld produces a wide range of cold cuts and a broad programme of convenience products. Nietfeld Feinkost has annual revenue of DKK 450 million and approx. 240 employees and primarily sells its products to the German retail trade.

Despite continuously weak demand in a number of market areas, Tulip's sales have developed satisfactorily, and genuine organic growth has been realised if disregarding the effect of the acquisition of Nietfeld.

Earnings were satisfactory in most market areas.

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. There is also a small factory in Vermont, and distribution centres and sales offices are located in other parts of the USA. Principal products are cold cuts and bacon.

Sales of cold cuts are up relative to last year, especially as a result of higher private label sales to Walmart. Plumrose is continuously expanding its strategic collaboration with Walmart, which is still growing strongly. Competition from the largest players is fierce, and prices are under pressure.

Revenue from sales of bacon has been falling as a result of record-high raw materials prices, which resulted in higher sales prices and thereby lower sales. The demand for canned ham has fallen markedly in step with improvements in the US economy.

The company has therefore had a good year with satisfactory earnings and an inflow of new customers. Capacity utilisation has been high, and focus has been on strict cost control. This is expected to continue in the coming year.

Sokołów

Sokołów is the strongest meat brand in Poland. The company recorded continued growth in 2009/10, winning market share.

Poland is seeing stronger growth than the rest of Europe at the moment. In step with socioeconomic developments, demand for processed products such as ready-packed products, ready meals and cold cuts is increasing. Sokołów enjoys a strong market position within this segment.

Consolidation is continuing in the retail trade, leading to larger customers with greater negotiating power. The discount chains and private labels are also becoming increasingly important. Nevertheless, Sokołów's own brands account for an increasing share of total sales.

Sokołów's structure has been simplified during the year. Sales and logistics functions have been centralised, while the implementation of a new administrative system has contributed to streamlining the administration. This will strengthen the company's competitive edge in the coming years.

The company has in part of the year been favoured by low raw materials prices, which together with increasing levels of processing has impacted profitability positively. In 2009/10, Sokołów posted the best results ever.

Sokołów is owned by Danish Crown via the Swedish company Saturn Nordic Holding AB and Finnish HKScan Oy, holding a 50 % stake each. Consequently, Sokołów is pro-rata consolidated (50 %) in Danish Crown's consolidated financial statements.

TRADING COMPANIES

	2009/10	2008/09	2007/08
Sales, tonnes	311,708	248,816	291,175
Revenue, DKKm	3,100.1	2,879.8	3,871.6
Operating profit, DKKm	53.8	-0.2	64.7
Operating profit, %	1.7	0.0	1.7

The group's trading companies are ESS-FOOD A/S and ESS-FOOD France. Friland is no longer part of the trading companies; instead, it is part of DC Nordic under the Pork Division. The figures for 2007/08 include Friland.

ESS-FOOD A/S

The group's core business is the global buying and selling of meat products.

The ESS-FOOD group posted revenue of DKK 2.2 billion for the financial year, which is satisfactory with a total tonnage of 260,000 tonnes. The profit for the year is also at a satisfactory level, and both revenue and tonnage are higher than last year. After last year's negative results, the group has consolidated earnings, and ESS-FOOD is now developing positively again.

The company's activities have had a reasonable geographical spread. ESS-FOOD has seen extremely positive growth in its activities in the Chinese market, and many years of focus on this market is now paying off. Activities in the African markets have also been quite positive, while sales to the Far East and EU countries have also been satisfactory.

The outlook for the coming financial year is positive.

ESS-FOOD France

The companies under ESS-FOOD France operate as sales channels for Danish products. In addition, deboning, sales and distribution of local and international pork and beef products are also part of their activities.

In 2009/10, ESS-FOOD France saw an increase in both tonnage and revenue. The results for the year have been positively impacted by an improved world economy. Obtaining credit insurance has become easier again.

The results posted are satisfactory.

The companies expect stable developments in the coming year.

CORPORATE SOCIAL RESPONSIBILITY

Report on social responsibility in Danish Crown

Social responsibility has always been part and parcel of developments at Danish Crown. Following the adoption of the DC2015 strategy plan, which outlines the company's direction in the coming years, focus points and targets have now been defined within the area of social responsibility. Consequently, social responsibility will continue to feature prominently in Danish Crown's development.

Social responsibility is about decency. For Danish Crown, this applies in particular in relation to the company's employees, in relation to the animals received for slaughter, in relation to the environmental and climatic impacts of the group's activities and in relation to supplying safe food products to consumers worldwide.

Today, the Danish Crown group has some of the most modern production facilities in the world. Getting to this stage has involved the implementation of new technology, which to a very large extent puts more focus on safety at work, wornoutness, the environment, climate change and animal welfare.

Today, Danish Crown is engaged in activities in many parts of the world, and cultural and labour market conditions vary considerably from one location to another. Consequently, some parts of the company have come a longer way than others in terms of implementing social responsibility in their operations.

Global Compact
In the 2010/11 financial year, Danish Crown will join Global Compact. Global Compact is a partnership between the UN and the international business community aimed at promoting corporate social responsibility in a global context. Global Compact builds on ten principles within areas such as human rights, labour, the environment and anti-corruption. The ten principles have been incorporated into Danish Crown's CSR policy.

The global workplace
Danish Crown wants to ensure well-ordered working conditions and terms of employment for individual employees. We focus on providing both a good physical and a good psychological working environment as well as safe and fully functional workplaces.

The Danish Crown group gives a high priority to safety and health for all employees, and our aim is for all the group's employees to have jobs which are safe and free from danger.

Danish Crown is dedicated to reducing and preventing accidents at work. We are working actively to reduce cases of injury due to musculoskeletal wornoutness. This is done through work planning and through the introduction of new technology – including more automation.

The proactive approach to health and safety for the group's employees means that Danish Crown fulfils or more than fulfils the requirements set out in all applicable legislation, rules and regulations in the countries in which we operate.

Initiatives by Danish units
The HR department in Denmark has in the past year devoted special attention to the following issues: Social plan, Group Academy, the HR wheel and occupational health and safety.

Social plan
The steps taken by Danish Crown to regain its competitiveness has impacted many employees at the Danish departments which have either been closed down or cut levels of production. To alleviate the difficult situation for these employees, Danish Crown launched a social plan, and in the 2009/10 financial year, new jobs were found for 77 % of those made redundant. Of the 77 %, almost half have been offered jobs within the Danish Crown group, while jobs have been found for the rest elsewhere.

5 % of those made redundant have taken early retirement, while a large number of the remaining employees have completed either short-term or more long-term courses to upgrade their qualifications and find jobs outside the slaughterhouse sector.

Group Academy
Under the headline Group Academy, 50 managers have started the DC Management basic module, 25 managers are doing the next-level DC Leadership module, and an additional 25 managers are following the specialist Change Management course.

An advanced course, Synergetic Senior Management, is in the pipeline for managers and senior managers wanting to further their career. With the Synergetic Senior Management course, we first and foremost want to focus on making the most of the resources available throughout the Danish Crown group.

In addition to the Group Academy activities, coaching is still being offered to managers who scored low in the management survey in 2009, while separate coaching is provided for young management talents in production.

HR wheel
During the financial year, we have been working to make Danish Crown's HR activities more focused and coherent. This has resulted in the so-called HR wheel, which is designed to ensure greater coherence between management surveys, appraisal interviews and the development initiatives of the HR department; also the appraisal interview has been developed to include two new activities: Talent Management and Succession Planning.

The HR wheel and the appurtenant activities will be implemented by Danish Crown, Tulip Food Company, DAT-Schaub and ESS-FOOD.

Group HR activities
Efforts are constantly being made to offer HR services to subsidiaries in Denmark and abroad. In the past year, joint trainee courses have been organised, and steps have been taken for companies in Denmark and UK to exchange interns.

Several Danish companies are sending both course participants and guest teachers to the Group Academy – and this collaboration will be developed further in the coming year.

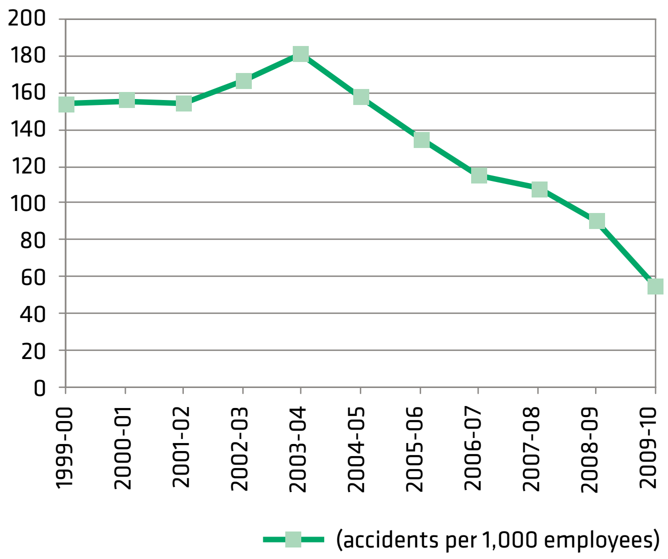
Interest is also being shown in the HR wheel by subsidiaries in, for example, Sweden, the UK and Germany.

Occupational health and safety
The slaughterhouse sector is known for its many accidents at work and problems with wornoutness which can have fatal consequences for the employees affected. Danish Crown therefore demands that all group companies are targeted in their efforts to improve occupational health and safety.

In 2009/10, Danish Crown worked actively to reduce the exposures to which employees are subjected during working hours. A whole host of activities was launched, all aimed at reducing the occupational health risks which lead to accidents or wornoutness and which therefore lead to illness.

In recent years, dedicated efforts have been made to combat these problems, and the efforts have resulted in an ongoing reduction in the number of accidents at work since 2003/04, cf. the graph below. The work continues, and we expect further improvements and a further fall in the number of accidents at work in the coming years.

ACCIDENTS AT WORK



A large number of factors have contributed to reducing the number of accidents, but changing employee behaviour from inexpedient behaviour to behaviour which is correct from the point of view of safety has proved to be the single most important element in preventing accidents.

Danish Crown has also worked to identify and minimise strains which can wear out the body. The most important challenges relate to noise and manual handling, including lifting and monotonous routines.

With a view to solving these problems, four of the group's companies in northern Jutland have launched initiatives to improve the working environment. The activities are sponsored by the Prevention Fund.

Moreover, the noise levels to which employees are exposed on a daily basis have been mapped, which has led to changes in routines and improvements in production aimed at reducing noise levels.

Animal welfare
Danish Crown's primary raw materials are live animals delivered for slaughter, and we demand that the animals are treated decently on the farms and during transport to the slaughterhouse and in connection with herding and killing so as to prevent unnecessary suffering.

Danish Crown already requires that the company's Danish suppliers of pigs comply with a Code of Practice on animal welfare. Similar programmes are regularly being introduced by Danish Crown's subsidiaries.

Danish Crown assumes special responsibility for the animals during transport and slaughtering. The collection, transport and unloading of animals for slaughter must be as gentle as possible and must be performed within reasonable time limits. We demand that suitable haulage equipment is used for transporting the animals. Moreover, Danish Crown demands that the people carrying out these tasks are properly trained.

Friland

The hormones of the male pigs can sometimes cause unpleasant tainting of the meat. Together with the Danish Animal Welfare Society, Friland is seeking to solve this problem. A number of herds of both organic pigs and free-range pigs have been selected for a two-year trial aimed at developing a concept which will hopefully solve the 'boar taint' issues while at the same time addressing the increasing concerns about the castration of the piglets.

Environment and climate

The production of meat gives rise to environmental impacts at several points in the value chain. The environmental impacts from meat production can primarily be ascribed to the emission of greenhouse gases, water consumption, land use for feed production, the clearing of natural woodland, handling of manure and to some extent general resource consumption incidental to industrial production, transport, cooling and packaging.

During the strategy period, Danish Crown will seek to enter into strategic partnerships in the field-to-fridge chain focused on conserving resources, reducing waste and reusing biomass and also on sustainable energy, the climate, transport and packaging.

After joining Global Compact, Danish Crown will, during the strategy period, take a cautious approach to environmental challenges, promote greater environmental responsibility and encourage the development and use of environmentally friendly technologies.

Danish Crown will therefore continue to work actively with environmental management and experience and technology transfer from plant to plant and from company to company, thereby cutting resource consumption further.

In Denmark, the following environmental and climate-related activities were launched in the course of the year:

Environmental certification of Kolding and Fåborg

Danish Crown pursues a strategy of ensuring ownership of the environmental and occupational health and safety-related efforts at the factories through certified environmental management. All pig slaughterhouses are environmentally certified, and this year the factories in Fåborg and Kolding have also been certified. This means that all companies in the Pork Division are now certified, with the exception of the development department in Hadsund, which has, however, initiated the process which will lead to certification.

New environmental approvals and waste-water permits

Danish Crown devotes constant attention to the potential for efficiency increases through adjustments and restructuring of production. This year was no exception, and an environmental approval has therefore been obtained for the transfer of the saltery from Rødding to Blans and for expanding production in Sæby. The factories in Hadsund and Ringsted have been granted new waste-water permits.

Safety documents

Ammonia is an environmentally friendly coolant which is used by Danish Crown in all large-scale industrial cooling systems in Denmark. Following a change to the rules in 2007, the storage of ammonia must in some cases be approved by the environmental and health and safety authorities as well as by the police and emergency services. Danish Crown has submitted all relevant information to the authorities and is now awaiting approval. The facilities live up to all modern standards, they are reviewed regularly by authorised cooling companies and are not deemed to constitute any risk to the surrounding areas.

Controversy concerning waste-water payment

Food companies use a lot of water as hygiene standards must be high. Danish Crown's waste-water payments have, in the course of the year, attracted considerable public attention. The payments have been scrutinised by many parties, and the conclusion is that Danish Crown pays more than its fair share of the costs incidental to public waste-water treatment. Internal studies show that in many cases it would be more economical if the treatment of waste water was handled by the slaughterhouses themselves. The utilities have been privatised, and many changes are happening in this area. This is very interesting for the slaughterhouses, and will have our attention in future.

New energy savings

The efforts to save energy have been centred round Danish Crown's internal benchmarking system; each year the individual factories are given a unique benchmark against which they are measured weekly. These efforts have been supplemented with more large-scale individual energy optimisation projects which have been possible due to the sale of energy savings. During the year, energy savings of 10,000 MWh have been achieved thanks to these projects.

Tulip Food Company

Much in the same way as slaughterhouses, processing companies are faced with challenges in relation to controlling odour from their processes. This is due to their handling of biological material, meat and other ingredients. Tulip Food Company's factory in Svenstrup has for a number of years been striving to control the odour from the many ovens used to smoke sausages. This is not a straightforward task as the smoke is needed to add the delicious flavour to the sausages and cannot simply be extracted. The factory has developed a way of solving this problem and is about to construct a number of large chimneys which will dilute the odour.

Scan-Hide

Traditional tanneries are associated with the discharge of chromium, a heavy metal, and are regarded as environmentally problematic. However, Scan-Hide is not a traditional tannery. Already in connection with the construction of the facility a decade ago, environmental technology was incorporated into the project, and the tannery has one of the world's most efficient chromium treatment plants, which means that chromium is no longer a problem. In the past year, the tannery has gone one step further and started developing new and leading-edge technologies for reusing process water and waste-water treatment. These are technologies which will come to set new standards for the whole industry.

DAT-Schaub

Intestines and viscera from the pigs are not wasted but are processed to produce valuable products. The cleaning of casings is an integrated process at all pig slaughterhouses. A lot of water is needed to achieve a good, hygienic quality. As all companies in the Danish Crown group focus on optimising and reducing water consumption, this is also the case at DAT-Schaub. During the year, a new method has been devised for handling process water from the production of hog casings which reduces water consumption and leads to cleaner waste water. The new method has been introduced in Horsens, Esbjerg, Ringsted and Blans, and more facilities will be following suit.

Food safety

Danish Crown's mission is to produce and market products which are safe and which do not pose any risk to the health of humans. Today, Danish Crown is one of the world's leading food manufacturers in terms of food safety. This position can only be maintained by ensuring that the raw materials and ingredients used and the company's own production routines meet specific requirements. Efforts are constantly being made to improve the hygienic layout of the production facilities and to increase employee awareness of relevant issues. Moreover, focus is on implementing efficient traceability systems, both internally and in our collaboration with our suppliers.

Food safety is central to the company's philosophy and is given the highest priority by Danish Crown. We impose strict requirements with regard to cleaning, own inspections and traceability, and we demand that European suppliers comply with all relevant EU requirements in these areas. During the strategy period, we will also work to ensure that suppliers outside the EU live up to these standards.

In Danish Crown, food safety starts with the feed given to the animals. Consequently, suppliers of animals to Danish Crown must comply with the EU feed regulation. Random checking is performed to ensure that these requirements are fulfilled.

In the event of non-fulfilment, Danish Crown has prepared a procedure for recalling products and informing the public about any risks associated with products which have been delivered to the shops but which do not live up to Danish Crown's high product standards.

Purchasing policy

The group purchasing function and the purchasing functions in the subsidiaries are responsible for the ongoing evaluation of suppliers based on the group's policy on corporate social responsibility. This evaluation not only looks at the products or services procured for Danish Crown. The purchasing functions are also responsible for inspiring suppliers to show and practise corporate social responsibility in relation to their own employees, their subsuppliers and society in general.

In 2010, the group purchasing function has incorporated a section on ethics in contract documents obliging suppliers to respect and support the Global Compact initiative within their spheres of influence. The contract documents stipulate that Danish Crown may carry out audits of both suppliers and subsuppliers.

In November 2010, a seminar was organised for heads of purchasing at subsidiaries involved in production to ensure that the principles are systematically incorporated in the terms of trading between these subsidiaries and their external suppliers.

The purpose of supplier audits is to inspire and acknowledge local initiatives which exceed statutory requirements and to identify potential focus areas. Supplier audits not only look at food safety issues, but also comprise documentation, quality and environmental management systems as well as the principles in Danish Crown's policy on corporate social responsibility.

In future, the purchasing functions will carry out regular supplier audits. As part of the evaluation, the suppliers must document their compliance with the Global Compact principles.

Implementation of CSR policy

During the DC2015 strategy period, Danish Crown will strengthen its CSR activities, for example by describing and implementing the CSR policy in all group subsidiaries. Procedures will be introduced on follow-up and annual reporting on developments within these areas.

Financial figures (DKK '000)	2005/06	2006/07	2007/08	2008/09	2009/10
Waste-water treatment and discharge	75,564	72,848	77,485	70,874	69,404
Disposal of waste-water sludge/manure etc.	15,437	17,354	17,650	16,741	14,685
Waste management and disposal	5,437	7,167	9,963	9,765	8,789
Disposal of animal by-products	107,487	85,469	111,166	103,552	90,631
Environmental measurements	2,700	1,064	946	1,345	761

Environment (per tonne of meat)		2005/06	2006/07	2007/08	2008/09	2009/10
Total energy consumption for all divisions	MWh	0.28	0.28	0.25	0.27	0.26
CO_2 emissions	Tonnes	26	22	23	21	21
Water consumption	m^3	2.9	2.6	2.7	2.7	2.6
Waste-water volume	m^3	2.7	2.5	2.5	2.4	2.3
BOD_5 emissions	kg	5.5	4.1	4.5	4.0	3.7
Nitrogen emissions	kg	0.7	0.6	0.6	0.5	0.4

Environment (other ratios)		2005/06	2006/07	2007/08	2008/09	2009/10
Biological waste for biogasification	kg	59.3	58.5	55.2	64.5	63.2
Estimated biogas production	m^3	3,288,000	3,386,000	3,267,000	3,488,000	3,187,000
Number of households	no.	794	818	789	843	770

GROUP FINANCIAL HIGHLIGHTS

Amounts in DKK million	2005/06	2006/07	2007/08	2008/09	2009/10
Income statement					
Revenue	48,534	44,346	46,972	44,757	45,211
Operating profit	1,860	1,872	1,816	1,730	1,857
Net financials	-490	-491	-672	-459	-257
Net profit for the year	1,232	1,230	997	1,164	1,648
Balance sheet					
Balance sheet total	21,706	21,279	23,336	21,306	22,153
Investments in property, plant and equipment	849	849	2,446	1,411	812
Subordinate loan	1,000	1,000	993	995	997
Equity	3,844	4,132	4,091	3,940	4,639
Solvency ratio *)	22.3%	24.1%	21.8%	23.2%	25.4%
Cash flows from operating and investing activities					
Cash flows from operating and investing activities	2,738	1,321	-246	2,829	1,330
No. of employees					
Average no. of full-time employees	26,938	24,334	26,652	24,274	23,305
Supplementary payments, DKK per kg					
Supplementary payments, pigs	0.65	0.75	0.60	0.70	0.95
Supplementary payments, sows	0.65	0.55	0.65	0.65	0.75
Supplementary payments, cattle	0.90	0.85	0.70	0.75	1.25
Supplies from members weighed in (million kg)					
Pigs	1,504.8	1,468.9	1,426.7	1,272.3	1,245.7
Sows	72.2	67.7	68.1	62.8	62.6
Cattle	67.8	69.7	64.3	66.7	68.8
No. of members					
No. of members	15,044	13,465	12,152	10,685	9,847

*) Calculated on the basis of subordinate loan and equity.

Please note: The figures stated for 2008/09 and 2009/10 as well as the balance sheet items for 2007/08 have been prepared in accordance with IFRS. All other figures have been prepared in accordance with the Danish Financial Statements Act.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD ON THE ANNUAL REPORT AND INDEPENDENT AUDITOR'S REPORT

Statement by the Board of Directors and the Executive Board on the annual report

Today, we have considered and approved the annual report of Danish Crown AmbA for the financial year 5 October 2009 - 3 October 2010.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the financial statements of the parent have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 3 October 2010 and of the results of the group's and the parent's activities as well as of the group's cash flows for the financial year 5 October 2009 - 3 October 2010.

Furthermore, we believe that the management's review contains a fair review of the development in the group's and the parent's activities and financial affairs, net profit for the year and financial position as a whole as well as a description of the most important risks and uncertainty factors facing the group and the parent.

We recommend the annual report for adoption by the Board of Representatives.

Randers, 30 November 2010

EXECUTIVE BOARD

Kjeld Johannesen, *CEO*	Carsten Jakobsen, *Vice CEO*	Preben Sunke, *CFO*
Flemming N. Enevoldsen, *Director*		

BOARD OF DIRECTORS

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Hans Klejsgaard Hansen	Asger Krogsgaard	Erik Larsen
Peder Philipp	Peter Fallesen Ravn	Cay Wulff Sørensen
Torben Lyngsø, *elected by the employees*	Tom Jensen, *elected by the employees*	Søren Tinggaard, *elected by the employees*

Independent auditor's report

To the members of Danish Crown AmbA

Report on the consolidated financial statements and the financial statements

We have audited the consolidated financial statements and the financial statements of Danish Crown AmbA for the financial year 5 October 2009 - 3 October 2010, which comprises the income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the group and for the company, as well as a statement of comprehensive income and cash flow statement for the group. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the financial statements have been prepared in accordance with the Danish Financial Statements Act. Furthermore, the consolidated financial statements and the financial statements have been prepared in accordance with the disclosure requirements contained in the Danish Financial Statements Act.

The Board of Directors and the Executive Board's responsibility for the consolidated financial statements and the financial statements

The Board of Directors and the Executive Board are responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the disclosure requirements contained in the Danish Financial Statements Act and for the preparation and fair presentation of financial statements in accordance with the Danish Financial Statements Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and basis of opinion

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

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

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

Our audit has not resulted in any qualifications.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the group's assets, liabilities and financial position as at 3 October 2010 and of the results of its activities and cash flows for the financial year 5 October 2009 - 3 October 2010 in accordance with International Financial Reporting Standards as adopted by the EU and the disclosure requirements contained in the Danish Financial Statements Act.

We also believe that the financial statements give a true and fair view of the parent's assets, liabilities and financial position as at 3 October 2010 and of the results of its activities for the financial year 5 October 2009 - 3 October 2010 in accordance with the Danish Financial Statements Act.

Statement on the management's review

The Board of Directors and the Executive Board are responsible for preparing a management's review that includes a fair review in accordance with the Danish Financial Statements Act.

Our audit did not include the management's review, but we have read it as required by the Danish Financial Statements Act. We have not performed any additional procedures other than the audit of the consolidated financial statements and the financial statements.

Against this background, we are of the opinion that the information in the management's review is in accordance with the consolidated financial statements and the financial statements.

Viborg, 30 November 2010

Deloitte
Statsautoriseret Revisionsaktieselskab

Gert Stampe
State-Authorised Public Accountant

Anders Dons
State-Authorised Public Accountant

ACCOUNTING POLICIES AND CHANGES AS A RESULT OF THE TRANSITION TO IFRS

The 2009/10 consolidated financial statements of Danish Crown AmbA are presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the financial statements of class C enterprises, cf. the Danish Executive Order on IFRS (*IFRS-bekendtgørelsen*) issued in accordance with the Danish Financial Statements Act. Danish Crown AmbA is a cooperative society domiciled in Denmark.

The consolidated financial statements are presented in Danish kroner (DKK), which is the presentation currency for the group's activities.

The consolidated financial statements are presented on the basis of historical cost, except for derivative financial instruments and financial assets classified at fair value in the income statement which are measured at fair value. The most important elements of the accounting policies and changes resulting from new and changed standards are described below. The accounting policies in general are described in note 32.

Changes in accounting policies as a result of the transition to IFRS

The 2009/10 consolidated financial statements are the first financial statements to be prepared in accordance with IFRS.

Upon transition to IFRS, IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied. According to this standard, the opening balance sheet as at 28 September 2008 and the comparative figures for 2008/09 have been prepared in accordance with the standards and interpretations applicable as at 3 October 2010. The opening balance sheet as at 28 September 2008 has been prepared as if these standards and interpretations had always been applied, except for situations where the special transitional and commencement provisions in IFRS 1 described below apply.

The transition to preparing financial statements and consolidated financial statements in accordance with IFRS has made it necessary to change the accounting policies of the group in a number of important areas regarding recognition and measurement:

- Revaluation of the value of goodwill and no more amortisation of goodwill.
- Reversal of capitalised running-in expenses and construction interest etc.
- Change in the valuation of inventories.
- Change in pension obligations in relation to non-recognised actuarial gains and losses (resetting of corridor approach) and other pension adjustments.
- The impact of the changes on deferred tax.
- Change in the calculation of deferred tax on property, plant and equipment in respect of previous years.

The main rule for the accounting treatment of changes to the accounting policies is that, in the year of change, the annual report must be prepared with retroactive effect as if the company had always applied the new accounting policies, including the restatement of comparative figures. In connection with the transition to financial reporting according to IFRS, IFRS 1 contains a number of mandatory and optional exceptions to this main rule.

The Danish Crown group has chosen to apply the following exceptions contained in IFRS:

- Business combinations completed before 30 September 2002, including related determined pre-acquisition balance sheets and goodwill amounts, have not been adjusted in accordance with the provisions of IFRS 3 (2008).
- Defined-benefit plans have been determined as the net pension obligation based on the present value of the pension obligation without consideration for the 'corridor approach' (resetting).

Apart from changes regarding recognition and measurement, the presentation and classification of accounting items have been changed for the following areas due to the transition to IFRS:

- Non-controlling interests are presented as part of consolidated equity.
- Provisions are included under current and non-current liabilities, respectively.
- Non-current assets held for sale are presented as a separate item under current assets.
- Biological assets are presented as separate items under non-current and current assets, respectively.
- Software is presented as intangible assets.
- Derivative financial statements with no right of set-off are presented as gross figures.
- Recognition of reinsurance shares of claims outstanding provisions, gross.
- Insurance provisions are presented as separate items under non-current and current assets, respectively.
- Short-term securities are only classified as part of cash in the cash flow statement if they have a time to maturity of less than three months.

The monetary effect of the changes in accounting policies as a result of the transition to reporting according to IFRS is specified in note 1.

Standards and interpretations which have not yet come into effect

At the time of publication of the 2009/10 consolidated financial statements of Danish Crown, there are a number of new or changed standards and interpretations which have not yet come into effect and which therefore have not been incorporated into the consolidated financial statements. The management estimates that these will not have any significant impact on the consolidated financial statements for the coming financial years.

INCOME STATEMENT

5 October 2009 - 3 October 2010

DKKm	Note	Group 2009/10	2008/09
Revenue	3	**45,211**	**44,757**
Production costs	4.5	-38,613	-38,166
Gross profit		**6,598**	**6,591**
Distribution costs	4.5	-3,302	-3,439
Administrative expenses	4, 5, 6	-1,425	-1,413
Other operating income		19	19
Other operating expenses		-33	-28
Operating profit (EBIT)		**1,857**	**1,730**
Income from equity investments in associates	13	245	56
Financial income	7	84	62
Financial expenses	8	-341	-521
Profit before tax		**1,845**	**1,327**
Tax on profit for the year	9	-197	-163
Net profit for the year		**1,648**	**1,164**
Net profit attributable to			
Members of the parent		1,598	1,127
Non-controlling interests		50	37
		1,648	**1,164**

STATEMENT OF COMPREHENSIVE INCOME

5 October 2009 - 3 October 2010

DKKm	Note	Group 2009/10	2008/09
Net profit for the year		**1,648**	**1,164**
Foreign currency translation adjustment of foreign enterprises		155	-264
Share of other comprehensive income in associates	13	-1	-1
Fair value adjustments etc. of financial instruments entered into to hedge future cash flows		-47	-5
Transfer to the income statement of fair value adjustments of financial instruments entered into to hedge realised cash flows		1	-4
Actuarial gains/losses on defined-benefit plans etc.	19	-24	-119
Tax on other comprehensive income	9	5	32
Other comprehensive income		**89**	**-361**
Comprehensive income		**1,737**	**803**
Total comprehensive income attributable to			
Members of the parent		1,688	769
Non-controlling interests		49	34
		1,737	**803**

STATEMENT OF FINANCIAL POSITION

3 October 2010

Assets

			Group	
DKKm	**Note**	**03.10.2010**	**04.10.2009**	**28.09.2008**
Goodwill	11	1,374	1,038	1,076
Software	11	89	79	79
Acquired trademarks etc.	11	6	6	6
Intangible assets		**1,469**	**1,123**	**1,161**
Land and buildings	12	5,348	5,419	5,471
Plant and machinery	12	3,603	3,631	3,592
Other plant, fixtures and fittings, tools and equipment	12	278	277	272
Property, plant and equipment under construction	12	455	408	870
Property, plant and equipment		**9,684**	**9,735**	**10,205**
Equity investments in associates	13	240	440	475
Other securities and equity investments	14	66	54	51
Other receivables		238	0	0
Financial assets		**544**	**494**	**526**
Biological assets	15	**49**	**47**	**51**
Deferred tax assets	20	**106**	**92**	**0**
Total non-current assets		**11,852**	**11,491**	**11,943**
Inventories	16	**3,293**	**3,476**	**3,632**
Biological assets	15	**133**	**110**	**144**
Trade receivables	17	5,235	4,690	6,004
Receivables from contract work		298	220	171
Receivables from associates		8	6	4
Other receivables		603	506	773
Reinsurers' share of provisions for claims	18	0	102	0
Prepayments		153	193	128
Receivables		**6,297**	**5,717**	**7,080**
Other securities and equity investments	14	**263**	**245**	**228**
Cash		**310**	**260**	**309**
Assets held for sale	10	**5**	**7**	**0**
Total current assets		**10,301**	**9,815**	**11,393**
Total assets		**22,153**	**21,306**	**23,336**

3 October 2010

Equity and liabilities

DKKm	Note	03.10.2010	Group 04.10.2009	28.09.2008
Equity				
Members' accounts		1,650	1,676	1,656
Other reserves		-155	-265	5
Retained earnings		3,051	2,448	2,358
Equity attributable to members of the parent		**4,546**	**3,859**	**4,019**
Non-controlling interests		**93**	**81**	**72**
Total equity		**4,639**	**3,940**	**4,091**
Pension obligations	19	190	162	92
Deferred tax liabilities	20	432	418	373
Insurance provisions	21	138	142	177
Other provisions	21	91	94	67
Subordinate loan	22	997	995	993
Mortgage debt	22	4,110	4,043	4,190
Other credit institutions	22	1,710	2,090	5,835
Bank debt	22	2,928	2,552	1,396
Finance lease commitments	22	7	12	20
Total non-current liabilities		**10,603**	**10,508**	**13,143**
Insurance provisions	21	32	40	45
Other provisions	21	37	13	49
Mortgage debt	22	156	32	7
Other credit institutions	22	746	210	32
Bank debt	22	1,841	2,433	1,154
Finance lease commitments	22	5	5	9
Trade payables		1,930	1,950	2,332
Payables to associates		41	24	61
Income tax payable		68	45	17
Other payables		1,954	1,987	2,264
Deferred income		101	119	132
Total current liabilities		**6,911**	**6,858**	**6,102**
Total liabilities		**17,514**	**17,366**	**19,245**
Total equity and liabilities		**22,153**	**21,306**	**23,336**

STATEMENT OF CHANGES IN EQUITY

03.10.2010

DKKm	Members' accounts	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group							
Equity as at 28.09.2008	1,656	0	0	2,319	3,975	70	4,045
Effect as a result of transition to IFRS	0	0	5	39	44	2	46
Adjusted equity as at 28.09.2008	**1,656**	**0**	**5**	**2,358**	**4,019**	**72**	**4,091**
Net profit for the year	0	0	0	1,127	1,127	37	1,164
Foreign currency translation adjustment of foreign enterprises	0	-264	0	0	-264	0	-264
Share of other comprehensive income in associates	0	0	0	-1	-1	0	-1
Fair value adjustments etc. of financial instruments entered into to hedge future cash flows	0	0	-3	0	-3	-1	-4
Transfer to the income statement of fair value adjustments of financial instruments entered into to hedge realised cash flows	0	0	-3	0	-3	-2	-5
Actuarial gains/losses on defined-benefit plans etc.	0	0	0	-119	-119	0	-119
Tax on other comprehensive income	0	0	0	32	32	0	32
Total other comprehensive income	0	-264	-6	-88	-358	-3	-361
Comprehensive income for the year	**0**	**-264**	**-6**	**1,039**	**769**	**34**	**803**
Payment of share capital, net	20	0	0	0	20	0	20
Supplementary payments disbursed	0	0	0	-945	-945	-28	-973
Acquisition of non-controlling interests	0	0	0	-4	-4	3	-1
Equity as at 04.10.2009	**1,676**	**-264**	**-1**	**2,448**	**3,859**	**81**	**3,940**
Net profit for the year	0	0	0	1,598	1,598	50	1,648
Foreign currency translation adjustment of foreign enterprises	0	155	0	0	155	0	155
Share of other comprehensive income in associates	0	0	0	-1	-1	0	-1
Fair value adjustments etc. of financial instruments entered into to hedge future cash flows	0	0	-46	0	-46	-1	-47
Transfer to the income statement of fair value adjustments of financial instruments entered into to hedge realised cash flows	0	0	1	0	1	0	1
Actuarial gains/losses on defined-benefit plans etc.	0	0	0	-24	-24	0	-24
Tax on other comprehensive income	0	0	0	5	5	0	5
Total other comprehensive income	0	155	-45	-20	90	-1	89
Comprehensive income for the year	**0**	**155**	**-45**	**1,578**	**1,688**	**49**	**1,737**
Payment of share capital, net	-26	0	0	0	-26	0	-26
Supplementary payments disbursed	0	0	0	-981	-981	-23	-1,004
Acquisition of non-controlling interests	0	0	0	6	6	-14	-8
Equity at 03.10.2010	**1,650**	**-109**	**-46**	**3,051**	**4,546**	**93**	**4,639**

CASH FLOW STATEMENT

5 October 2009 - 3 October 2010

DKKm	Note	Group 2009/10	2008/09
Operating profit from continuing operations		1,857	1,730
Operating profit		**1,857**	**1,730**
Depreciation, amortisation, impairment losses and write-downs	5	1,236	1,334
Change in provisions		-59	-83
Change in net working capital	27	-307	1,821
Operating cash flow		**2,727**	**4,802**
Financial income received	7	84	62
Financial expenses paid	8	-341	-521
Income tax paid		-195	-87
Cash flows from operating activities		**2,275**	**4,256**
Purchase etc. of intangible assets	11	-45	-33
Sale of intangible assets		3	-1
Purchase etc. of property, plant and equipment	12	-767	-1,571
Sale of property, plant and equipment		49	192
Purchase of other securities and equity investments		-309	-26
Sale of other securities and equity investments		377	71
Acquisition of enterprises	28	-362	-89
Dividend received	13	109	30
Cash flows from investing activities		**-945**	**-1,427**
Disbursement of supplementary payments		-981	-945
Proceeds from the arrangement of loans		469	383
Loan repayment		-744	-2,336
Payment of share capital, net		-26	20
Cash flows from financing activities		**-1,282**	**-2,878**
Change in cash and cash equivalents		**48**	**-49**
Cash and cash equivalents as at 05.10.2009		260	309
Foreign currency translation adjustment, cash and cash equivalents		2	0
Cash and cash equivalents as at 03.10.2010	27	**310**	**260**

NOTES

1. Transition to reporting according to international financial reporting standards (IFRS)

The monetary effect of the changes in accounting policies as a result of the transition to reporting according to IFRS can be specified as follows:

DKKm	Equity as at 28.09.2008	Equity as at 04.10.2009	Income statement 2008/09
Amount according to annual report 2008/09	4,045	3,885	1,057
Effect of transition to reporting according to IFRS:			
Cessation of amortisation of goodwill	246	283	67
Reversal of capitalised running-in expenses and construction interest etc.	-116	-122	-6
Change in the valuation of inventories	-43	3	43
Change in pension obligations in relation to non-recognised actuarial gains and losses (resetting of corridor approach) and other pension adjustments	84	-32	8
Reversal of provision for running-in expenses	22	0	-22
The impact of the changes on deferred tax	-81	-18	20
Change in the calculation of deferred tax on property, plant and equipment in respect of previous years	-84	-73	0
Other adjustments	18	14	-3
Amount calculated in accordance with the provisions of IFRS	**4,091**	**3,940**	**1,164**

1. Transition to IFRS

Balance sheet

DKKm		28.09.2008			04.10.2009		
	Note	Previous practice	Effect of transition to IFRS	IFRS	Previous practice	Effect of transition to IFRS	IFRS
Goodwill	a	830	246	1,076	755	283	1,038
Software	b	4	75	79	0	79	79
Acquired trademarks etc.		0	6	6	3	3	6
Property, plant and equipment	c	10,430	-225	10,205	9,968	-233	9,735
Financial assets		526	0	526	494	0	494
Biological assets	d	0	51	51	0	47	47
Deferred tax assets		0	0	0	0	92	92
Total non-current assets		**11,790**	**153**	**11,943**	**11,220**	**271**	**11,491**
Inventories	e	3,836	-204	3,632	3,600	-124	3,476
Biological assets	f	0	144	144	0	110	110
Receivables	g	6,854	226	7,080	5,591	126	5,717
Cash		537	0	537	504	1	505
Assets held for sale		0	0	0	0	7	7
Total current assets		**11,227**	**166**	**11,393**	**9,695**	**120**	**9,815**
Total assets		**23,017**	**319**	**23,336**	**20,915**	**391**	**21,306**
Equity belonging to members		3,975	44	4,019	3,806	53	3,859
Non-controlling interests		70	2	72	79	2	81
Total equity		**4,045**	**46**	**4,091**	**3,885**	**55**	**3,940**
Pension obligations	h	193	-101	92	151	11	162
Deferred tax liabilities		208	165	373	235	183	418
Insurance provisions		173	4	177	138	4	142
Other provisions	i	73	-6	67	66	28	94
Loans	j	12,526	-92	12,434	9,721	-29	9,692
Total non-current liabilities		**13,173**	**-30**	**13,143**	**10,311**	**197**	**10,508**
Insurance provisions		45	0	45	40	0	40
Other provisions	i	49	0	49	13	0	13
Loans	j	1,203	0	1,203	2,716	-36	2,680
Other current liabilities	k	4,502	303	4,805	3,950	175	4,125
Total current liabilities		**5,799**	**303**	**6,102**	**6,719**	**139**	**6,858**
Total equity and liabilities		**23,017**	**319**	**23,336**	**20,915**	**391**	**21,306**

1. Transition to IFRS

Notes

Explanation of the accounting effect of the transition to IFRS

	DKKm	28.09.2008	04.10.2009
a	**Goodwill**		
	Reversal of previous amortisation	130	130
	Reassessment of the value of goodwill	116	116
	Reversal of amortisation in 2008/09	0	62
	Other adjustments	0	-25
		246	**283**
b	**Software**		
	Reclassification of property, plant and equipment	75	79
		75	**79**
c	**Property, plant and equipment**		
	Reversal of capitalised running-in expenses and construction interest etc.	-116	-122
	Reclassification of software	-75	-79
	Reclassification of biological assets	-51	-47
	Reclassification of inventories	17	17
	Reclassification of assets held for sale	0	-7
	Other adjustments	0	5
		-225	**-233**
d	**Biological assets (non-current)**		
	Reclassification of property, plant and equipment	51	47
		51	**47**
e	**Inventories**		
	Change in valuation	-43	3
	Reclassification of property, plant and equipment	-17	-17
	Reclassification of biological assets (current)	-144	-110
		-204	**-124**
f	**Biological assets (current)**		
	Reclassification of inventories	144	110
		144	**110**
g	**Receivables**		
	Change in presentation of derivative financial instruments	25	20
	Recognition of reinsurers' share of provisions for claims, gross	192	102
	Reclassification of insurance provisions	4	4
	Other adjustments	5	0
		226	**126**
h	**Pension obligations**		
	Change in pension obligations in relation to non-recognised actuarial gains and losses (resetting of corridor approach) and other pension adjustments	-84	28
	Reclassification of other provisions	-17	-17
		-101	**11**
i	**Other provisions**		
	Reversal of provision for running-in expenses	-22	0
	Reclassification of pension obligations	17	17
	Reclassification of other short-term payables	0	11
	Other adjustments	-1	0
		-6	**28**
j	**Loans**		
	Reclassification of other current liabilities	-92	-65
		-92	**-65**
k	**Other current liabilities**		
	Change in presentation of derivative financial instruments	19	21
	Recognition of reinsurers' share of provisions for claims, gross	192	102
	Reclassification of other provisions	0	-11
	Reclassification of loans	92	65
	Other adjustments	0	-2
		303	**175**

Income statement

DKKm	Note	Previous practice	Effect of transition to IFRS	IFRS
Revenue	p	44,765	-8	44,757
Production costs	l,m,n,p	-38,190	24	-38,166
Gross profit		**6,575**	**16**	**6,591**
Distribution costs	p	-3,446	7	-3,439
Administrative expenses	n,o,p	-1,482	69	-1,413
Other operating income		19	0	19
Other operating expenses		-28	0	-28
Operating profit		**1,638**	**92**	**1,730**
Income from equity investments in associates		56	0	56
Financial income	p	73	-11	62
Financial expenses	p	-527	6	-521
Profit before tax		**1,240**	**87**	**1,327**
Tax on profit for the year	q	-183	20	-163
Net profit for the year		**1,057**	**107**	**1,164**
Other comprehensive income		0	-361	-361
Comprehensive income		**1,057**	**-254**	**803**
Distribution of net profit for the year				
Members of the parent		1,021	106	1,127
Non-controlling interests		36	1	37
		1,057	**107**	**1,164**
Distribution of comprehensive income				
Members of the parent		1,021	-252	769
Non-controlling interests		36	-2	34
		1,057	**-254**	**803**

Explanation of the accounting effect of the transition to IFRS

	DKKm	
l	Adjustment of inventories	43
m	Adjustment of running-in expenses	-28
n	Pensions	8
o	Amortisation of goodwill	67
p	Other adjustments	-3
q	Income taxes	20
	Impact on net profit for the year	**107**

Cash flow statement for 2008/09

DKKm	Note	Previous practice	Effect of transition to IFRS	IFRS
Cash flows from operating activities	r	**4,232**	**24**	**4,256**
Cash flows from investing activities	s	**-1,408**	**-19**	**-1,427**
Cash flows from financing activities	t	**-2,857**	**-21**	**-2,878**
Change in cash and cash equivalents		**-34**	**-16**	**-49**
Cash and cash equivalents as at 28.09.2008	u	537	-228	309
Translation adjustments, cash and cash equivalents as at 28.09.2008		0	0	0
Cash and cash equivalents as at 04.10.2009		**504**	**-244**	**260**

Explanation of the accounting effect of the transition to IFRS

	DKKm	
r	**Cash flows from operating activities**	
	Reclassification	-3
	IFRS changes	28
		25

	DKKm	
s	**Cash flows from investing activities**	
	Reclassification	24
	IFRS changes	-43
		-19

	DKKm	
t	**Cash flows from financing activities**	
	Reclassification	-21
		-21

	DKKm	
u	**Cash and cash equivalents**	
	The value of other securities at the beginning of the year is now categorised as investments	-228
		-228

2. Significant accounting estimates and assessments as well as significant accounting policies

When preparing the annual report in accordance with the group's accounting policies, the management is required to make estimates and assumptions that affect the assets and liabilities recognised, including information on any contingent assets and liabilities included.

The management's estimates are based on historical experience and other assumptions which are deemed relevant at the time. These estimates and assumptions form the basis for the recognised carrying amounts of assets and liabilities and the related effects recognised in the income statement. The actual results may deviate from such estimates and assumptions.

The management considers the following estimates and assessments as well as related accounting policies significant to the preparation of the consolidated financial statements.

Production costs
Production costs comprises direct and indirect costs incurred to earn revenue. Production costs include costs of raw materials, including purchases from members entitling them to supplementary payments, consumables, production staff as well as depreciation of production facilities.

In connection with purchases from members, an on-account price is paid which, in connection with the closing of the financial statements, is finally settled in the form of supplementary payments to the members. The management continually estimates how much of the supplementary payment relates to production costs, i.e. settlement of the market price and distribution of the net profit for the year, respectively, to the members.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the costs of preparing the asset until such time when it is ready to be put into service. The basis of depreciation is the cost less the expected residual value after the end of the useful life. The cost of a combined asset is split into smaller parts which are depreciated separately if the useful lives differ.

The management makes accounting estimates concerning the method of depreciation, useful lives and residual values, and these are reassessed on an annual basis.

Impairment test
At least once a year, the group tests goodwill and intangible assets with indeterminable useful lives for impairment. Other non-current assets which are amortised systematically are tested for impairment when events or changed circumstances indicate that the carrying amount may not be recovered.

The management estimates the value in use as an expression of the recoverable amount which is calculated by discounting the expected future cash flows which are estimated on the basis of the management's estimates of these and the management's estimates of the discount rate and growth rates.

Inventories
Raw materials and consumables, work in progress, finished goods and goods for resale are measured at the lower of cost using the FIFO method and net realisable value.

In connection with the net realisable value of inventories, the management estimates the expected selling price less completion costs and costs incurred to execute the sale and is determined taking into account marketability, obsolescence and the development in the expected selling price.

Receivables
Receivables are measured at amortised cost and written down for bad debts if there are any indications of such.

In connection with the write-down for bad debts, the estimates made by the management are based on available information and indications.

Acquisition of enterprises and activities, including determination of cost price allocations and depreciation thereof
In connection with the acquisition of enterprises and activities, cost price allocations are made at the fair value of identifiable assets, liabilities and contingent liabilities. The determination of fair value involves management estimates which are based on the expected future performance of the assets. The management also estimates the useful life and depreciation profile which is systematically based on the expected distribution of the assets' future economic benefits.

Deferred tax liabilities and tax assets
The group uses the balance-sheet liability method to calculate deferred tax on all temporary differences between carrying amounts and tax amounts, with the exception of initially recognised goodwill with no tax base, just as only deferred tax on foreign equity investments is allocated if disposal is probable and will trigger tax for payment. Deferred tax assets are recognised if it is likely that taxable income will be generated in future which will make it possible to use the temporal differences or tax losses to be carried forward. In this connection, the management makes an estimate of the coming years' earnings based on budgets and forecasts.

3. Revenue

DKKm	2009/10	2008/09
Distribution by market:		
Denmark	5,244	5,392
International	39,967	39,365
	45,211	**44,757**
Distribution by sector:		
Pork Division	21,229	21,433
Beef Division	2,795	2,475
Processing companies	18,100	17,988
Trading companies and other companies	3,087	2,861
	45,211	**44,757**

4. Staff costs

DKKm	2009/10	2008/09
Wages and salaries	5,763	6,124
Defined-contribution plans	313	328
Defined-benefit plans	9	1
Other social security costs	556	550
	6,641	**7,003**
Staff costs are distributed as follows:		
Production costs	5,379	5,775
Distribution costs	531	525
Administrative expenses	731	703
	6,641	**7,003**
Of this:		
Remuneration for the parent's Board of Directors	4	4
Remuneration for the parent's Board of Representatives	4	4
Remuneration for the parent's Executive Board	39	31
	47	**39**
Average no. of employees	23,305	24,274

5. Depreciation, amortisation, impairment losses and write-downs

DKKm	2009/10	2008/09
Amortisation of intangible assets	33	34
Depreciation of property, plant and equipment	1,203	1,300
Translation adjustments	-15	15
Gains and losses on the disposal of non-current assets	-5	-247
	1,216	**1,102**
Depreciation, amortisation, impairment losses and write-downs are distributed as follows:		
Production costs	1,113	998
Distribution costs	33	35
Administrative expenses	70	69
	1,216	**1,102**

6. Fee to the parent's auditor appointed by the Board of Representatives

DKKm	2009/10	2008/09
Deloitte:		
Statutory audit	13	12
Other assurance engagements	0	0
Tax advice	4	10
Other services	7	1
	24	**23**

7. Financial income

DKKm	2009/10	2008/09
Interest, cash etc.	48	58
Interest, associates	3	0
Interest and dividend on other securities and equity investments	13	0
Foreign exchange gains and losses, net	20	0
Fair value adjustment transferred from equity concerning hedging of future cash flows	0	4
Fair value adjustment of derivative financial instruments entered into to hedge the fair value of financial instruments	-104	54
Fair value adjustment of hedged financial instruments	104	-54
	84	**62**

8. Financial expenses

DKKm	2009/10	2008/09
Interest, credit institutions etc.	340	518
Foreign exchange gains and losses, net	0	1
Fair value adjustment of other securities and equity investments	0	2
Fair value adjustment transferred from equity concerning hedging of future cash flows	1	0
	341	**521**

No finance costs are recognised in the cost of property, plant and equipment under construction in the financial year (2008/09: DKK 0 million).

9. Tax on profit for the year

DKKm	2009/10	2008/09
Current tax	231	141
Change in deferred tax	26	51
Change in deferred tax resulting from a change in the tax rate	-11	-3
Adjustment concerning previous years, current tax	-19	-28
Adjustment concerning previous years, deferred tax	-4	0
Adjustment concerning utilisation of tax asset not previously recognised	2	0
Impairment of tax assets and reversal of previous impairment of tax assets	-30	0
Other adjustments	**195**	**161**
Tax in cooperatively taxed enterprises and tax on other non-income-taxed income	2	2
Tax on profit for the year	**197**	**163**
Tax on profit for the year can be explained as follows:		
Calculated tax at a tax rate of 25%	461	323
Effect of differences in tax rates for foreign enterprises	-7	6
Tax base of non-taxable income	-231	-190
Tax base of non-deductible costs	25	52
Adjustment concerning previous years, current tax	-19	-28
Adjustment concerning previous years, deferred tax	-4	0
Adjustment concerning utilisation of tax asset not previously recognised	2	0
Impairment of tax assets and reversal of previous impairment of tax assets	-30	0
	197	**163**
Effective tax rate (%)	**10.7%**	**12.6%**
Actuarial gains/losses on defined-benefit plans etc.	5	32
Tax on other comprehensive income	**5**	**32**

10. Assets held for sale

DKKm	03.10.2010	04.10.2009
Property, plant and equipment	5	7
Assets held for sale	**5**	**7**
Liabilities related to assets held for sale	0	0
Net assets held for sale	**5**	**7**

Assets held for sale comprise a part of the parent's plant in Holstebro (04.10.2009: plant in Vojens), which is no longer in service.
The asset is expected to be sold to an external investor during the financial year 2010/11.

11. Intangible assets

DKKm	Goodwill	Software	Acquired trade-marks etc.	Total
Cost as at 05.10.2009	1,038	302	443	1,783
Foreign currency translation adjustments	72	1	0	73
Addition in connection with company acquisitions	264	4	0	268
Addition	0	45	0	45
Disposal	0	-9	0	-9
Cost as at 03.10.2010	**1,374**	**343**	**443**	**2,160**
Amortisation and impairment losses as at 05.10.2009	0	223	437	660
Foreign currency translation adjustments	0	1	0	1
Addition in connection with company acquisitions	0	3	0	3
Amortisation for the year	0	33	0	33
Amortisation and impairment losses on disposals for the year	0	-6	0	-6
Amortisation and impairment losses as at 03.10.2010	**0**	**254**	**437**	**691**
Carrying amount as at 03.10.2010	**1,374**	**89**	**6**	**1,469**
Cost as at 29.09.2008	1,449	14	455	1,918
Effect as a result of transition to IFRS	-373	259	-12	-126
	1,076	**273**	**443**	**1,792**
Foreign currency translation adjustments	-105	-2	0	-107
Addition in connection with company acquisitions	67	0	0	67
Addition	0	33	0	33
Disposal	0	-2	0	-2
Cost as at 04.10.2009	**1,038**	**302**	**443**	**1,783**
Amortisation and impairment losses as at 29.09.2008	619	10	455	1,084
Effect as a result of transition to IFRS	-619	184	-18	-453
	0	**194**	**437**	**631**
Foreign currency translation adjustments	0	-2	0	-2
Amortisation for the year	0	34	0	34
Depreciation and impairment losses on disposals for the year	0	-3	0	-3
Amortisation and impairment losses as at 04.10.2009	**0**	**223**	**437**	**660**
Carrying amount as at 04.10.2009	**1,038**	**79**	**6**	**1,123**

Except for goodwill and trademarks, all other intangible assets are considered to have determinable useful lives over which the assets are amortised as specified in the description of accounting policies.

Impairment test of goodwill

Goodwill resulting from company acquisitions etc. is distributed on the date of acquisition on the cash-generating units which are expected to obtain economic benefits from the business combination. The carrying amount of goodwill before impairment is distributed on the cash-generating units as follows:

DKKm	03.10.2010	04.10.2009
Tulip International UK Ltd	594	559
Saturn Nordic Holding AB	288	259
DAT-Schaub a.m.b.a	263	135
KLS Ugglarps AB	58	56
Tulip Food Company P/S	171	29
	1,374	**1,038**

Goodwill is tested for impairment at least once a year or more frequently if there are indications of impairment. The annual test for impairment is made at the balance sheet date and has not resulted in any impairment of goodwill in the financial year.

The recoverable amount for the individual cash-generating units on which the goodwill amounts have been distributed is calculated on the basis of calculations of the units' value in use. The most important uncertainties in this regard are related to the determination of discount rates and growth rates as well as the expected changes in selling prices and production costs in the budget and terminal periods.

The fixed discount rates reflect market assessments of the temporal value of money, expressed as a risk-free interest rate and the specific risks which are associated with the individual cash-generating unit. Discount rates are generally determined on an 'after tax' basis based on an estimated Weighted Average Cost of Capital (WACC).

The growth rates used are based on the budgets, forecasts and strategy plans of the individual enterprises as well as the outlook for discount rates, interest and inflation levels.

Estimated changes in selling prices and production costs in the budget and terminal periods are based on historical experience and the expectations for future growth and market conditions.

The cash-generating units' value in use is calculated using the cash flows stated in the budgets and strategy plans for the next five financial years that were most recently approved by the Board of Directors. For financial years following the budget periods (terminal period), cash flows were extrapolated in the most recent budget period, adjusted for expected growth rates. The growth rates used do not exceed the expected average long-term growth rate for the markets in question.

The most significant parameters used to calculate the recoverable amounts are as follows:

2009/10	Growth factor in the terminal period %	Risk-free interest rate, 10-year swap interest rate %	WACC after tax %
Tulip International UK Ltd	2.0	3.1	5.7
Saturn Nordic Holding AB	2.0	4.9	7.7
DAT-Schaub a.m.b.a	2.0	2.8	5.6
KLS Ugglarps AB	2.0	2.9	5.4
Tulip Food Company P/S	2.0	2.8	5.6
2008/09			
Tulip International UK Ltd	2.0	3.5	5.8
Saturn Nordic Holding AB	2.0	5.4	8.3
DAT-Schaub a.m.b.a	2.0	3.0	5.6
KLS Ugglarps AB	2.0	2.9	5.4
Tulip Food Company P/S	2.0	3.2	5.8

12. Property, plant and equipment

DKKm	Land and buildings	Plant and machinery	Other plant, fixtures and fittings, tools and equipment	Plant under construction	Total
Cost as at 05.10.2009	10,377	8,660	961	408	20,406
Foreign currency translation adjustments	163	226	23	11	423
Completion of plant under construction	75	268	34	-377	0
Addition in connection with company acquisitions	106	95	12	0	213
Addition	93	204	57	413	767
Disposal	-26	-821	-134	0	-981
Transfer to assets held for sale	-17	-29	0	0	-46
Cost as at 03.10.2010	**10,771**	**8,603**	**953**	**455**	**20,782**
Depreciation and impairment losses as at 05.10.2009	4,958	5,029	684	0	10,671
Foreign currency translation adjustments	40	108	15	0	163
Addition in connection with company acquisitions	14	23	8	0	45
Depreciation for the year	430	665	97	0	1,192
Depreciation and impairment losses on disposals for the year	-7	-796	-129	0	-932
Transfer to assets held for sale	-12	-29	0	0	-41
Depreciation and impairment losses as at 03.10.2010	**5,423**	**5,000**	**675**	**0**	**11,098**
Carrying amount as at 03.10.2010	**5,348**	**3,603**	**278**	**455**	**9,684**
Of which finance leases	6	6	2	0	14
Of which recognised interest expenses	73	9	0	0	82
Cost as at 29.09.2008	9,596	9,558	1,674	1,216	22,044
Effect as a result of transition to IFRS	378	202	-355	-11	214
	9,974	**9,760**	**1,319**	**1,205**	**22,258**
Foreign currency translation adjustments	-339	-464	-35	-47	-885
Transfer	188	100	47	-335	0
Completion of plant under construction	347	413	45	-805	0
Addition	457	626	98	390	1,571
Disposal	-123	-1,700	-505	0	-2,328
Transfer to assets held for sale	-127	-75	-8	0	-210
Cost as at 04.10.2009	**10,377**	**8,660**	**961**	**408**	**20,406**
Depreciation and impairment losses as at 29.09.2008	4,039	5,962	1,278	335	11,614
Effect as a result of transition to IFRS	464	206	-231	0	439
	4,503	**6,168**	**1,047**	**335**	**12,053**
Foreign currency translation adjustments	-76	-244	-23	0	-343
Transfer	188	115	32	-335	0
Depreciation for the year	477	703	120	0	1,300
Depreciation and impairment losses on disposals for the year	-5	-1,647	-484	0	-2,136
Transfer to assets held for sale	-129	-66	-8	0	-203
Depreciation and impairment losses as at 04.10.2009	**4,958**	**5,029**	**684**	**0**	**10,671**
Carrying amount as at 04.10.2009	**5,419**	**3,631**	**277**	**408**	**9,735**
Of which finance leases	1	8	0	0	9
Of which recognised interest expenses	76	11	1	0	88

13. Equity investments in associates and jointly controlled enterprises

Associates

DKKm	03.10.2010	04.10.2009
Cost as at 05.10.2009	164	225
Foreign currency translation adjustments	2	0
Addition	0	2
Disposal	-55	-63
Cost as at 03.10.2010	**111**	**164**
Value adjustments as at 05.10.2009	276	250
Foreign currency translation adjustments	0	-4
Share of results	245	56
Distribution during the year	-109	-30
Addition	0	-1
Disposal	-282	6
Other adjustments	-1	-1
Value adjustments as at 03.10.2010	**129**	**276**
Carrying amount as at 03.10.2010	**240**	**440**
Key figures for associates (combined):		
Total assets	1,633	1,980
Total liabilities	1,105	1,340
Total net assets	**528**	**640**
Share of net assets	240	440
Total revenue	**5,117**	**4,996**
Total net profit for the year	**323**	**72**
Share of net profit for the year	245	56

Jointly controlled enterprises
Danish Crown AmbA owns 50 % of the shares and holds 50 % of the votes in Saturn Nordic Holding AB, which is domiciled in Sweden and the parent of Sokołów S.A. Saturn Nordic Holding AB's financial year runs from 1 January to 31 December. For use in the pro rata consolidation of Danish Crown's pro rata share of the results, assets, liabilities and cash flows, financial statements are prepared according to the Danish Crown group's accounting policies for periods corresponding to Danish Crown group's accounting periods.

The key figures for Danish Crown's share (50 %) are as follows:

DKKm	2009/10	2008/09
Revenue	2,026	1,896
Costs	-1,941	-1,872
Net profit	**85**	**24**
Non-current assets	742	686
Current assets	443	356
Total assets	**1,185**	**1,042**
Equity	743	622
Non-current liabilities	66	35
Current liabilities	376	385
Total equity and liabilities	**1,185**	**1,042**
Cash flows from operating activities	119	70
Cash flows from investing activities	-51	-66
Cash flows from financing activities	-3	-59

14. Other securities and equity investments

DKKm	03.10.2010	04.10.2009
Listed bonds	263	245
Listed shares	32	27
Unlisted shares	34	27
	329	**299**
Securities are recognised in the balance sheet as follows:		
Non-current liabilities	66	54
Current liabilities	263	245
	329	**299**

15. Biological assets

DKKm	03.10.2010	04.10.2009
Non-current assets		
Cost as at 05.10.2009	111	0
Effect as a result of transition to IFRS	0	125
	111	**125**
Foreign currency translation adjustments	6	-17
Addition	34	35
Disposal	-91	-32
Cost as at 03.10.2010	**60**	**111**
Depreciation and write-downs as at 05.10.2009	64	0
Effect as a result of transition to IFRS	0	74
	64	**74**
Foreign currency translation adjustments	4	-10
Depreciation for the year	11	0
Depreciation and write-downs on disposals for the year	-68	0
Value adjustments as at 03.10.2010	**11**	**64**
Carrying amount as at 03.10.2010	**49**	**47**
No. of sows and boars as at 03.10.2010	32,090	32,215
Current assets		
Slaughter pigs	128	106
Crops	3	2
Unharvested crops	2	2
Carrying amount as at 03.10.2010	**133**	**110**
No. of slaughter pigs as at 03.10.2010	251,441	251,853
Kg produced ('000) during the year	43,327	48,881

16. Inventories

DKKm	03.10.2010	04.10.2009
Raw materials and consumables	490	507
Work in progress	529	493
Finished goods and goods for resale	2,274	2,476
	3,293	**3,476**
Of which carrying amount of inventories recognised at net realisable value	1,023	772
Cost of sales	33,833	33,322
Write-down for the year of inventories expensed in the income statement	271	103
Reversal of write-downs for the year	8	0

17. Trade receivables

DKKm	03.10.2010	04.10.2009
Trade receivables (gross)	5,329	4,783
Allowance for doubtful debts as at 05.10.2009	-93	-90
Foreign currency translation adjustments	-4	7
Amount written off during the year	19	14
Impairment losses reversed	23	5
Impairment losses for the year	-39	-29
Allowance for doubtful debts as at 03.10.2010	-94	-93
Trade receivables (net)	**5,235**	**4,690**

Receivables are written down directly if the value based on an individual assessment of the individual debtors' solvency is reduced, for example as a result of suspension of payments, bankruptcy and the like. Write-downs are made at the calculated net realisable value.

The carrying amount of receivables written down to the net realisable value based on an individual assessment comes to DKK 100 million (04.10.2009: DKK 42 million).

DKKm	03.10.2010	04.10.2009
Trade receivables (gross) can be specified as follows:		
Not due	4,414	3,672
Due within 30 days	736	869
Due between 30 and 90 days	83	115
Due after 90 days	96	127
	5,329	**4,783**
Receivables due, but not written down, comprise:		
Due within 30 days	701	858
Due between 30 and 90 days	74	103
Due after 90 days	26	35
	801	**996**

During the financial year, no interest income in respect of receivables written down has been recognised as income (2008/09: DKK 0 million).

18. Reinsurers' share of provisions for claims

DKKm	03.10.2010	04.10.2009
Reinsurers' share of provisions for claims as at 05.10.2009	102	0
Effect as a result of transition to IFRS	0	192
	102	**192**
Reimbursed claims concerning previous years	-102	-54
Change in expected income concerning previous years	0	-36
Reinsurers' share of provisions for claims as at 03.10.2010	**0**	**102**

19. Pension plans

The group has concluded pension agreements with many of its employees.

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

Under the defined-contribution plans, which are mainly used by the Danish companies, the group makes regular, defined contributions to independent pension companies. The group is not obliged to make additional contributions.

Under the defined-benefit plans, which are mainly used by the group's UK companies, the company is obliged to pay a defined benefit at retirement, depending on, e.g., the employee's seniority. The company thus incurs a risk in relation to the future development in interest rates, inflation, mortality etc. as regards the amount to be paid to the employee.

The obligation concerning defined-benefit plans is calculated annually by means of an actuarial specification based on assumptions about future developments in interest rates, inflation and average life expectancy, among other things.

Defined-benefit plans

DKKm	**2009/10**	**2008/09**
Pension costs for the year	2	-4
Pension costs in respect of previous financial years	0	2
Interest expenses	48	49
Expected return on the assets underlying the pension plans	-41	-45
Actuarial gains and losses	0	-1
Recognised in the income statement under staff costs	**9**	**1**
Actuarial gains and losses	24	119
Recognised in other comprehensive income	**24**	**119**
The pension obligation recognised in the balance sheet can be specified as follows:		
Present value of hedged pension obligation	873	763
Present value of unhedged pension obligation	60	56
	933	**819**
Fair value of the assets underlying the pension plans	-743	-657
Net obligation recognised in the balance sheet	**190**	**162**
The pension obligations have been calculated on the basis of the following actuarial assumptions:	%	%
Average discount rate	4.50	5.25
Expected return on the assets underlying the pension plans	5.75	6.00
Expected pay increases	0.00	0.00
Future pension increases	2.75	3.00

The latest actuarial statement of the pension obligations was carried out on 3 October 2010 by Scottish Widows Plc and Buck Consultants Ltd.

DKKm	**2009/10**	**2008/09**
Changes in pension obligations for the year can be specified as follows:		
Present value of pension obligations as at 05.10.2009	819	915
Effect as a result of transition to IFRS	0	-101
	819	**814**
Foreign currency translation adjustments	45	-108
Pension costs for the year	-34	-38
Pension costs in respect of previous financial years	0	2
Interest expenses	48	49
Contributions from pension plan participants	0	0
Actuarial gains and losses	61	115
Pension benefits paid	-6	-15
Present value of pension obligations as at 03.10.2010	**933**	**819**
Changes in the assets underlying the pension plans for the year can be specified as follows:		
Fair value of the assets underlying the pension plans as at 05.10.2009	657	722
Foreign currency translation adjustments	38	-99
Expected return on the assets underlying the pension plans	41	45
Actuarial gains and losses	37	-4
Employer contributions	6	34
Contributions from pension plan participants	0	0
Pension benefits paid	-36	-41
Fair value of the assets underlying the pension plans as at 03.10.2010	**743**	**657**
The following accumulated actuarial gains and losses have been recognised in the statement of recognised income and expenses.	-24	-119

DKKm	**03.10.2010**	**04.10.2009**
The assets underlying the pension plans measured at fair value comprise:		
Shares	439	374
Bonds	271	248
Land and buildings	2	2
Other	31	33
	743	**657**

None of the assets underlying the pension plans are related to the group companies in the form of, e.g., treasury shares, rental properties or loans.
The expected return on the different categories of assets underlying the pension plans has been fixed in accordance with the relevant published indices. The expected return on the assets as a whole has been calculated as a weighted average of these individual return requirements relative to the expected composition of the assets underlying the pension plans.

Return on pension assets:		
Actual return on the assets underlying the pension plans	78	41
Expected return on the assets underlying the pension plans	-41	-45
Actuarial gains on the assets underlying the pension plans	**37**	**-4**

DKKm	03.10.2010	04.10.2009
Present value of the pension obligations as at the balance sheet date	933	819
Fair value of the assets underlying the pension plans as at the balance sheet date	-743	-657
Underfunded pension plans	**190**	**162**
Adjustments of the pension plans according to experience	0	6
Adjustments of the assets underlying the pension plans according to experience	33	-17

The group expects to contribute a total of DKK 18 million to the plans during the coming financial year.

20. Deferred tax

DKKm	03.10.2010	04.10.2009
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	-106	-92
Deferred tax liabilities	432	418
	326	**326**

DKKm 2009/10	Deferred tax as at 05.10.2009	Effect as a result of transition to IFRS	Foreign currency translation adjustment	Changes in respect of previous years	Recognised in net profit for the year	Recognised in other comprehensive income	Change in tax rate	Deferred tax as at 03.10.2010
Intangible assets	0	0	0	0	4	0	0	4
Property, plant and equipment	407	0	26	5	18	0	-12	444
Financial assets	1	0	0	0	-1	0	0	0
Current assets	-26	0	-1	4	-5	0	0	-28
Non-current liabilities	-1	0	0	0	-2	-5	1	-7
Current liabilities	-30	0	-1	-16	5	0	0	-42
Tax losses to be carried forward	-149	0	-2	3	7	0	0	-141
Retaxation balance in respect of losses in foreign subsidiaries under Danish joint taxation	6	0	0	0	0	0	0	6
	208	**0**	**22**	**-4**	**26**	**-5**	**-11**	**236**
Adjustment concerning utilisation of not previously recognised tax asset	0	0	0	0	2	0	0	2
Impairment of tax assets and reversal of previous impairment of tax assets	118	0	0	0	-30	0	0	88
Other								
	326	**0**	**22**	**-4**	**-2**	**-5**	**-11**	**326**

DKKm 2008/09	Deferred tax as at 29.09.2008	Effect as a result of transition to IFRS	Foreign currency translation adjustment	Changes in respect of previous years	Recognised in net profit for the year	Recognised in other comprehensive income	Change in tax rate	Deferred tax as at 04.10.2009
Intangible assets	0	0	0	0	0	0	0	0
Property, plant and equipment	249	183	-68	0	43	0	0	407
Financial assets	-4	0	0	0	5	0	0	1
Current assets	-24	-3	4	0	0	0	-3	-26
Non-current liabilities	-1	0	-1	0	1	0	0	-1
Current liabilities	4	-13	1	0	10	-32	0	-30
Tax losses to be carried forward	-140	-2	1	0	-8	0	0	-149
Retaxation balance in respect of losses in foreign subsidiaries under Danish joint taxation	6	0	0	0	0	0	0	6
	90	**165**	**-63**	**0**	**51**	**-32**	**-3**	**208**
Impairment of tax assets and reversal of previous impairment of tax assets	118	0	0	0	0	0	0	118
	208	**165**	**-63**	**0**	**51**	**-32**	**-3**	**326**

Deferred tax assets and deferred tax are set off in the balance sheet when a legal right of set-off exists, and the deferred tax asset and deferred tax concern the same legal tax unit/consolidation.

DKKm	03.10.2010	04.10.2009
Tax losses to be carried forward	88	118
Tax value of non-recognised deferred tax assets	**88**	**118**
The expiry dates of tax losses to be carried forward can be specified as follows:		
No expiry date	493	484
2010	0	11
2011	43	0
2012	0	43
	536	**538**

The tax value of tax losses amounting to DKK 88 million (2008/09: DKK 118 million) has not been recognised as it has not been deemed sufficiently probable that the losses will be utilised within a foreseeable future.

21. Other provisions

DKKm	Insurance provisions	Restructuring costs	Other provisions	Total
Provisions as at 05.10.2009	182	27	80	289
Foreign currency translation adjustments	0	0	2	2
Used during the year	-35	-20	-4	-59
Reversal of unutilised provision	-21	0	-2	-23
Discounting (reduction of term)	23	0	0	23
Provisions for the year	21	7	38	66
Provisions as at 03.10.2010	**170**	**14**	**114**	**298**
Provisions as at 29.09.2008	218	21	101	340
Effect as a result of transition to IFRS	4	0	-6	-2
	222	**21**	**95**	**338**
Foreign currency translation adjustments	0	0	-2	-2
Used during the year	-71	-19	-22	-112
Reversal of unutilised provision	-4	0	0	-4
Discounting (reduction of term)	22	0	0	22
Provisions for the year	13	25	9	47
Provisions as at 04.10.2009	**182**	**27**	**80**	**289**

DKKm	03.10.2010	04.10.2009
Provisions are recognised in the balance sheet as follows:		
Non-current liabilities		
Insurance provisions	138	142
Other provisions	91	94
	229	**236**

DKKm	03.10.2010	04.10.2009
Current liabilities		
Insurance provisions	32	40
Other provisions	37	13
	69	**53**
	298	**289**

Other provisions amount to DKK 114 million (04.10.2009: DKK 80 million) and comprise provisions for severance payments for dismissed employees, tax cases in foreign subsidiaries, complaints and specific market risks. The provisions have been made based on the latest information available.
The group believes that the risk in the individual areas has been fully provided for and that it will not require additional provisions.

22. Loans

DKKm 03.10.2010	Due within one year	Due between one and five years	Due after five years	Total
Loans can be specified by maturity as follows:				
Subordinate loan	0	997	0	997
Mortgage debt	156	162	3,948	4,266
Other credit institutions	746	1,460	250	2,456
Bank debt	1,841	2,928	0	4,769
Finance lease commitments	5	7	0	12
	2,748	**5,554**	**4,198**	**12,500**

DKKm 04.10.2009	Due within one year	Due between one and five years	Due after five years	Total
Loans can be specified by maturity as follows:				
Subordinate loan	0	995	0	995
Mortgage debt	32	8	4,035	4,075
Other credit institutions	210	1,217	873	2,300
Bank debt	2,433	2,178	374	4,985
Finance lease commitments	5	12	0	17
	2,680	**4,410**	**5,282**	**12,372**

The parent has arranged a subordinate loan totalling DKK 1,000 million which falls due in 2012 and 2014. The loan was arranged as a fixed-rate loan, with DKK 550 million at a rate of 6.125 % falling due in 2012 and DKK 450 million at a rate of 6.375 % falling due in 2014.

Mortgage debt

DKKm	03.10.2010	04.10.2009
Mortgage debt can be specified as follows:		
Fixed-rate loans, interest rate >3%	1,270	1,267
Floating-rate loans, interest rate <3%	2,704	2,683
Floating-rate loans, interest rate >3%	292	125
	4,266	**4,075**

DKKm					03.10.2010
	Maturity	Fixed or floating rate	Amortised cost	Nominal value	Fair value
Mortgage debt distributed by currency:					
DKK	2023	Fixed	1,256	1,250	1,390
DKK	2018	Floating	2,250	2,380	2,255
DKK	2038	Floating	544	569	540
SEK	2014	Fixed	4	4	4
PLN	2010	Floating	34	34	34
PLN	2011	Floating	107	107	107
PLN	2012	Floating	57	57	57
EUR	2011	Floating	1	1	1
EUR	2013	Fixed	10	11	10
EUR	2013	Floating	3	3	3
			4,266	**4,416**	**4,401**

DKKm					04.10.2009
	Maturity	Fixed or floating rate	Amortised cost	Nominal value	Fair value
Mortgage debt distributed by currency:					
DKK	2023	Fixed	1,262	1,250	1,353
DKK	2018	Floating	2,234	2,380	2,237
DKK	2026	Floating	449	478	449
DKK	2038	Floating	90	90	86
SEK	2014	Fixed	5	5	5
PLN	2009	Floating	18	18	18
PLN	2010	Floating	13	13	13
PLN	2011	Floating	4	4	4
			4,075	**4,238**	**4,165**

The fair value of fixed-rate mortgage debt has been calculated at the present value of future instalment and interest payments by using the current interest rate curve derived from current market rates.

Other credit institutions and bank debt

DKKm	03.10.2010	04.10.2009
Other credit institutions and bank debt can be specified as follows:		
Fixed-rate loans, interest rate <3%	116	105
Fixed-rate loans, interest rate >3%	777	730
Floating-rate loans, interest rate <3%	5,927	6,103
Floating-rate loans, interest rate >3%	405	347
	7,225	**7,285**

DKKm			03.10.2010
	Amortised cost	Nominal value	Fair value
Other credit institutions and bank debt distributed by currency:			
DKK	1,820	1,806	1,822
EUR	1,734	1,733	1,734
GBP	2,464	2,464	2,464
USD	590	590	590
JPY	136	136	136
SEK	161	158	158
PLN	90	90	90
AUD	181	181	181
Other	49	49	49
	7,225	**7,207**	**7,224**

DKKm			04.10.2009
	Amortised cost	Nominal value	Fair value
Other credit institutions and bank debt distributed by currency:			
DKK	1,905	1,971	1,906
EUR	1,257	1,257	1,257
GBP	2,413	2,413	2,413
SEK	471	471	471
PLN	262	262	262
USD	647	647	647
AUD	92	92	92
JPY	193	193	193
Other	45	45	45
	7,285	**7,351**	**7,286**

The fair value of fixed-rate debt to other credit institutions and bank debt has been calculated at the present value of future instalments and interest payments by using the current interest rate curve derived from current market rates.

Lease commitments

DKKm	2009/10		2008/09	
	Minimum lease payments	Carrying amount	Minimum lease payments	Carrying amount
Finance lease commitments	14	12	19	17
Amortisation premiums for future expensing	-2		-2	
	12		**17**	

23. Operating lease commitments

DKKm	03.10.2010	04.10.2009
Total future minimum lease payments in respect of non-cancellable leases comprise:		
Within one year of the balance sheet date	85	71
Between one and five years of the balance sheet date	112	156
After five years of the balance sheet date	46	18
	243	**245**
Minimum lease payments recognised in net profit for the year	**93**	**99**

24. Contingent liabilities

DKKm	03.10.2010	04.10.2009
Other guarantees	70	75
Contractual obligations in respect of property, plant and equipment	43	3
Guarantee commitments to the EU directorate	18	12
Repayment commitments	20	12
Other	1	21

The group is involved in some court cases and disputes. The management is of the opinion that the outcome of these will not have any significant impact on the group's financial position.

25. Security

DKKm	03.10.2010	04.10.2009
The following assets have been provided as security for mortgage debt and other long-term debt:		
Land, buildings and plant etc.	4,657	4,369
Carrying amount of the above-mentioned assets	4,720	5,116

26. Rights and obligations of the members

The rights of the members of Danish Crown AmbA have been laid down in the company's Articles of Association and comprise both the right and obligation, according to specific provisions, to supply animals for slaughter to the company, and the rights and obligations in relation to influence and capitalisation. Via 24 constituencies, the individual members elect representatives for the company's highest authority, the Board of Representatives. Among the members of the Board of Representatives, members are elected for the company's Board of Directors in four constituencies. It is the Board of Representatives which, in due consideration of the company's Articles of Association, makes a decision as to the Board of Directors' recommendation for the annual supplementary payments out of the net profit for the year. In accordance with the Articles of Association, the individual member accumulates a balance on personal members' accounts which corresponds to the company's equity. Disbursements from members' accounts are made in accordance with the relevant provisions of the Articles of Association and are adopted annually by the Board of Representatives in connection with the approval of the annual report and the adoption of appropriation. In accordance with the Articles of Association, disbursements from personal members' accounts can only be made if deemed proper with regard to the company's creditors.

The members are personally, jointly and severally liable for the liabilities of the parent.

The liability for each member is calculated on the basis of the supplies from the members and cannot exceed DKK 25,000.

DKKm	03.10.2010	04.10.2009
No. of cooperative members as at 04.10.2009	10,685	12,152
Net decrease	-838	-1,467
No. of members as at 03.10.2010	**9,847**	**10,685**
Total liability	246	267
Proposed supplementary payments for the members	1,316	981

27. Specifications to the cash flow statement

DKKm	2009/10	2008/09
Change in net working capital:		
Change in inventories	184	190
Change in receivables	-514	1,362
Change in other provisions	21	-13
Change in trade payables and other payables	2	282
	-307	**1,821**
Cash and cash equivalents		
Cash and bank deposits, cf. balance sheet	310	260
	310	**260**

28. Acquisition of enterprises

During the financial year, the group has acquired the following enterprises:

Name	Primary activity	Acquisition date	Acquired ownership interest	Acquired voting share
2009/10				
Nietfeld Feinkost GmbH etc., Germany	Production and sale of processed products	01/01/2010	100	100
Waikiwi Casings Limited, New Zealand	Production of casings	01/02/2010	100	100
2008/09				
Casing Associates, USA	Trade in casings	01/01/2009	50	50

The acquired enterprises have previously used the calendar year as their financial year, and there is not enough information available on the revenue and results of the acquired enterprises for the period 4 October and until the group's acquisition of the enterprises to determine the revenue and results of the group as if all acquisitions had been completed as at 4 October 2009.

The purpose of all acquisitions has been to strengthen the group's primary business area, and the acquired enterprises will become an integral part of the group's other activities within the same business area with a view to obtaining synergies. In connection with the acquisitions, assets, liabilities and contingent liabilities have been measured at fair value, and any positive balance has been transferred to goodwill, which, like other goodwill, is tested annually for impairment. As described in note 11, it has not been necessary to impair the capitalised goodwill amounts. The 2009/10 financial year has seen a total addition of goodwill of DKK 264 million.

DKKm

	Nietfeld Feinkost GmbH etc.	Waikiwi Casings Limited	Casing Associates	Total for 2009/10	Casing Associates 2008/09
Non-current assets					
Software	1	0	0	1	0
Land and buildings	92	0	0	92	0
Plant and machinery	71	0	0	71	0
Other plant, fixtures and fittings, tools and equipment	4	1	0	5	0
Financial assets	0	10	0	10	0
Current assets					
Inventories	17	7	0	24	64
Trade receivables	61	0	0	61	24
Other receivables	3	0	0	3	2
Cash	27	0	0	27	2
Non-current liabilities:					
Deferred tax assets	0	0	0	0	0
Current liabilities:					
Credit institutions	-15	0	0	-15	0
Trade payables and other payables	-37	0	0	-37	0
Other payables	0	0	-114	-114	-70
Provisions	0	0	0	0	0
Acquired net assets	**224**	**18**	**-114**	**128**	**22**
Goodwill	141	7	116	264	67
Non-controlling interests	0	0	-2	-2	0
Total consideration	**365**	**25**	**0**	**390**	**89**
Acquired cash, cf. above	-27	0	0	-27	0
Deferred conditional consideration	0	-1	0	-1	0
Cash payment	**338**	**24**	**0**	**362**	**89**

During the year, the group has completed the allocation of the price for the acquisition of 50 % of Casing Associates LLC, USA. In this connection, the group has determined a liability in respect of an issued put option on the minorities' ownership interests. The liability has been determined as the discounted value of future expected payments, and the amount has been deducted from the minorities' share of equity. Apart from this deduction, no additional minority shares exist in respect of Casing Associates LLC.

29. Financial risk and financial instruments

DKKm	03.10.2010	04.10.2009
Categories of financial instruments in accordance with IAS 39		
Derivative financial instruments held for trading	181	28
Other securities and equity investments	329	299
Financial assets at fair value through profit or loss for the year	**510**	**327**
Derivative financial instruments entered into to hedge the fair value of recognised assets and liabilities	79	18
Derivative financial instruments entered into to hedge future cash flows	2	7
Financial assets used as hedging instruments	**81**	**25**
Trade receivables	5,235	4,690
Receivables from contract work	298	220
Receivables from associates	8	6
Reinsurance shares of claims outstanding provisions	0	102
Other receivables	579	453
Cash	310	260
Loans and receivables	**6,430**	**5,731**
Derivative financial instruments held for trading	3	11
Financial liabilities at fair value through profit or loss for the year	**3**	**11**
Derivative financial instruments entered into to hedge recognised assets and liabilities	2	76
Derivative financial instruments entered into to hedge future cash flows	53	10
Financial liabilities used as hedging instruments	**55**	**86**
Subordinate loan	997	995
Mortgage debt	4,266	4,075
Other credit institutions	2,456	2,300
Bank debt	4,769	4,985
Finance lease commitments	12	17
Trade payables	1,930	1,950
Payables to associates	41	24
Other payables	1,896	1,890
Financial liabilities measured at amortised cost	**16,367**	**16,236**

Policy for management of financial risks
Due to its operations, investments and financing, the Danish Crown group is exposed to market risks in the form of fluctuations in exchange rates and interest rate levels as well as to credit risks and liquidity risks. The parent manages the financial risks of the group centrally and coordinates the group's liquidity management and funding. The group adheres to a financial policy approved by the Board of Directors, according to which the group pursues a low risk profile meaning that currency, interest rate and credit risks only arise based on commercial conditions. It is group policy not to engage in active speculation in financial risks.

The group's use of derivative financial instruments is regulated through a written policy adopted by the Board of Directors as well as internal business procedures laying down thresholds for payment and which derivative financial instruments to be used.

Currency risks
The currency risks of the group are primarily hedged by matching in- and outgoing payments in the same currency. The difference between in- and outgoing payments in the same currency constitutes a currency risk, which is normally hedged with forward exchange transactions or spot trading.

The currency policy of the group is to hedge the group's net exposure on an ongoing basis.

Interest rate risks
It is group policy to hedge interest rate risks on the group's loans when it is assessed that the interest payments can be hedged satisfactorily in relation to the related costs. Such hedging is normally performed upon the conclusion of interest rate swaps or the raising of fixed-rate mortgage debt, where floating-rate loans are converted into fixed-rate loans.

Liquidity risks
In connection with the raising of loans etc., it is group policy to ensure the largest possible flexibility through a spreading of the loans in relation to maturity, renegotiation dates and contracting parties, taking into account pricing etc.

The group aims to have enough cash resources to be able to make the necessary arrangements in case of unforeseen fluctuations in the cash outflow.

Credit risks
The primary credit risk of the group concerns trade receivables. A credit check is carried out for each individual customer, and based on an overall assessment of the customer's credit rating and geographical location, a choice is made between credit insurance, letter of credit, prepayment and open credit.

To the extent that a debtor or a geographical area does not qualify for open account sales, the group will seek to hedge the sale through credit insurance. Credit insurance is taken out with international credit insurance companies, where the expected outstanding balance for each customer is hedged. The group's risk is then reduced to a deductible, which typically constitutes 10 % of the outstanding receivables. The credit insurance company takes over the ongoing credit checks of the hedged commitments.

The maximum credit risk attaching to trade receivables is thus significantly lower than the carrying amount.

Agreements on derivative financial instruments with a nominal value exceeding DKK 100 million are only entered into with recognised credit institutions with an A-level Standard & Poors credit rating as a minimum.

Currency risks in respect of recognised assets and liabilities
As part of the hedging of recognised and non-recognised transactions, the group uses hedging instruments in the form of currency overdraft facilities, forward exchange contracts and currency options. The hedging of recognised assets and liabilities primarily comprises cash and cash equivalents, securities, receivables and financial liabilities.

As at the balance sheet date, the fair value of the group's derivative financial instruments entered into to hedge recognised financial assets and liabilities amounted to DKK 62 million (04.10.2009: DKK 13 million). The fair value of the derivative financial instruments has been recognised under other payables/other receivables and has been set off against the foreign currency translation adjustments of the hedged assets and liabilities in the statement of comprehensive income.

DKKm

	Cash and cash equivalents and securities	Receivables	Payables	Net position	Of which hedged	Unhedged net position
EUR	43	1,470	-1,001	512	-509	3
GBP	1	821	-13	809	-813	-4
JPY	0	788	-33	755	-752	3
SEK	1	170	-96	75	-65	10
USD	19	1,223	-1,072	170	-130	40
Other currencies	0	435	-355	80	-81	-1
03.10.2010	**64**	**4,907**	**-2,570**	**2,401**	**-2,350**	**51**
EUR	7	1,351	-1,096	262	454	-192
GBP	0	649	-62	587	563	24
JPY	0	664	-92	572	603	-31
SEK	44	123	-77	90	44	46
USD	2	915	-985	-68	-86	18
Other currencies	0	379	-233	146	148	-2
04.10.2009	**53**	**4,081**	**-2,545**	**1,589**	**1,726**	**-137**

Forward exchange contracts with a term of up to six months entered into to hedge recognised assets and liabilities

DKKm	Contractual value	Fair value
Forward exchange contracts with a term of up to six months entered into to hedge recognised assets and liabilities comprise:		
Forward exchange contracts EUR	308	0
Forward exchange contracts GBP	351	13
Forward exchange contracts JPY	409	21
Forward exchange contracts SEK	65	-1
Forward exchange contracts USD	394	29
Forward exchange contracts, other	67	-1
03.10.2010	**1,594**	**61**
Forward exchange contracts EUR	265	0
Forward exchange contracts GBP	181	9
Forward exchange contracts JPY	412	-4
Forward exchange contracts SEK	44	0
Forward exchange contracts USD	456	9
Forward exchange contracts, other	151	-1
04.10.2009	**1,509**	**13**

Currency risks in respect of future cash flows
The Danish Crown group hedges currency risks in respect of expected future sales of goods with forward exchange contracts, cf. the relevant group policy.

Open forward exchange contracts as at the balance sheet date have a time to maturity of up to six months and can be specified as described below where agreements on the sale of currency are stated with a negative contractual value. The income statement for 2009/10 has not been affected by any inefficiency concerning foreign currency hedging of the sale of goods.

DKKm	Contractual value	Fair value	Fair value adjustment recognised in equity
Forward exchange contracts GBP	122	2	2
Forward exchange contracts JPY	1,046	-46	-46
Forward exchange contracts USD	26	1	1
Forward exchange contracts, other	3	0	0
03.10.2010	**1,197**	**-43**	**-43**
Forward exchange contracts EUR	9	-1	-1
Forward exchange contracts GBP	131	6	6
Forward exchange contracts JPY	651	-7	-7
Forward exchange contracts SEK	18	0	0
Forward exchange contracts USD	25	0	0
Forward exchange contracts, other	-7	0	0
04.10.2009	**827**	**-2**	**-2**

Derivative financial instruments not fulfilling the conditions for hedging
The group's most important currency exposure with regard to sales concerns GBP, JPY, PLN, SEK and USD. The results will, however, not be affected by exchange rate fluctuations as the realised selling prices measured in DKK determine the settlement price to be paid to the suppliers and thus the company's cost of sales and results.

DKKm	Contractual value	Fair value
Forward exchange contracts EUR	232	0
Forward exchange contracts GBP	460	19
Forward exchange contracts JPY	389	118
Forward exchange contracts USD	445	41
Forward exchange contracts, other	14	0
03.10.2010	**1,540**	**178**
Forward exchange contracts EUR	189	0
Forward exchange contracts GBP	376	19
Forward exchange contracts JPY	198	-2
Forward exchange contracts USD	169	4
Forward exchange contracts, other	-2	0
04.10.2009	**930**	**21**

Currency sensitivity analysis
The group's most important currency exposure with regard to sales concerns GBP, JPY, PLN, SEK and USD. The results will, however, not be affected by exchange rate fluctuations as the realised selling prices measured in DKK determine the settlement price to be paid to the suppliers and thus the company's cost of sales and results.

The table below shows the effect it would have had on equity if the exchange rate of the most important currencies as regards investments had been 10 % lower than the exchange rate actually applied. The stated effect includes the effect of concluded foreign currency hedging transactions. If the exchange rate had been 10 % higher than the actual exchange rate, this would have had an equally positive effect on equity.

DKKm	03.10.2010	04.10.2009
Equity's sensitivity to exchange rate fluctuations		
Effect if USD exchange rate was 10 % lower than actual exchange rate	-29	-25
Effect if GBP exchange rate was 10 % lower than actual exchange rate	-101	-88
Effect if SEK exchange rate was 10 % lower than actual exchange rate	-50	-35
Effect if PLN exchange rate was 10 % lower than actual exchange rate	-50	-39
	-230	**-187**

Incorporated derivative financial instruments
The group has performed a systematic review of contracts which may contain conditions which make the contract or parts of it a derivative financial instrument. The review did not give rise to any recognition of derivative financial instruments.

Interest rate risks
The Danish Crown group has, to a wide extent, interest-bearing financial assets and liabilities and is as such exposed to interest rate risks. As regards the group's financial assets and liabilities, the following contractual interest adjustment or expiry dates can be stated, whichever date is earlier, and depending on how large a share of the interest-bearing assets and liabilities carries a fixed interest rate. Floating-rate loans are considered as having interest adjustment dates within one year.

DKKm	Interest adjustment or expiry date				
	Within one year	**Between one and five years**	**After five years**	**Total**	**Of which fixed-rate**
Bonds	0	0	-263	-263	-263
Bank deposits	-262	0	0	-262	-10
Subordinate loan	0	997	0	997	997
Mortgage debt	2,853	1,413	0	4,266	1,264
Other credit institutions	2,399	57	0	2,456	786
Bank debt	4,759	10	0	4,769	107
Finance lease commitments	11	1	0	12	1
Interest rate swaps, fixed interest rate	-173	0	0	-173	-173
03.10.2010	**9,587**	**2,478**	**-263**	**11,802**	**2,709**
Bonds	0	0	-245	-245	-245
Bank deposits	-260	0	0	-260	-76
Subordinate loan	0	995	0	995	995
Mortgage debt	2,670	1,405	0	4,075	1,255
Other credit institutions	1,592	62	646	2,300	688
Bank debt	4,966	19	0	4,985	35
Finance lease commitments	8	9	0	17	11
Interest rate swaps, fixed interest rate	-85	-123	0	-208	-208
04.10.2009	**8,891**	**2,367**	**401**	**11,659**	**2,455**

The fair value of the interest rate swaps outstanding at the balance sheet date which have been entered into to hedge interest rate risks on floating-rate loans amounts to DKK -9 million (04.10.2009: DKK -8 million).

For fair value hedging of fixed-rate loans, interest rate swaps with a nominal value of DKK 712 million and due to expire in 2015 (04.10.2009: DKK 712 million and due to expire in 2015) have been concluded. The fair value of such interest rate swaps totals DKK 15 million (04.10.2009: DKK -64 million).

The group's bank deposits are placed in current accounts or fixed-term deposit accounts.

Interest rate fluctuations affect both the group's bond portfolios, bank deposits, bank debt and mortgage debt. An increase in interest rate levels of one percentage point relative to the interest rate level at the balance sheet date would have had a negative effect of DKK 3 million (04.10.2009: DKK 11 million) on the group's equity in the form of a capital loss on the group's bond portfolio. A corresponding fall in interest rate levels would have had an equally positive effect on equity.

As regards the group's floating-rate bank deposits, mortgage debt and other bank deposits, an increase of one percentage point per year relative to the interest rate levels at the balance sheet date would have resulted in an increase in the company's interest expenses of DKK 94 million (2008/09: DKK 93 million). A corresponding fall in interest rate levels would have resulted in a similar reduction in the company's interest expenses.

Liquidity risks
The maturities of financial liabilities are specified below, distributed by the time intervals applied in the group's cash management. The specified amounts represent the amounts falling due for payment, including interest etc.

DKKm	Within one year	Between one and five years	After five years	Total
Non-derivative financial liabilities:				
Subordinate loan	62	1,117	0	1,179
Mortgage debt	282	525	4,937	5,744
Other credit institutions	788	1,619	261	2,668
Bank debt	1,845	2,959	0	4,804
Finance lease commitments	5	7	0	12
Trade payables	1,930	0	0	1,930
Other payables	1,896	0	0	1,896
	6,808	**6,227**	**5,198**	**18,233**
Derivative financial instruments				
Derivative financial instruments held for trading	3	0	0	3
Derivative financial instruments entered into to hedge the fair value of recognised assets and liabilities	2	0	0	2
Derivative financial instruments entered into to hedge future cash flows	53	0	0	53
03.10.2010	**6,866**	**6,227**	**5,198**	**18,291**

DKKm	Within one year	Between one and five years	After five years	Total
Non-derivative financial liabilities:				
Subordinate loan	62	1,177	0	1,239
Mortgage debt	165	535	4,664	5,364
Other credit institutions	258	1,383	916	2,557
Bank debt	2,428	2,224	374	5,026
Finance lease commitments	6	13	0	19
Trade payables	1,950	0	0	1,950
Other payables	1,890	0	0	1,890
	6,759	**5,332**	**5,954**	**18,045**
Derivative financial instruments				
Derivative financial instruments held for trading	11	0	0	11
Derivative financial instruments entered into to hedge the fair value of recognised assets and liabilities	70	-47	53	76
Derivative financial instruments entered into to hedge future cash flows	10	0	0	10
04.10.2009	**6,850**	**5,285**	**6,007**	**18,142**

The group's cash resources comprise cash and unutilised credit facilities.

DKKm	03.10.2010	04.10.2009
Cash resources comprise:		
Cash	310	260
Unutilised credit facilities	6,557	6,767
	6,867	**7,027**

Credit risks
Credit risks are described in note 17, to which reference is made.

Optimisation of capital structure
The company's management assesses on a ongoing basis whether the group's capital structure matches the company's and the members' interests. The overall objective is to ensure a capital structure which supports long-term financial growth and, at the same time, maximises the return for the group's stakeholders by optimising the equity/debt ratio. The group's overall strategy is consistent with that of last year.

The group's capital structure includes payables, which comprise financial liabilities in the form of convertible debt certificates, mortgage debt, bank debt, finance lease commitments, cash and equity, including members' accounts, other reserves, retained earnings and a subordinate loan.

Financial gearing
The group aims to have a financial gearing in the order of 3.5 calculated as the relationship between net interest-bearing debt and total EBITDA for the year. As at the balance sheet date, the financial gearing was 1.9 (04.10.2009: 2.2), cf. below.

DKKm	03.10.2010	04.10.2009
The financial gearing as at the balance sheet date can be calculated as follows:		
Mortgage debt	4,266	4,075
Other credit institutions	2,456	2,300
Bank debt	4,769	4,985
Finance lease commitments	12	17
Cash	-573	-505
Net interest-bearing debt	**10,930**	**10,872**
Equity including subordinate loan	**5,636**	**4,935**
Financial gearing	**1.9**	**2.2**

Non-fulfilment of loan agreements
The group has neither during the financial year nor during the year of comparison neglected or failed to fulfil any of its loan agreements.

Methods and conditions for the calculation of fair values
Listed bonds
The portfolio of listed government bonds and listed mortgage credit bonds is valuated at quoted prices and price quotes.

Listed shares
The portfolio of listed shares is valuated at quoted prices and price quotes.

Unlisted shares
Unlisted shares are valuated on the basis of market multiples for a group of comparative listed companies less an estimated factor for trade in an unlisted market. If this is not possible, unlisted shares are valuated at amortised cost.

Derivative financial instruments
Forward exchange contracts and interest rate swaps are valuated on the basis of generally accepted valuation methods based on relevant observable swap curves and exchange rates.

Fair value hierarchy for financial instruments measured at fair value in the balance sheet
The table below shows the classification of financial instruments measured at fair value, distributed according to the fair value hierarchy:

· Quoted prices in an active market for the same type of instrument (level 1).
· Quoted prices in an active market for similar assets or liabilities or other valuation methods according to which all important inputs are based on observable market data (level 2).
· Valuation methods according to which any important inputs are not based on observable market data (level 3).

DKKm				03.10.2010
	Level 1	Level 2	Level 3	Total
Derivative financial instruments held for trading	0	181	0	181
Listed mortgage credit bonds	263	0	0	263
Listed shares	32	0	0	32
Unlisted shares	0	0	34	34
Financial assets at fair value through profit or loss for the year	**295**	**181**	**34**	**510**
Financial assets used as hedging instruments	**0**	**81**	**0**	**81**
Derivative financial instruments held for trading	0	-3	0	-3
Financial liabilities at fair value through profit or loss for the year	**0**	**-3**	**0**	**-3**
Financial liabilities used as hedging instruments	**0**	**-55**	**0**	**-55**

No material transfers have been carried out between level 1 and level 2 during the financial year.

Financial instruments measured at fair value in the balance sheet on the basis of valuation methods according to which any important inputs are not based on observable market data (level 3):

DKKm	
Carrying amount as at 05.10.2009	27
Translation adjustment	1
Gain/loss included in net profit for the year	0
Gain/loss included in other comprehensive income	0
Purchase	9
Sale	-3
Transfers to/from level 3	0
Carrying amount as at 03.10.2010	**34**
Gain/loss included in net profit for the year for assets held as at 03.10.2010	**0**

In accordance with the commencement provisions for the change to IFRS 7 concerning the fair value hierarchy, no comparative figures have been stated for this information.

30. Related parties

Danish Crown AmbA has no related parties with a controlling influence.

The company's related parties with a significant influence comprise members of the Board of Directors and the Executive Board as well as members of their families. Related parties also include enterprises in which such persons have significant interests.

Furthermore, related parties include associates, cf. the group structure, in which the company has a significant influence.

Transactions with related parties
During the financial year, the company has engaged in the following transactions with related parties:

DKKm				2009/10
	Associates	Board of Directors of the parent	Executive Board of the parent	Total
Sale of goods	39	0	0	39
Purchase of goods	18	75	0	93
Sale of services	3	0	0	3
Purchase of services	129	0	0	129
Salaries and other remuneration	0	4	39	43
Interest income (net)	3	0	0	3
Trade receivables	8	0	0	8
Trade payables	41	2	0	43
Distribution of dividend	109	0	0	109
Members' accounts	0	7	0	7

DKKm				2008/09
	Associates	Board of Directors of the parent	Executive Board of the parent	Total
Sale of goods	64	0	0	64
Purchase of goods	31	65	0	96
Sale of services	5	0	0	5
Purchase of services	146	0	0	146
Salaries and other remuneration	0	4	31	35
Trade receivables	6	0	0	6
Trade payables	24	2	0	26
Distribution of dividend	30	0	0	30
Members' accounts	0	7	0	7

Transactions have been conducted at arm's length.
No security or guarantees for balances have been furnished as at the balance sheet date. Both receivables and trade payables will be settled in the form of cash payment. No bad debts in respect of related parties have been realised, and no write-downs for bad debts have been made.

31. Events occurring after the balance sheet date

No material events have occurred after the balance sheet date, apart from the events described in the management's review and the financial review.

32. Accounting policies

Accounting policies are, in addition to that described in note 1 in the consolidated financial statements, as described below.

Consolidated financial statements

The consolidated financial statements comprise Danish Crown AmbA (the parent) and the enterprises (subsidiaries) that are controlled by the parent. The parent is regarded as being in control when it directly or indirectly holds more than 50 % of the voting rights or otherwise can exercise or actually exercises a controlling influence.

Enterprises in which the group, directly or indirectly, holds between 20 % and 50 % of the voting rights and exercises a significant, but not controlling influence are regarded as associates.

Enterprises in which the group directly or indirectly has joint control are regarded as jointly controlled enterprises (joint ventures).

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Danish Crown AmbA and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature. All financial statements used for consolidation are presented in accordance with the accounting policies of the group.

On consolidation, intercompany income and expenses, intercompany accounts and dividends as well as gains and losses on transactions between the consolidated enterprises are eliminated. The tax effect of these eliminations is taken into account.

The items in the financial statements of the subsidiaries are recognised in full in the consolidated financial statements.

Non-controlling interests

On first recognition, non-controlling interests are either measured at fair value or at their proportionate share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired enterprise. The choice of method is made for each individual transaction. The non-controlling interests are subsequently regulated for their proportionate share of changes in the subsidiary's equity. The comprehensive income is allocated to the non-controlling interests, even if this may cause the minority interest to become negative.

Acquisition of non-controlling interests in a subsidiary and sale of non-controlling interests in a subsidiary which do not entail a lapse of control are treated in the consolidated financial statements as an equity transaction, and the difference between the remuneration and the carrying amount is allocated to the parent's share of equity.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the date of acquisition or establishment of such enterprises, respectively. The date of acquisition is the date when control is actually taken of the enterprise. Enterprises divested or wound up are recognised in the consolidated income statement until the date of disposal or winding up of such enterprise, respectively. The date of disposal is the date when control of the enterprise actually passes to a third party.

On acquisition of new enterprises where the group obtains a controlling influence in the acquired enterprise, the purchase method is used according to which the assets, liabilities and contingent liabilities of the newly acquired enterprises are measured at fair value on the date of acquisition. Non-current assets which are acquired with the intention to sell them are, however, measured at fair value less expected selling costs. Restructuring costs are only recognised in the acquisition balance sheet if they constitute an obligation for the acquired enterprise. Allowance is made for the tax effect of restatements.

The purchase price for an enterprise consists of the fair value of the price paid for the acquired enterprise. If the final determination of the price is conditional upon one or more future events, such events are recognised at their fair values at the date of acquisition. Costs which are directly attributable to the acquisition of the enterprise are recognised directly in the results when they are incurred.

Positive differences (goodwill) between the purchase price of the acquired enterprise, the value of non-controlling interests in the acquired enterprise and the fair value of previously acquired investments on the one hand, and the fair value of the acquired assets, liabilities and contingent liabilities on the other are recognised as an asset under intangible assets and tested for impairment at least once a year. If the carrying amount of the asset exceeds its recoverable amount, it is impaired to the lower recoverable amount.

If, on the date of acquisition, there is uncertainty as to the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase price, initial recognition takes place on the basis of preliminarily calculated amounts. The preliminarily calculated amounts can be adjusted or additional assets or liabilities can be recognised until 12 months after the acquisition, provided that new information has come to light regarding matters existing at the date of acquisition which would have affected the calculation of the amounts at the date of acquisition, had such information been known.

Changes in estimates of conditional purchase prices are, as a general rule, recognised directly in results.

In connection with the transition to IFRS, business combinations completed before 30 September 2002 are not restated to the above-mentioned accounting policies. The carrying amount of goodwill as at 30 September 2002 concerning business combinations completed before 30 September 2002 is regarded as the cost of the goodwill.

Gains or losses on the divestment or winding up of subsidiaries and associates

Gains or losses on the divestment or winding up of subsidiaries and associates which entail a lapse of control or significant influence, respectively, are calculated as the difference between the fair value of the sales proceeds or the disposal consideration and the fair value of any remaining investments on the one hand, and the carrying amount of the net assets at the date of divestment or winding up, including goodwill, less non-controlling interests (if any) on the other. The gain or loss thus calculated is recognised in the results together with the accumulated foreign currency translation adjustments that are recognised in other comprehensive income.

Foreign currency translation

On initial recognition, transactions in currencies other than the functional currency of the individual enterprise are translated at the exchange rates applicable at the transaction date. Receivables, payables and other monetary items in foreign currencies which have not been settled at the balance sheet date are translated using the exchange rates applicable at the balance sheet date. Exchange rate differences arising between the transaction date and the payment date and the balance sheet date, respectively, are recognised in results as net financials.

Property, plant and equipment and intangible assets, inventories and other non-monetary assets acquired in foreign currencies and measured on the basis of historical cost are translated using the exchange rates applicable at the transaction date. Non-monetary items which are revalued to fair value are recognised using the exchange rates applicable at the date of revaluation.

When recognising enterprises reporting in another functional currency than Danish kroner (DKK) in the consolidated financial statements, the income statements are translated using average exchange rates unless these deviate significantly from the actual exchange rates applicable at the transaction dates. In the latter case, the actual exchange rates are used. Balance sheet items are translated using the exchange rates applicable at the balance sheet date. Goodwill is regarded as belonging to the enterprise acquired and is translated using the exchange rates applicable at the balance sheet date.

Exchange rate differences arising from the translation of the balance sheet items of foreign subsidiaries at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates using the exchange rates applicable at the balance sheet date are recognised directly in other comprehensive income. Similarly, exchange rate differences arising as a result of changes made directly in the equity of the foreign enterprise are also recognised in other comprehensive income.

Translation adjustments of receivables from or payables to subsidiaries which are considered part of the parent's total investment in the subsidiary in question are recognised in other comprehensive income in the consolidated financial statements.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at fair value at the settlement date.

After initial recognition, the derivative financial instruments are measured at the fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and meeting the requirements for hedging of the fair value of a recognised asset, a recognised liability or a firm commitment are recognised in results together with changes in the value of the hedged item.

Changes in the fair value of derivative financial instruments classified as and meeting the requirements for effective hedging of future transactions are recognised in other comprehensive income. The ineffective part is promptly recognised in results. When the hedged transactions are completed, the accumulated changes are recognised as part of the cost of the transactions in question.

Derivative financial statements which do not meet the requirements for treatment as hedging instruments are regarded as held for trading and measured at fair value with ongoing recognition of fair value adjustments in results under net financials.

True sale and repurchase transactions (repo transactions) involving bonds are recognised as gross figures and measured as loans against security in bonds, unless an agreement on differential settlement has been made with the other party.

Income taxes

Tax for the year, which comprises current tax for the year and changes in deferred tax, is recognised in profit or loss with the portion attributable to the net profit or loss for the year and directly in equity or other comprehensive income with the portion attributable to items directly in equity and other comprehensive income, respectively.

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax paid on account.

The tax rates and rules applicable at the balance sheet date are used to compute the current tax for the year.

Deferred tax is recognised according to the balance-sheet liability method on all temporary differences between the carrying amounts and tax bases of assets and liabilities, except for deferred tax on temporary differences arisen either on initial recognition of goodwill or on initial recognition of a transaction which is not a business combination, and where the temporary difference ascertained at the time of initial recognition neither affects the carrying amount nor the taxable income.

Deferred tax is recognised on temporary differences linked to equity investments in subsidiaries and associates, unless the parent is able to control when the deferred tax is realised and it is likely that the deferred tax will not crystallise as current tax within a foreseeable future.

The deferred tax is calculated on the basis of the planned use of the individual asset and settlement of the individual liability, respectively.

Deferred tax assets, including the tax value of tax losses to be carried forward, are recognised in the balance sheet at the value at which the asset is expected to be realised, either through offsetting against deferred tax liabilities or as net tax assets for offsetting against future positive taxable incomes. At each balance sheet date, it is estimated whether it is likely that sufficient taxable income will be generated in future to enable utilisation of the deferred tax asset.

Non-current assets held for sale

Non-current assets and groups of assets held for sale are presented separately as current assets in the balance sheet. Liabilities directly related to the assets in question are presented as current liabilities in the balance sheet.

Non-current assets held for sale are not depreciated but written down to the lower of fair value less expected selling costs and carrying amount.

Income statement and statement of comprehensive income

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in results when delivery has taken place and risk has passed to the buyer. Revenue comprises the invoiced sales plus export refunds and less any commission paid to agents.

Revenue is calculated exclusive of VAT and the like, which is charged on behalf of a third party, and discounts.

Production costs
Production costs comprises costs incurred to earn revenue. In production costs, the trading companies include cost of sales and the manufacturing companies include costs relating to raw materials, including purchases from members entitling them to supplementary payments, consumables, production staff as well as maintenance and depreciation, amortisation and impairment losses on the property, plant and equipment and intangible assets used in the production process.

Distribution costs
Distribution costs comprise costs incurred for the distribution of goods sold and for sales campaigns, including costs for sales and distribution staff, advertising costs as well as depreciation, amortisation and impairment losses on the property, plant and equipment and intangible assets used in the distribution process.

Administrative expenses
Administrative expenses comprise costs incurred for the management and administration of the group, including costs for the administrative staff and the management as well as office expenses and depreciation, amortisation and impairment losses on the property, plant and equipment and intangible assets used in the administration of the group.

Other operating income and expenses
Other operating income and expenses comprise income and expenses of a secondary nature viewed in relation to the group's primary activities.

Government grants
Government grants are recognised when there is reasonable certainty that the conditions for receiving a grant have been met, and the grant will be received.

Government grants received to cover costs incurred are recognised proportionately in results over the periods in which the related costs are recognised in the income statement. The grants are offset against the costs incurred.

Government grants related to an asset are deducted from the cost of the asset.

Net financials
Net financials comprise interest income and expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premiums/deductions concerning mortgage debt etc. as well as surcharges and allowances under the Danish Tax Prepayment Scheme (*Acontoskatteordningen*).

Interest income and interest expenses are accrued on the basis of the principal amount and the effective rate of interest. The effective rate of interest is the discount rate used to discount the expected future payments which are related to the financial asset or the financial liability in order for the present value of these to correspond to the carrying amount of the asset and the liability, respectively.

Dividend from equity investments is recognised when a definitive right to the dividend has been obtained. This typically takes place when the general meeting approves the distribution of dividend from the enterprise concerned.

Balance sheet

Goodwill
On initial recognition, goodwill is recognised and measured as the difference between the cost of the enterprise acquired, the value of non-controlling interests in the enterprise acquired and the fair value of previously acquired equity investments on the one hand, and the fair value of the assets, liabilities and contingent liabilities acquired on the other as described in the consolidated financial statements section.

On recognition of goodwill, the goodwill amount is distributed onto those of the group's activities that generate independent payments (cash-generating units). The determination of cash-generating units follows the management structure and internal management control and reporting in the group.

Goodwill is not amortised, but is tested for impairment at least once a year as described below.

Other intangible assets
Intellectual property rights acquired in the form of patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the agreement period. If the actual useful life is shorter than the time to maturity and the agreement period, the asset is amortised over the shorter useful life.

Straight-line amortisation is carried out based on the following assessment of the expected useful lives of the assets:

Trademarks
Trademarks with an indeterminable useful life are not amortised but are tested for impairment at least once a year as described below.

Software
5 years

Intellectual property rights acquired are impaired to a lower recoverable amount, if any, as described in the section on impairment below.

Property, plant and equipment
Land and buildings, plant and machinery as well as other plant, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly related to the acquisition and the costs of preparing the asset up until such time as the asset is ready for use. For self-constructed assets, cost comprises costs directly attributable to the construction of the asset, including materials, components, subsuppliers and labour. For assets held under finance leases, cost is the lower of the asset's fair value and the present value of future lease payments.

Interest expenses on loans for financing the construction of property, plant and equipment are included in cost if they relate to the construction period. Other loan costs are recognised in the income statement.

If the acquisition or use of the asset requires the group to incur costs for the demolition or re-establishment of the asset, the estimated costs of such measures are recognised as a provision and a part of the cost of the asset concerned, respectively.

The basis of depreciation is the cost of the asset less the residual value. The residual value is the expected amount that could be obtained if the asset was sold today less selling costs if the asset already had the age and was in the condition that the asset is expected to be in at the end of its useful life. The cost of a combined asset is split into smaller parts which are depreciated separately if the useful lives differ.

Straight-line depreciation is carried out based on the following assessment of the expected useful lives of the assets:

Land
is not depreciated

Buildings
20-40 years

Special installations
10-20 years

Plant and machinery
10 years

Technical plant
5-10 years

Other plant, tools and equipment
3-5 years

Depreciation methods, useful lives and residual values are subject to an annual reassessment.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount as described in the section on impairment below.

Impairment of property, plant and equipment and intangible assets
The carrying amounts of property, plant and equipment and intangible assets with determinable useful lives are reviewed at the balance sheet date to determine if there are any indications of impairment. If this is the case, the recoverable amount of the asset is calculated to determine the need for and scope of any impairment.

The recoverable amount of goodwill is calculated annually, whether there are any indications of impairment or not.

If the asset does not generate cash independently of other assets, the recoverable amount is calculated for the smallest cash-generating unit in which the asset is included.

The recoverable amount is calculated as the highest value of the fair value of the asset and the cash-generating unit, respectively, less selling costs and the value in use. When the value in use is calculated, estimated future cash flows are discounted to the present value by using a discount rate which reflects partly the current market assessments of the temporal value of money and partly the special risks, which are associated with the asset and the cash-generating unit, respectively, and for which no adjustment has been made in the estimated future cash flows.

If the recoverable amount of the asset and the cash-generating unit is lower than the carrying amount, the carrying amount is impaired to the recoverable amount. For cash-generating units, the impairment is distributed such that goodwill amounts are impaired first and then any remaining impairment need is distributed onto the other assets in the unit as the individual asset is not, however, impaired to a value which is lower than its fair value less expected selling costs.

Impairment is recognised in results. In any subsequent reversals of impairment resulting from changes in the conditions for the calculated recoverable amount, the carrying amount of the asset and the cash-generating unit is raised to the corrected recoverable amount, but not to more than the carrying amount which the asset or the cash-generating unit would have had if there had been no impairment. Impairment of goodwill is not reversed.

Equity investments in associates
Equity investments in associates are recognised and measured according to the equity method. This means that equity investments are measured at the proportionate share of the enterprises' equity value, calculated according to the group's accounting policies less or plus proportionate internal gains and losses and plus the carrying amount of goodwill.

The proportionate share of the enterprises' results after tax and elimination of unrealised proportionate internal gains and losses and less any impairment of goodwill is recognised in results. The proportionate share of all transactions and events that are recognised in other comprehensive income in the associate is recognised in the other comprehensive income of the group.

Equity investments in associates with a negative equity value are measured at DKK 0. Receivables and other non-current financial assets which are regarded as being a part of the overall investment in the associate are written down by any remaining negative equity value. Trade receivables and other receivables are only written down if they are deemed to be irrecoverable.

A provision is recognised solely to hedge the remaining negative equity value if the group has a legal or actual obligation to hedge the liabilities of the enterprise in question.

The purchase method is used for the acquisition of equity investments in associates as described in the above section on the consolidated financial statements.

Equity investments in jointly controlled enterprises
Equity investments in jointly controlled enterprises (joint ventures) are consolidated on a pro rata basis line by line with the group's proportionate share of income, expenses, assets and liabilities as well as cash flows when combined with similar items in the consolidated financial statements. Amounts consolidated on a pro rata basis are disclosed in note 13.

The purchase method is used for the acquisition of equity investments in jointly controlled enterprises as described in the above section on the consolidated financial statements. Goodwill concerning jointly controlled enterprises is treated in accordance with the group's practice for the acquisition of enterprises as described above.

A proportionate elimination is carried out of unrealised internal gains and losses as well as internal receivables and payables.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value. The cost of goods for resale, raw materials and consumables comprises the purchase price plus landing costs. The cost of manufactured goods and work in progress comprises costs of raw materials, consumables and direct labour costs as well as fixed and variable production overheads.

Variable production overheads comprise indirect materials and labour and is distributed on the basis of estimates of the goods actually produced. Fixed production overheads comprise costs relating to maintenance and depreciation of the machinery, factory buildings and equipment used in the production process as well as general costs for factory administration and management. Fixed production costs are distributed on the basis of the normal capacity of the technical plant.

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

Biological assets
Biological assets, which for the Danish Crown group means live animals, are measured at fair value if there is an active market, less expected selling costs or cost. Animals producing animals for slaughter (sows, boars etc.) are measured at cost less costs relating to the impairment that arises due to the animals' age. As animals producing animals for slaughter are not traded, there is no market price.

Receivables
Receivables comprise trade receivables and other receivables.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, which usually corresponds to the nominal value less write-downs for bad debts.

Reinsurers' share of provisons for claims
Reinsurers' share of provisions for claims are calculated at the present value which under the concluded reinsurance contracts can be expected to be received from reinsurance companies. The shares are assessed for impairment on a regular basis and written down to a lower recoverable amount if relevant.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other securities and equity investments
Securities recognised under current assets comprise mainly listed bonds and equity investments which are measured at fair value (market price) at the balance sheet date. Changes in the fair value are recognised in the income statement under net financials.

Supplementary payments
Supplementary payments are recognised as a payable at the time of adoption at the meeting of the Board of Representatives. The part of the supplementary payment that can be attributed to the market price of animals purchased for slaughter is recognised under production costs.

Pension obligations etc.
Under the defined-contribution plans, the company makes regular, defined contributions to independent pension companies and the like. The contributions are recognised in the income statement in the period in which the employees have performed the work entitling them to the pension contribution. Payments due are recognised in the balance sheet as a liability.

Under the defined-benefit plans, the group is required to pay a defined benefit in connection with the comprised employees retiring, for example a fixed amount or a percentage of their maximum pay.

Under the defined-benefit plans, an actuarial specification is made of the value in use of the future benefits to which the employees have become entitled by way of their previous employment in the group, and which will have to be paid under the plan. The projected unit credit method is used to determine the value in use.

The value in use is calculated on the basis of market assumptions of the future development in pay levels, interest rates, inflation, mortality and disability, among other things.

The value in use of the pension obligations less the fair value of any assets related to the plan is recognised in the balance sheet under pension assets and pension obligations, respectively, depending on whether the net amount constitutes an asset or a liability; see below.

In the event of changes in the assumptions concerning the discount rate, inflation, mortality and disability or differences between the expected and realised return on pension assets, actuarial gains or losses will occur. Such gains and losses are recognised in other comprehensive income.

Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan

In the event of changes in the benefits that concern the employees' previous employment in the group, a change will occur in the actuarially calculated value in use which is regarded as pension costs for previous financial years. If the comprised employees have already obtained a right to the changed benefit, the change is promptly recognised in the income statement. If not, the change is recognised in results over the period in which the employees obtain a right to the changed benefit.

Provisions
Provisions are recognised when the group has a legal or actual obligation resulting from events in the financial year or previous years, and it is likely that fulfilling the obligation will draw on the group's financial resources.

Provisions are measured as the best estimate of the costs necessary to discharge the liabilities at the balance sheet date. Provisions falling due more than one year after the balance sheet date are measured at present value.

For goods sold that are subject to a right of return, provisions are made to cover the profit on those goods which are expected to be returned and any costs relating to the returns. For planned restructurings of the group's activities, provisions are only made for obligations concerning restructurings which were decided at the balance sheet date.

Insurance provisions
Insurance provisions comprise claims outstanding provisions, primarily concerning occupational injuries, and constitute the amount which, at the end of the financial year, is provided to cover subsequent payments for insurance events already occurred as well as direct and indirect costs in connection with the discharge of the claims.

Mortgage debt
Mortgage debt is measured at fair value at the time of arrangement of the loan less any transaction costs. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds from the arrangement of the loan and the amount which must be repaid is recognised in the income statement over the loan period as a financial expense using the effective interest method.

Lease commitments
Lease commitments concerning assets held under finance leases are recognised in the balance sheet as payables and measured at the time when the contract is concluded, at the lower of the fair value of the leased asset and the present value of the future lease payments. On initial recognition, the lease commitments are measured at amortised cost. The difference between the present value and the nominal value of the lease payments is recognised as a financial expense in the income statement over the term of the contracts.

Lease payments concerning operating leases are recognised on a straight-line basis in the results over the lease period.

Other financial liabilities
Other financial liabilities comprise subordinate loan, bank debt, trade payables and other payables to public authorities etc.

On initial recognition, other financial liabilities are measured at fair value less any transaction costs. The liabilities are subsequently measured at amortised cost using the effective interest method so that the difference between the proceeds and the nominal value is recognised as a financial expense in the income statement over the loan period.

Deferred income
Deferred income comprises income received in respect of subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows concerning operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

The effect on cash flow of acquisition and divestment of enterprises is recognised separately under cash flows from investing activities. In the cash flow statement, cash flows relating to acquired enterprises are recognised as from the date of acquisition, and cash flows relating to divested enterprises are recognised until the time of divestment.

Cash flows from operating activities are presented according to the indirect method and are calculated as the operating profit or loss, adjusted for non-cash operating items, changes in working capital as well as financial income, financial expenses and income taxes paid.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of enterprises and financial assets as well as the purchase, development, improvement and sale etc. of intangible assets and property, plant and equipment. Furthermore, cash flows from assets held under finance leases are recognised in the form of lease payments made.

Cash flows from financing activities comprise of changes to the parent's capital and costs relating thereto as well as the arrangement and repayment of loans, repayment of interest-bearing debt and disbursement of supplementary payments.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less any overdraft facilities that form an integral part of the cash management.

Segment information
The group is not listed on the stock exchange, and no segment information is disclosed according to IFRS.

In note 3, information is provided on revenue in Denmark and internationally and by business sector. However, this does not represent segment information in accordance with IFRS 8.

PARENT ACCOUNTING POLICIES

The financial statements of the parent (Danish Crown AmbA) are presented in accordance with the provisions of the Danish Financial Statements Act concerning the reporting of large class C enterprises.

Changes in accounting policies
In connection with the transition to IFRS for the consolidated financial statements, the management has also reassessed the accounting policies applied for the parent Danish Crown AmbA as per the Danish Financial Statements Act. As a result, accounting policies have been changed for defined-benefit plans with the effect that liabilities in this regard are fully recognised at the discounted value of the actuarially determined liability. Actuarial gains and losses were previously recognised according to the corridor approach. Recognition of the annual adjustment of defined-benefit plans, including actuarial gains and losses, is presented in the income statement. The management believes that the changed accounting policies provide a truer and fairer view of the parent's assets, liabilities and financial position.

The change negatively impacted the net profit for the year by DKK 12.7 million and last year's results by DKK 75.7 million, while equity as at 30 September 2009 was positively impacted by DKK 1.8 million.

Comparative figures have been restated to match the changed accounting policies.

Except for the above-mentioned change in accounting policies, the annual report has been presented consistently with last year.

Change in accounting estimates
The net profit for the year was negatively impacted by DKK 122.8 million; by DKK 138.5 million as a result of a change in the estimated deferred tax on buildings in the subsidiary Tulip International (UK) Ltd, and DKK 15.7 million as a result of a changed estimate regarding the future utilisation of tax losses allowed for carryforward under the Danish joint taxation.

The parent generally uses the same accounting policies for recognition and measurement as the group. Those cases where the parent's accounting policies deviate from those of the group are described below.

Description of accounting policies
Intangible assets
Goodwill/consolidated goodwill is generally amortised over a period of five to ten years; however, the amortisation period may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period better reflects the benefit obtained by the group from the relevant resources. Goodwill is not amortised in the consolidated financial statements under IFRS.

Property, plant and equipment
For self-constructed assets, cost comprises direct and indirect costs relating to materials, components, subsuppliers and labour. Under IFRS, indirect costs cannot be recognised in self-constructed assets.

Depreciation is carried out on a straight-line basis over the useful lives of the assets to the expected residual value. According to the provisions in IFRS, the residual value must be reassessed on an annual basis. In the financial statements of the parent, the residual value is determined on the date of entry into service and is not subsequently adjusted.

Equity investments in group enterprises and jointly controlled enterprises
Equity investments in group enterprises are measured according to the equity method. The parent's share of the profits or losses of the enterprises is recognised in the income statement after elimination of unrealised intragroup profits and losses and minus or plus amortisation of positive, or negative, consolidated goodwill.

Net revaluation of equity investments in subsidiaries and associates is taken to reserve for net revaluation of equity investments to the extent that the carrying amount exceeds cost.

Equity investments in jointly controlled enterprises are recognised and measured in the parent according to the equity method as described under 'Equity investments in associates' in the description of accounting policies for the consolidated financial statements (note 32).

Pension commitments
Annual pension costs are recognised in the income statement based on the actuarial estimates and financial outlook at the beginning of the year. Differences between the expected development in pension assets and commitments and the realised values calculated at the end of the year are known as actuarial gains or losses and are also recognised in the income statement. In the consolidated financial statements under IFRS, actuarial gains and losses are recognised in other comprehensive income.

Cash flow statement
The consolidated financial statements contain a cash flow statement for the group as a whole, and a separate statement for the parent is therefore not included as per the exemption clause in Section 86 of the Danish Financial Statements Act.

INCOME STATEMENT

5 October 2009 - 3 October 2010

		Parent	
DKKm	**Note**	**2009/10**	**2008/09**
Revenue	1	**21,513**	**22,268**
Production costs	2,3	-19,065	-19,467
Gross profit		**2,448**	**2,801**
Distribution costs	2,3	-1,385	-1,445
Administrative expenses	2,3,4	-515	-594
Profit from primary activities		**548**	**762**
Other operating income		0	0
Other operating expenses		-8	-22
Operating profit		**540**	**740**
Income from equity investments in subsidiaries	5	641	362
Income from equity investments in associates		310	66
Income from other equity investments etc. that are non-current assets		0	-10
Financial income	6	64	42
Financial expenses	7	-200	-257
Profit before tax		**1,355**	**943**
Tax on profit for the year	8	-1	1
Net profit for the year		**1,354**	**944**
Proposed distribution of profit:			
For distribution			
Net profit for the year		1,354	
Total amount available for distribution		**1,354**	
to be distributed as follows:			
Transferred to proposed supplementary payments for the financial year			
Pork producers 1,245,693,466 kg @ DKK 0.95		1,183	
Sow producers 62,553,283 kg @ DKK 0.75		47	
Cattle producers 68,827,485 kg @ DKK 1.25		86	
Total proposed supplementary payment		**1,316**	
Transferred to equity			
Transferred to net revaluation reserve		42	
Transferred to other reserves		-4	
Transferred to equity, total		**38**	
Total available for distribution		**1,354**	

STATEMENT OF FINANCIAL POSITION

3 October 2010

Assets

DKKm	Note	Parent 03.10.2010	Parent 04.10.2009
Non-current assets			
Intangible assets	9		
Acquired trademarks etc.		0	0
Software		60	0
Goodwill		0	0
Total intangible assets		**60**	**0**
Property, plant and equipment	10		
Land and buildings		2,562	2,754
Plant and machinery		1,157	1,328
Other fixtures and fittings, tools and equipment		78	149
Property, plant and equipment in progress		107	106
Total property, plant and equipment		**3,904**	**4,337**
Fixed asset investments	11		
Equity investments in subsidiaries		2,071	1,693
Receivables from subsidiaries		25	28
Equity investments in associates		799	900
Receivables from associates		74	0
Other securities and equity investments		203	35
Total fixed asset investments		**3,172**	**2,656**
Total non-current assets		**7,136**	**6,993**
Current assets			
Inventories	12	**1,076**	**1,248**
Receivables			
Trade receivables		1,773	1,432
Receivables from contract work		298	220
Receivables from subsidiaries		889	879
Receivables from associates		4	0
Other receivables		318	108
Prepayments		50	57
Total receivables		**3,332**	**2,696**
Cash		**20**	**4**
Total current assets		**4,428**	**3,948**
Total assets		**11,564**	**10,941**

3 October 2010

Equity and liabilities

DKKm	Note	Parent 03.10.2010	04.10.2009
Equity			
Members' accounts		1,650	1,676
Reserve for net revaluation of equity investments		188	0
Other reserves		1,103	1,151
Proposed supplementary payment for the year		1,316	981
Total equity		**4,257**	**3,808**
Provisions	13	**89**	**66**
Liabilities			
Non-current liabilities	14		
Subordinate loans		997	995
Mortgage debt		3,508	3,495
Other credit institutions		525	854
Total non-current liabilities		**5,030**	**5,344**
Current liabilities			
Current portion of long-term debt	14	737	117
Credit institutions		0	233
Trade payables		527	555
Payables to subsidiaries		120	109
Payables to associates		29	15
Other payables		748	667
Deferred income		27	27
Total current liabilities		**2,188**	**1,723**
Total liabilities		**7,218**	**7,067**
Total equity and liabilities		**11,564**	**10,941**

Contingent liabilities etc.	15
Security	16
Members' liability	17
Related parties	18

STATEMENT OF EQUITY

3 October 2010

DKKm	Members' accounts	Reserve for net revaluation of equity investments	Other reserves	Proposed supplementary payment for the year	Total
Parent					
Equity as at 29.09.2008	1,656	0	1,374	945	3,975
Changes in accounting policies	0	0	85	0	85
Adjusted equity as at 28.09.2008	**1,656**	**0**	**1,459**	**945**	**4,060**
Payments and disbursements for the year	20	0	0	-945	-925
Translation adjustment, foreign enterprises	0	-261	0	0	-261
Other adjustments	0	-10	0	0	-10
Net profit for the year	0	0	-37	981	944
Transfer	0	271	-271	0	0
Equity as at 04.10.2009	**1,676**	**0**	**1,151**	**981**	**3,808**
Payments and disbursements for the year	-26	0	0	-981	-1,007
Translation adjustment, foreign enterprises	0	141	0	0	141
Financial instruments and other adjustments	0	5	-44	0	-39
Net profit for the year	0	42	-4	1,316	1,354
Equity as at 03.10.2010	**1,650**	**188**	**1,103**	**1,316**	**4,257**

NOTES

(DKKm)

		2009/10	2008/09
1	**Revenue**		
	Distribution by market:		
	Denmark	4,666	4,635
	International	16,847	17,633
		21,513	**22,268**
	Distribution by sector:		
	Pork Division	19,360	20,224
	Beef Division	2,153	2,044
		21,513	**22,268**
2	**Staff costs**		
	Wages and salaries	2,656	2,876
	Pensions	229	233
	Other social security costs	130	135
		3,015	**3,244**
	Of this:		
	Remuneration for the parent's Board of Directors	4	4
	Remuneration for the parent's Board of Representatives	4	4
	Remuneration for the parent's Executive Board	25	17
		33	**25**
	Average number of employees	7,210	7,973
3	**Depreciation, amortisation, impairment losses and write-downs**		
	Intangible assets	23	0
	Property, plant and equipment, depreciation	513	529
	Profit from the sale of non-current assets	-14	-88
		522	**441**
	Depreciation, amortisation, impairment losses and write-downs are included in the following items:		
	Cost of sales	485	398
	Distribution costs	6	7
	Administrative expenses	31	36
		522	**441**

(DKKm)

	4 Fees to the parent's auditors appointed by the Board of Representatives		
	Fees relating to statutory audit, Deloitte	4	3
	Other assurance engagements, Deloitte	0	0
	Fees relating to tax advice, Deloitte	1	2
	Fees relating to other services, Deloitte	6	0
		11	**5**

5	Income from equity investments in subsidiaries		
	Share of profit	635	348
	Unrealised intra-group profits	2	7
	Write-down of excess value on purchase of shares	4	7
		641	**362**

6	Financial income		
	Subsidiaries	15	17
	Other interest	34	19
	Foreign exchange gains and losses, net	15	6
		64	**42**

7	Financial expenses		
	Subsidiaries	2	0
	Other interest	198	257
		200	**257**

8	Tax on profit for the year		
	Calculated tax on profit for the year	2	1
	Adjustment concerning previous years	-1	-2
		1	**-1**

9	Intangible assets	Acquired trademarks etc.	Software	Goodwill	Total intangible assets
	Cost as at 05.10.2009	24	0	0	24
	Transfer	0	202	0	202
	Addition	0	22	0	22
	Total cost as at 03.10.2010	**24**	**224**	**0**	**248**
	Amortisation, impairment losses and write-downs	24	0	0	24
	Transfer	0	141	0	141
	Amortisation for the year	0	23	0	23
	Amortisation, impairment losses and write-downs as at 03.10.2010	**24**	**164**	**0**	**188**
	Carrying amount as at 03.10.2010	**0**	**60**	**0**	**60**

Intangible assets	Acquired trademarks etc.	Software	Goodwill	Total intangible assets
Cost as at 29.09.2008	24	0	9	33
Disposal	0	0	-9	-9
Total cost as at 04.10.2009	**24**	**0**	**0**	**24**
Amortisation, impairment losses and write-downs as at 29.09.2008	24	0	9	33
Total amortisation, impairment losses and write-downs on disposals for the year	0	0	-9	-9
Amortisation, impairment losses and write-downs as at 04.10.2009	**24**	**0**	**0**	**24**
Carrying amount as at 04.10.2009	**0**	**0**	**0**	**0**

10	Property, plant and equipment	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total property, plant and equipment
	Cost as at 05.10.2009	5,725	2,548	441	106	8,820
	Transfer	460	202	-173	0	489
	Completion of plant in progress	17	27	17	-61	0
	Addition	43	53	2	62	160
	Disposal	-134	-90	-14	0	-238
	Cost as at 03.10.2010	**6,111**	**2,740**	**273**	**107**	**9,231**
	Depreciation, impairment losses and write-downs as at 05.10.2009	2,971	1,220	292	0	4,483
	Transfer	460	205	-115	0	550
	Depreciation for the year	247	237	29	0	513
	Total depreciation, impairment losses and write-downs on disposals for the year	-129	-79	-11	0	-219
	Depreciation, impairment losses and write-downs as at 03.10.2010	**3,549**	**1,583**	**195**	**0**	**5,327**
	Carrying amount as at 03.10.2010	**2,562**	**1,157**	**78**	**107**	**3,904**
	Of which recognised interest expenses	73	9	0	0	82

(DKKm)

Property, plant and equipment	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total property, plant and equipment
Cost as at 29.09.2008	5,183	3,587	808	705	10,283
Transfer	188	134	13	-335	0
Completion of plant in progress	183	139	26	-348	0
Addition	198	209	37	84	528
Disposal	-27	-1,521	-443	0	-1,991
Cost as at 04.10.2009	**5,725**	**2,548**	**441**	**106**	**8,820**
Depreciation, impairment losses and write-downs as at 29.09.2008	2,517	2,397	661	335	5,910
Transfer	188	134	13	-335	0
Depreciation for the year	259	216	54	0	529
Total depreciation, impairment losses and write-downs on disposals for the year	7	-1,527	-436	0	-1,956
Depreciation, impairment losses and write-downs as at 04.10.2009	**2,971**	**1,220**	**292**	**0**	**4,483**
Carrying amount as at 04.10.2009	**2,754**	**1,328**	**149**	**106**	**4,337**
Of which recognised interest expenses	95	14	1	0	110

11 Fixed asset investments	Equity investments in subsidiaries	Receivables from subsidiaries	Equity investments in associates and jointly controlled enterprises	Receivables from associates	Other securities and equity investments	Total fixed asset investments
Cost as at 05.10.2009	1,749	28	578	0	36	2,391
Translation adjustments	71	0	37	0	0	108
Addition	12	0	0	74	5	91
Disposal	-288	-3	-55	0	164	-182
Cost as at 03.10.2010	**1,544**	**25**	**560**	**74**	**205**	**2,408**
Value adjustments as at 05.10.2009	-56	0	322	0	-1	265
Translation adjustments	27	0	6	0	0	33
Share of results	641	0	310	0	0	951
Distribution during the year	-376	0	-116	0	0	-492
Disposal	285	0	-282	0	-1	2
Other adjustments	6	0	-1	0	0	5
Value adjustments as at 03.10.2010	**527**	**0**	**239**	**0**	**-2**	**764**
Carrying amount as at 03.10.2010	**2,071**	**25**	**799**	**74**	**203**	**3,172**

Fixed asset investments	Equity investments in subsidiaries	Receivables from subsidiaries	Equity investments in associates and jointly controlled enterprises	Receivables from associates	Other securities and equity investments	Total fixed asset investments
Cost as at 29.09.2008	1,756	27	722	0	30	2,535
Translation adjustments	-84	0	-96	0	0	-180
Addition	83	2	0	0	6	91
Disposal	-6	-1	-48	0	0	-55
Cost as at 04.10.2009	**1,749**	**28**	**578**	**0**	**36**	**2,391**
Value adjustments as at 29.09.2008	-165	0	278	0	0	113
Changes in accounting policies	85	0	0	0	0	85
Translation adjustments	-79	0	-2	0	8	-73
Share of results	362	0	66	0	-10	418
Distribution during the year	-234	0	-18	0	0	-252
Disposal	-16	0	-1	0	0	-16
Other adjustments	-9	0	-1	0	0	-10
Value adjustments as at 04.10.2009	**-56**	**0**	**322**	**0**	**-1**	**265**
Carrying amount as at 04.10.2009	**1,693**	**28**	**900**	**0**	**35**	**2,656**

12 Inventories	03/10/2010	04/10/2009
Raw materials and consumables	36	31
Work in progress	134	120
Finished goods and goods for resale	906	1,097
	1,076	**1,248**

13 Provisions	Pension commitments	Restructuring costs	Other provisions	Total
Provisions as at 05.10.2010	53	11	2	66
Used during the year	-6	-8	-2	-16
Reversal of unutilised provision	0	-2	0	-2
Provisions for the year	9	5	27	41
Provisions as at 03.10.2010	**56**	**6**	**27**	**89**
Provisions as at 28.09.2008	54	19	25	98
Used during the year	-6	-19	-24	-49
Provisions for the year	5	11	1	17
Provisions as at 04.10.2009	**53**	**11**	**2**	**66**

	03/10/2010	04/10/2009
Provisions are expected to fall due:		
Within one year	56	18
After one year	33	48
	89	**66**

(DKKm)

14 Non-current liabilities

03/10/2010	Due within one year	Due between one and five years	Due after five years	Total
The loans can be specified by maturity as follows:				
Subordinate loans	0	997	0	997
Mortgage debt	0	102	3,406	3,508
Other credit institutions	737	525	0	1,262
	737	**1,624**	**3,406**	**5,767**

04/10/2009	Due within one year	Due between one and five years	Due after five years	Total
The loans can be specified by maturity as follows:				
Subordinate loans	0	995	0	995
Mortgage debt	0	150	3,345	3,495
Other credit institutions	117	854	0	971
	117	**1,999**	**3,345**	**5,461**

The parent has arranged a subordinate loan totalling DKK 1,000.0 million which falls due in 2012 and 2014. The loan was arranged as a fixed-rate loan, with DKK 550.0 million at a rate of 6.125 % falling due in 2012 and DKK 450.0 million at a rate of 6.375 % falling due in 2014.
The subordinate loan ranks after other creditors.

	03/10/2010	04/10/2009
Mortgage debt can be specified as follows:		
Fixed-rate loans, interest rate >3%	1,250	1,250
Floating-rate loans, interest rate <3%	2,258	2,245
	3,508	**3,495**

	03/10/2010	04.10.2009
Other credit institutions can be specified as follows:		
Fixed-rate loans, interest rate <3%	20	0
Fixed-rate loans, interest rate >3%	28	33
Floating-rate loans, interest rate <3%	1,103	867
Floating-rate loans, interest rate >3%	111	71
	1,262	**971**

15 Contingent liabilities etc.

	03/10/2010	04.10.2009
Guarantees to subsidiaries, maximum	4,752	4,545
Guarantees to subsidiaries, used	2,625	2,689
Guarantee commitments to the EU directorate	13	5
Repayment commitments	8	8
Rental and lease commitments	13	15
Other	0	21

The group is involved in a small number of court cases and disputes. Management is of the opinion that the outcome of these will not have any significant impact on the group's financial position.

16 Security

	03/10/2010	04/10/2009
The following assets have been furnished as security for mortgage debt and other long-term debt:		
Land, buildings and plant etc.	3,630	3,630
Carrying amount of the above-mentioned assets	3,704	4,143

17 Members' liability

	03/10/2010	04/10/2009
The members are personally, jointly and severally liable for the liabilities of the parent. Liability for each member is calculated on the basis of the supplies from the members and cannot exceed DKK 25,000.		
No. of members	9,847	10,685
Total liability	246	267

18 Related parties

Associates and members of the Board of Directors and the Executive Board of Danish Crown AmbA are regarded as related parties.
Since the company is a cooperative, supplies have been received from members, including the Board of Directors.

GROUP STRUCTURE

Company name		Direct ownership interest %
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*
ESS-FOOD Holland B.V.	*The Netherlands*	*100.0*
ESS-FOOD Hungary KFT	*Hungary*	*100.0*
DAT-SCHAUB Australia Pty Ltd.	*Australia*	*100.0*
ESS-FOOD Hong Kong Ltd.	*Hong Kong*	*100.0*
ESS-FOOD Brazil Servicos de Consultoria Ltda	*Brazil*	*100.0*
Dansk Kuldekonservering A/S	*Denmark*	*100.0*
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*
Nietfeld Feinkost GmbH	*Germany*	*100.0*
Herman Kramer Verkoop B.V.	*The Netherlands*	*100.0*
Krusenbur GmbH	*Germany*	*100.0*
Krusenbur GmbH & KG	*Germany*	*100.0*
Tulip Food Company France S.A.	*France*	*100.0*
Tulip Food Company AB	*Sweden*	*100.0*
Ekvalls Charkuterifabrik Aktiebolag	*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*
Tulip Norge AS	*Norway*	*76.0*
DAT-Schaub a.m.b.a.	**Denmark**	**94.4**
Oriental Sino Limited	*Hong Kong*	*45.0*
Yancheng Lianyi Casing Products Co. Ltd.	*China*	*73.3*
Jiangsu Chongan Plastic Manufacturing Co Ltd.	*China*	*58.8*
Yancheng Xinyu Food Products Ltd.	*China*	*73.3*
Yancheng Huawei Food Products Ltd.	*China*	*73.3*
Taizhou CAI Food Co.	*China*	*37.5*
DAT-Schaub Holding A/S	*Denmark*	*100.0*
DAT-Schaub (PORTO) S.A.	*Portugal*	*100.0*
Alandal S.A.	*Portugal*	*100.0*
DAT-Schaub USA Inc.	*USA*	*100.0*
DS-France S.A.S	*France*	*100.0*
Cima S.A.	*Spain*	*100.0*
Trissal S.A.	*Portugal*	*50.0*
Aktieselskabet DAT-Schaub Danmark	*Denmark*	*100.0*
Arne B. Corneliussen AS	*Norway*	*100.0*
Oy DAT-Schaub Finland Ab	*Finland*	*100.0*
Thomeko Oy	*Finland*	*82.5*
Thomeko Eesti OÜ	*Estonia*	*100.0*
DAT-Schaub AB	*Sweden*	*100.0*
DAT-Schaub (Deutschland) GmbH	*Germany*	*100.0*
Gerhard Küpers GmbH	*Germany*	*100.0*
DIF Organveredlung Gerhard Küpers GmbH & Co. KG	*Germany*	*100.0*

Company name		Direct ownership interest %
CKW Pharma-Extrakt Beteiligungs- und Verwaltungs GmbH	Germany	50.0
CKW Pharma-Extrakt GmbH & Co. KG	*Germany*	*100.0*
DAT-Schaub Holdings Inc.	*USA*	*100.0*
Casing Associates LLC	*USA*	*50.0*
American Runner LLC	*USA*	*50.0*
DAT-Schaub Casings (Australia) Pty Ltd.	*Australia*	*100.0*
DAT-Schaub Polska Sp. z o. o.	*Poland*	*100.0*
DAT-Schaub (UK) Ltd.	*UK*	*100.0*
Waikiwi Casings Ltd.	*New Zealand*	*100.0*
DAT-Schaub New Zealand Ltd.	*New Zealand*	*100.0*
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
*Globe Meat Handels-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
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
Aktieselskabet DC af 1. oktober 2010	Denmark	100.0
Scan-Hide A.m.b.a.	Denmark	68.8
Kontrolhudar International AB	*Sweden*	*100.0*
Friland A/S	Denmark	100.0
Friland Udviklingscenter ApS	*Denmark*	*100.0*
*Udviklingscenter for husdyr på Friland K/S**	*Denmark*	*2.1*
*Udviklingscenter for husdyr på Friland K/S**	*Denmark*	*47.9*
Friland Økologi ApS	*Denmark*	*50.0*
Friland Food AB	*Sweden*	*100.0*
J. Hansen Vermarktungsgesellschaft mbH	*Germany*	*100.0*
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*
Danish Crown AmbA, Korean Liaison Office (branch)	Korea	100.0
Danish Crown K-Pack AB	Sweden	100.0
KLS Ugglarps AB	Sweden	100.0
Team Ugglarp AB	*Sweden*	*51.0*
Associates and jointly controlled enterprises		
Daka a.m.b.a.	Denmark	48.0
Agri-Norcold A/S	Denmark	43.0
Danske Slagterier	Denmark	97.1
SPF-Danmark P/S*	Denmark	91.5
SPF-Danmark komplementarselskab A/S	Denmark	92.4
*SPF-Danmark P/S**	Denmark	*1.0*
A/S Hatting-KS	Denmark	91.9
Svineslagteriernes varemærkeselskab ApS	Denmark	91.9
Saturn Nordic Holding AB	Sweden	50.0
Sokołów S.A.	*Poland*	*100.0*

*) Appears more than once in the group structure
**) The following enterprises which are included in the consolidated financial statements have exercised their right of exemption under Section 264(3) of the German Handelsgesetzbuch (HGB): Danish Crown GmbH, Globe Meat Handels-GmbH, Oldenburger Convenience GmbH, Danish Crown Schlachtzentrum Nordfriesland GmbH.

Indentation indicates subsidiary relations
Bold = parents in subgroups
Italics = subsidiaries etc.