Annual report 2003/04

FOR THE DANISH CROWN GROUP

DANISH CROWN

Contents

Values must permeate daily life

Values and attitudes have been debated at Danish Crown in recent years.

The values that, in 2000, the Group's leadership set out as the guidelines for management and staff in their dealings with each other, their customers, the owners and the surrounding world, aim at creating the public perception of Danish Crown as one organisation irrespective of whether they communicate with, for instance, a production plant in the Pork Department or a sales consultant in a subsidiary.

It was crucial for Danish Crown's leadership that the values were not just "headlines" but acted as a common link in daily life as well as guidelines on how to approach any situation. Values, attitudes and behaviour, therefore, were up for discussion throughout the Group.

This annual report provides a number of examples of how the values imbue daily life and illustrates how the value debate is a continuing and dynamic process which will ensure that Danish Crown continues to be perceived as a modern business based on a common set of values.

The objective is that its stakeholders perceive Danish Crown as a company that:

Leads the way •

Creates value •

Takes responsibility •

Shows confidence and respect •

DANISH CROWN

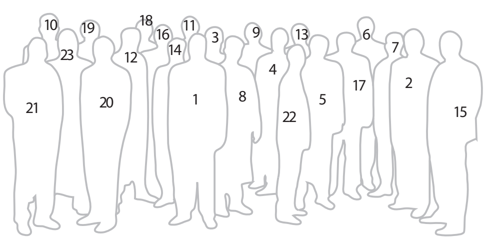
Attractive overall impression

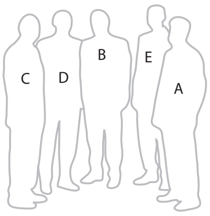
Right from the early planning of the new slaughterhouse in Horsens, due regard was paid to the fact that the building would be highly visible.

Architects were contracted to the project from the very first day in order that the architecture, interior design and colour as well as choice of material would ensure an attractive overall impression of a large, industrial building within a rural landscape.

We take responsibility

– by paying due regard to nature and the environment





Supervisory Board

1 **Chairman**
Niels Mikkelsen
Hjerm

2 **Vice-Chairman**
Bent Claudi Lassen
Asperup

3 **Vice-Chairman**
Jens Lorenzen
Hviding

4 Karl Kristian Andersen
Simested

5 Per Højgård Andersen
Amstrup

6 Erik Bredholt
Skødstrup

7 John Brædder
Toreby

8 Bjarke Christiansen
Vestervig

9 Peder Damgaard
Gråsten

10 Per Frandsen
Ø. Gasse

11 Erik Ugilt Hansen
Volstrup

12 Hans Klejsgaard Hansen
Klejs

13 Preben Hansen
Avdebo

14 Asger Krogsgaard
Gl. Sogn

15 Erik Larsen
Dalmose

16 Kaj K. Larsen
Øster Vrå

17 Peder Philipp
Ribe

18 Leo Christensen (e)
Herning

19 Hans Søgaard Hansen (e)
Fåborg

20 Jens Pedersen (e)
Skive

21 Jørgen H. Rasmussen (e)
Juelsminde

22 Søren Tinggaard (e)
Assentoft

23 Torben Lyngsø (o)
Karrebæksminde

(e) Elected by employees
(o) Observer

Executive Board

A **CEO**
Kjeld Johannesen

B **Vice CEO / President International**
Carsten Jakobsen

C **Executive Director**
Jens Haven Christiansen

D **Executive Director**
Torben Skou

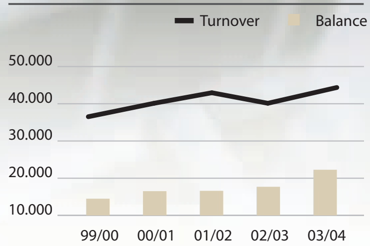
E **CFO**
Preben Sunke

GROUP FINANCIAL HIGHLIGHTS

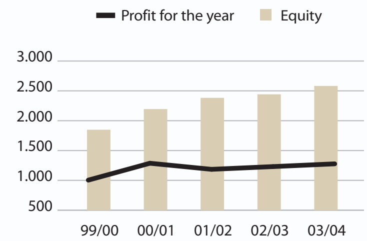
DKK million	1999/00	2000/01	2001/02	2002/03	2003/04
Income statement					
Turnover	36,896.4	40,154.5	42,866.9	40,367.7	44,369.8
Operating profit	1,455.4	1,781.9	1,517.4	1,542.9	1,657.1
Net financials	-387.9	-437.5	-329.3	-262.2	-353.0
Profit for the year	987.1	1,270.2	1,168.0	1,214.2	1,260.8
Balance sheet					
Balance sheet total	14,492.9	16,517.7	16,610.2	17,720.8	22,276.0
Investment in property, plant and equipment	837.3	945.9	1,242.6	2,296.1	3,709.1
Subordinated loan	0.0	0.0	0.0	0.0	1,000.0
Equity	1,849.2	2,195.2	2,383.2	2,442.6	2,583.9
Solvency ratio in % *)	12.8%	13.3%	14.3%	13.8%	16.1%
Cash flow					
Cash flows from operating and investment activity	946.4	1,323.2	1,193.2	466.2	-3,169.1
Employees					
Average number of full-time employees	19,449	19,215	23,162	23,053	23,948
Supplementary payments, DKK/kilo					
Supplementary payments, pigs	0.75	0.90	0.70	0.70	0.70
Supplementary payments, sows	0.35	0.50	0.50	0.55	0.60
Supplementary payments, cattle	0.65	0.60	0.75	0.65	0.80
Million kilos delivered by members					
Pigs	1,163.8	1,214.3	1,508.1	1,518.7	1,573.4
Sows	55.5	59.4	74.4	75.1	79.0
Cattle	73.5	75.8	76.1	73.4	75.1
Number of members					
Number of members	21,958	20,525	22,734	19,799	18,253

The comparative figures for 1999/00-2000/01 have not been restated.
*) Calculated on the basis of subordinated loan and equity

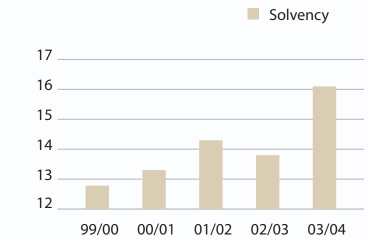
Turnover and balance sheet total, DKK million



Profit for the year and equity, DKK million



Solvency in %



Director,
Head of Secretariat
Svend Erik Sørensen

STRATEGY AND COMPANY STRUCTURE

Danish Crown is primarily a co-operative in which the parent company works closely with the members who supply the company's raw materials and who, through the company, have access to global meat markets as well as to pre-processing and processing capacity. This structure has been a strong contributor to the co-operative members' and the company's international competitiveness which lies at the root of the Danish meat industry's leading position in world markets.

The co-operative structure demands a close and fruitful interaction between the co-operative members and the company, including mutual agreement on strategic objectives. A pivotal point, this is strengthened by the tradition for open and critical dialogue between the co-operative members and Danish Crown's Board of Representatives under which new and topical issues are continually discussed.

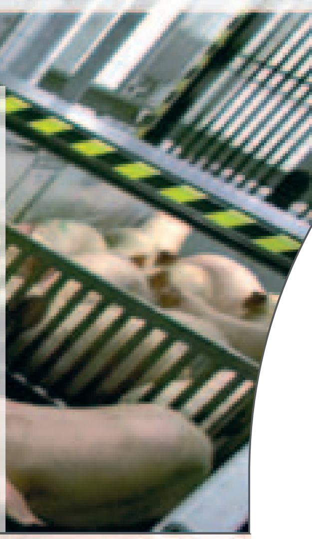
During the 2003/04 financial year, a so-called "Value Committee" was set up after a debate within the Board of Representatives. In the new financial year, the committee will examine Danish Crown's practices with regard to accounts, distribution policies and corporate structure to secure a sound basis for the continuing debate on the company's development and preparedness for the challenges of the future.

Pigs' natural behaviour

The care of pigs during transportation to the slaughterhouses has long been of interest to co-operative members as is the case with animal welfare supporters. Pig producers, for instance, have given their wholehearted backing to a new method of rounding up pigs for slaughter which takes pigs' natural behaviour into account. After lengthy adjustment, the system has now been adapted to the requirements of the slaughterhouses and Danish Crown has installed systems so that the majority of the pigs are rounded up and stunned in groups.

We lead the way

– because animal welfare has high priority at Danish Crown



From the rounding up system at Esbjerg

International strategy is achieved

A year of many challenges, 2003/04 was characterised by a higher level of activity and visible results

Niels Mikkelsen, Chairman

During the 2003/04 financial year, Danish Crown demonstrated its full commitment to the internationalisation of the Group's activities - a key response to the challenges presented by the growing international competition within the meat industry.

Strategic acquisition

The acquisition of Flagship Foods Ltd. in the UK has transformed us into the UK's second largest meat company. At the same time, with the acquisition of the majority shareholding in the Polish Sokolow S.A. together with our Finnish partner, HK Ruokatalo, we have established a very strong position in the largest of the new EU member countries. Moreover, the purchase and expansion of the Oldenburg factory in Germany has also significantly increased our presence in the EU's largest national market.

Competitiveness must be strengthened

In view of European consumers' price awareness, Danish Crown has to strengthen its international position to maintain and enhance its competitiveness. With approx. 90% of all sales lying outside our domestic market, this is of crucial importance.
This is why, this year, we took these major strategic steps, which we are convinced will take us forward in the years ahead. It is worthy of note that Danish Crown was able to manage these major acquisitions without impacting on the co-operative members' earnings or capital. This is testimony to Danish Crown's strong and robust system.

Focus on cost reductions

International developments also presented major challenges in terms of the pricing of our members' products, especially in the pork area. Although we were fortunately able to realise a higher pricing level than last year, the pork market is increasingly affected by strong international competition from countries with very low cost levels. This has necessitated the focus on cost reduction measures – not just through the internationalisation of production, but also within Danish production. In this respect, Danish Crown made significant progress in 2003/04. It is of crucial importance that this is maintained.
As far as our cattle members are concerned, price conditions were reasonable. However, the emphasis was, of course, directed primarily at the uncertainties stemming from the implementation of the EU reform's decoupling of the subsidies for beef production. We have yet to see the effects of these changes which will materialise in the new financial year.

Visible results and new challenges

In general, we would describe the financial year as one of considerable activity and many visible results from our strategy and the strengthening of our competitiveness. It was also a year when international competition once again presented Danish Crown with major challenges, which we will have to address in the years ahead.
I would like to thank our customers, employees and partners for their commitment during the past financial year and for their contribution to the results that we have achieved.

Niels Mikkelsen
Chairman

A Group in development

Danish Crown recorded a turnover of DKK 44.4 billion for the 2003/2004 financial year with Group profits of DKK 1.26 billion

Kjeld Johannesen, CEO

Carsten Jakobsen, Vice CEO, President International

In the 2003/04 financial year, the Danish Crown Group achieved a 10% growth in turnover, partly as a result of higher pork prices and partly owing to acquisitions during the year. The financial year comprised an additional week compared to last year.
Profits for the year totalled DKK 1.26 billion, which is 4% higher than last year's figure of DKK 1.21 billion. By and large, the difference stems from the fact that the financial year comprised 53 weeks compared to 52 weeks last year.
Strategically, Danish Crown focuses on different sectors within the Group. During the financial year, these contributed to the Group's earnings before interest, tax and group costs as follows: Fresh Meat Sector 70% (69%), Processing Sector 21% (25%) and the Trading Sector and other companies 9% (6%).
This year, the supplementary payment was 70 øre/kg for pigs, 60 øre/kg for sows and 80 øre/kg for cattle. Last year, these payments were 70, 55 and 65 øre/kg respectively.
The financial result is regarded as satisfactory in view of increasing international competitive pressure on fresh and processed meat products.

The Fresh Meat Sector

The Pork Division: Earnings before interest and tax for the Pork Division were slightly up on last year and a stringent price policy for slaughter pigs was implemented. Operations were significantly improved through tight cost controls in the Danish part of the division's business and the benefits from its foreign activities were substantial. Structural developments continued during the year with the closure of the slaughterhouse in Nørresundby. The new slaughterhouse in Horsens is nearing completion. Owing to international market conditions, the Danish pork price has, in periods, come under some pressure. Based on the internal cost developments at the pig slaughterhouses, the year's result is regarded as satisfactory.
The Group's share of the DAT-Schaub a.m.b.a. business is also included under the Pork Division. This year, we have been pleased to note the somewhat better market trends than last year. During the year under review, DAT-Schaub also acquired a company in Germany as part of its effort to strengthen its international competitiveness.
The Beef Division: The division's operations were characterised by steady optimization throughout the year. Progress was also made with regard to costs and the subsidiary businesses in Denmark and abroad performed well. The result for the Beef Division is regarded as highly satisfactory, with the supplementary payment at a record level.

The Processing Sector

In 2003/04, Danish Crown increased its activities within the processing sector. As this largely took place towards the end of the year, the results will materialise at a later stage.
Tulip Food Company focused on the internationalisation of its production, which involved structural and cost adjustments in Denmark and Germany. At the same time, Tulip was subjected to strong competitive pressure in the retail sector and disproportionately large price increases in the company's most important raw materials. Consequently, Tulip Food Company failed to achieve a satisfactory financial result, although the result remains positive.

Skilled at integration

Danish Crown is sometimes seen as a tough place to work. Nevertheless, the Group achieves high scores among its employees of whom 9 out of 10 like to state that they work for Danish Crown. And many "New Danes" and benefit recipients have experienced Danish Crown as an employer where they have a chance to create a regular job for themselves in return for a committed effort. Approx. 9% of Danish Crown's employees have a different ethnic background from the Danes.

From the deboning unit at Grindsted

We show confidence and respect

– by treating all new employees equally, regardless of background

For Tulip Ltd in the UK the year was characterised by major acquisitions. Nevertheless, it is highly satisfactory to note that the company achieved profits over and above the expectations at the start of the year.
Plumrose Inc. maintained last year's positive development and, despite a lower exchange rate, made a contribution that, once again, exceeded expectations. The company's result remains highly satisfactory.

The Trading Sector

ESS-FOOD once again achieved a highly satisfactory financial result. In view of DAT-SCHAUB International's significant challenges last year, it is particularly satisfactory to note the company's steady development which produced an excellent result. Emborg Foods A/S, on the other hand, experienced a difficult year and posted a result below last year's.

Other subsidiaries

DBC (Danish Bacon Company) recorded increased turnover and maintained last year's profit levels. SFK Food's sales declined due to a change in its geographical market base resulting in an unsatisfactory result. SFK Systems achieved an increase in turnover, but the year's net earnings fell below last year.

Group development

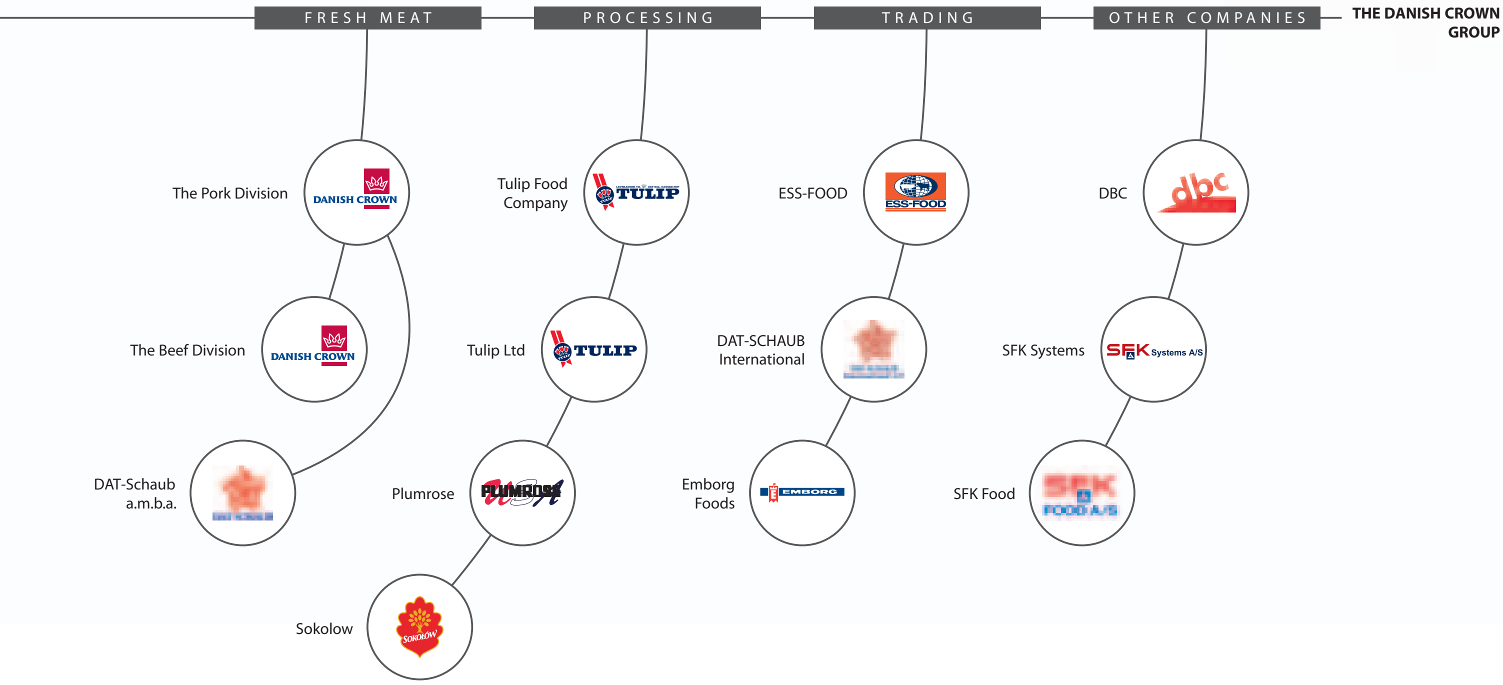
In keeping with Danish Crown's strategy plan, the year was strongly characterised by investments and acquisitions, in particular, the acquisition of Flagship Foods in the UK, the construction of a new slaughterhouse in Horsens, the purchase and the investments in the Oldenburg factory for processing and fresh meat in Germany and the setting up of a joint venture with HK Ruokatalo concerning the listed Polish meat business, Sokolow S.A.
Danish Crown, the world's largest meat exporter, now also owns and co-owns the second largest meat companies in the UK and Poland.
With a few exceptions, the investments were undertaken at a time of year when they had only a modest accounting impact. However, the investments are reflected in the consolidated balance sheet, which increased from 17.7 to DKK 22.3 billion.
At the same time, the company's solvency (through the issue of a subordinated bond loan) increased from 13.8% to 16.1%. Equity increased by DKK 141 million to DKK 2.58 billion primarily due to the reserves in co-operative member accounts, which contribute to Danish Crown's consolidation.

Kjeld Johannesen, CEO

Outlook for the coming year

Danish Crown expects substantially lower investment and acquisition activity in the financial year 2004/05 when efforts will largely be focused on maximising earnings from the previous investments.
The commissioning of the slaughterhouse in Horsens is set to be a substantial challenge for the Pork Division and the results are only expected to materialise at a later stage. Other initiatives, however, indicate further cost reductions next year. On the market side, the outlook is currently characterised by a considerable amount of uncertainty due to varying expectations for European and overseas pig production.
In the Beef area, falling production and increasing prices are anticipated as a result of the new EU policies. However, structurally and operationally the Beef Division is well equipped to handle the year's challenges.
The European processing sector will again come under competitive pressure due to the discount sector's advances and pressure from low cost countries. This will undoubtedly affect Tulip Food Company, although the Group's processing activities abroad will have greater earnings potential in the coming year, particularly as a result of the large acquisitions in the UK.
Cross-border competition with regard to the price of animals for slaughter – particularly pigs – will remain strong in the coming year. Danish Crown, once again, intends to give high priority to the price paid to co-operative members.
Based on this, Group profits are expected to be in line with this year.

Danish Crown is strategically co-ordinated but decentrally managed



Processing levels significantly increased

Danish Crown's strategy aims at increasing processing levels in order to add value to products prior to sale. This strategy was the background for the major acquisitions in 2003/04 which enabled the Group to increase its processing activities while remaining competitive in that the acquired businesses are located in countries with competitive cost levels. In 2002/03, processing levels were 28% – by the end of 2003/04, this figure had risen to 33%.

Visibility in the local community

For Danish Crown and its co-operative members, it is vital that the local communities around farms and slaughterhouses have a positive view of the Group. Through sports sponsorships at league level, Danish Crown has boosted its local profile. Danish Crown also supports farmers and employees who actively wish to profile Danish Crown and its activities in the local community.

Horsens Handball Club's Women's Handball league

We take responsibility

– For enhancing the reputation and profile of the industry in partnership with co-operative members

Fresh Meat

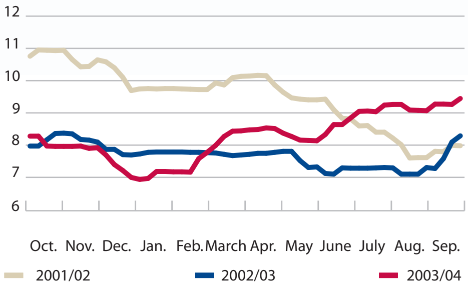
DANISH CROWN

Jens Haven Christiansen
Divisional Director

Slight increase in pig supplies

Automation of the slaughterhouses continues to minimise costs

Price paid (DKK) per kg



Main figures

Pig supplies	01/02	02/03	03/04
Weighed-in co-op pigs (million kg)	1,508.1	1,518.7	1,573.4
Cooperative pigs (1,000 units)	19,306	19,498	20,117
Active suppliers	12,441	11,493	10,343
Sow supplies	**01/02**	**02/03**	**03/04**
Weighed-in (million kg)	74.4	75.1	79.0
Sow slaughtering (1,000 units))	431	430	446
Active suppliers	7,912	5,618	5,123

Supplies of pigs and sows

Once again the Pork Division experienced a year with increasing supplies of pigs, bringing the total number to 20,706,641 or 3% above the previous year. When adjusted for the 53 week year, however, the increase falls to 1%. 466,397 sows and boars were received of which 35,152 sows were exported live for slaughtering in Germany. A small number of slaughter pigs were, in a few exceptional cases, exported live for slaughtering in Germany as a result of a brief industrial dispute and the Easter holiday. This aside, slaughterings proceeded according to plan as supplies were relatively constant and there was stability at the plants. Weekly pig slaughterings averaged 380,000.

Structural developments among pig producers continued unchanged during the year when the number of producers/suppliers of pigs and/or sows fell to 10,624, i.e. a decline of more than 5% on the year. There is little doubt that this trend will continue. The supply is dominated by the large producers in that approx. 22% of producers supplied approx. 69% of the pigs.

Code of Practice

Introduced in 2002, Danish Crown's Code of Practice for pig production supports sales of pork in global markets. The code is dynamic in that new legislation and regulations are continually incorporated and it reflects the wishes and requirements of Danish Crown's customers across the world.

The Code of Practice was updated in 2004 with adjustments to the food safety area and the ethical parameters. The most important adjustments relate to the increased requirements for traceability (more secure marking of slaughter animals), requirements relating to the use of detectable needles to remove any risk of broken needles ending up with the consumer, requirements concerning feed mixes to ensure optimum meat quality and a ban on the supply of pregnant sows for slaughter if there are less than 4 weeks to farrowing.

Reception at the slaughterhouses

Slaughtering took place at 15 pig slaughterhouses and 3 sow slaughterhouses during the year. Although the largest of the plants, Ringsted, received more than 2.5 million pigs, Blans, Sæby and Odense also have a very high capacity of close to 2 million pigs per annum. By way of comparison, it should be noted that the new slaughterhouse in Horsens has a slaughtering capacity of approx. 4 million pigs per year. Skærbæk is the largest of the sow slaughterhouses with over a quarter of a million slaughterings per year.

Ergonomic advances

Ongoing automation at the slaughterhouses aims at reducing costs and strenuous work routines. One major advance is automatic suspension on Christmas trees which would otherwise involve heavy lifting. With the newly developed machine the operator only needs to guide the meat over the suspension.

Partnership paves the way

In recent years, Danish Crown has extended its product development activities to offer the retail sector exciting food products. Some product development takes place with leading Danish chefs with whom Danish Crown has enjoyed a long-standing and constructive partnership for several years. Suckling pigs and calves are some of the results of the inspiration Danish Crown has gained from the partnership. The "Crown of Cooking" product concept was developed with Master Chef Francis Cardenau, Le Sommelier in Copenhagen.

Product development meeting with Francis Cardenau

We lead the way

– by setting new standards for convenience products through "Crown of Cooking"

All plants operate a 40 hour week in a one day shift. Some plants also run evening or night shifts to maximise investments.

Significant investments were made in expanding the reception areas at the slaughterhouses during the year. As well as lairage facilities, investments were also made in a system that ensures that rounding up and group stunning are carried out with due care. This prevents stress and unrest among the pigs. Group stunning has also been installed at Grindsted where the system was originally developed and at Odense, Blans and Esbjerg. This system has, of course, also been installed at the slaughterhouse in Horsens while installation is in progress at Sæby. The 2004/05 financial year budget also allocates funds for the system's installation at some other plants.

Production

New technology has gradually changed the slaughtering and production processes. Consequently, automation has relieved repetitive strain injury and robots have taken over a number of processes at the slaughtering lines, in the cutting and deboning areas and in the packing area. Robots for organ removal are also being installed.

The most advanced system, which also represents a significant ergonomic advance, is a new cutting and sorting system which is being installed at Ringsted. Again, this has, of course, also been installed at the new slaughterhouse in Horsens. As they are trialled, the technological advances will continue to be introduced at the plants partly to save on labour costs and partly to avoid heavy lifting.

Domestic sales

Sales of fresh meat and retail packed meat for the Danish market were satisfactory in 2003/04. Despite increasing competition, especially from foreign competitors, acceptable sales margins were achieved.

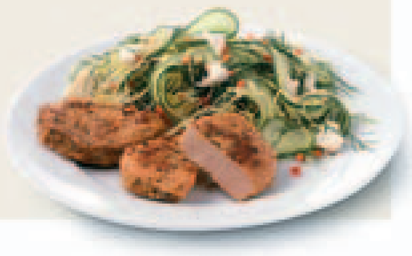
In 2003/04, Danish Crown took over distribution for the COOP and the Fresh Pack concept has been implemented in Kolding and Ringsted.

The retail packing area experienced good growth, but the loss of one customer has not been offset. Consequently, sales and earnings were at a lower-than-expected level.

In 2003/04, Danish Crown marketed new branded products – including Crown of Cooking developed in partnership with Denmark's leading chefs with whom Danish Crown continues to enjoy a close and fruitful partnership.

Crown of Cooking – for the barbecue as well

In 2003/04 Danish Crown launched a series of spice cured products, including a barbecue range, under the high quality concept "Crown of Cooking". Although the new products have got off to a slow start, food critics and consumers agree that the meat is tender, succulent and delicious.



Record year for Friland A/S

For the first time Friland A/S' turnover exceeded DKK 200 million corresponding to 13% growth.

As sales of Friland pigs rose by 11%, it was possible to pay producers a satisfactory supplement of between DKK 1.80-2.00 per kg.

Sales of organic meat rose for the third year running – by 19%. Earnings from organic meat were good allowing for bonuses of DKK 0.65 per kg for organic beef and DKK 0.75 per kg organic pork.

Organic pork recorded growth of slightly below 15%

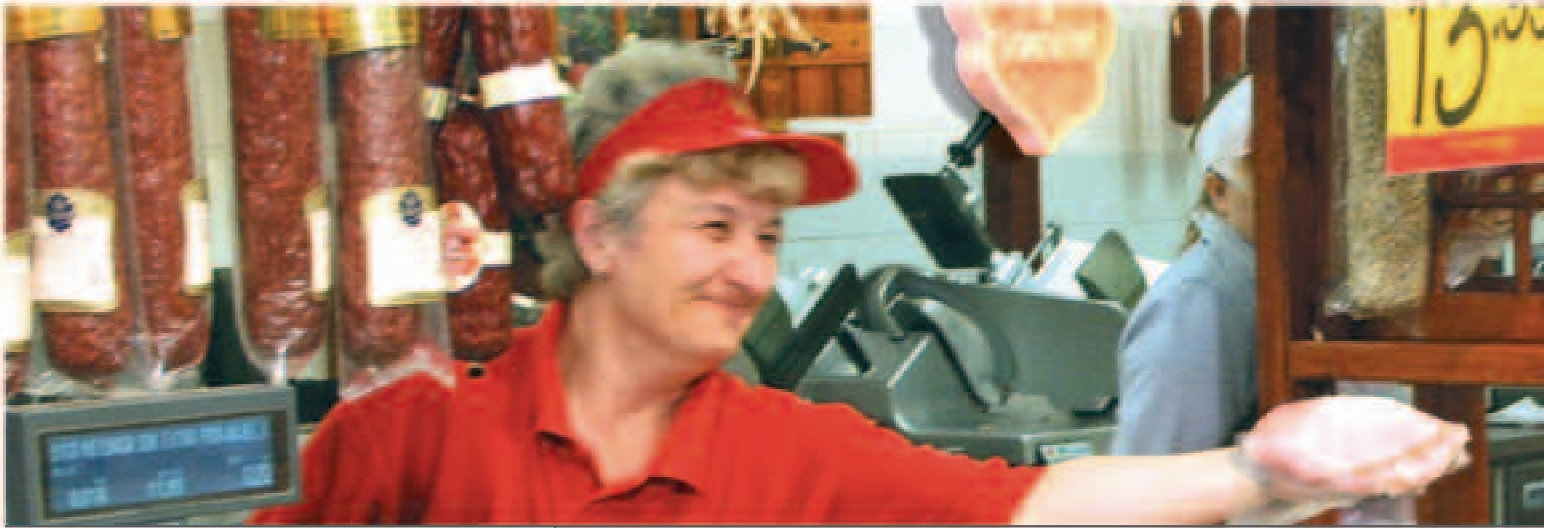
Organic pork saw positive developments in both domestic and export markets. Domestically, growth was driven by retail trade initiatives where the COOP, in the autumn, lowered the price of organic meat while other retailers were persuaded to focus more on organic meat. In export markets, too, sales increased following a committed effort, especially in the UK market.

Particularly satisfying was the fact that the organic supplement developed positively throughout the year from DKK 0 per kg at the beginning of the year to DKK 4.10 per kg.

Organic cattle saw turnover growth of 25%. As earnings were good, the supplementary payment for this segment reached a historic high.

Limousine had a stable year with turnover in line with last year.

In the case of the smaller product categories, the year was less satisfactory. Angus suffered a substantial decline in turnover and payments to suppliers came under pressure. Hereford and lamb were abandoned during the year and are no longer sold.



Record pork exports

Nevertheless, 2003/04 was a turbulent year for pork in global markets

Export markets

In terms of sales, 2003/04 was a highly turbulent year.

Pork consumption increased globally following the first confirmed case of BSE in the US on December 23, 2003, which closed many markets to American beef, and the subsequent outbreak of bird flu, which rapidly spread to South Asia and then to other regions. The increase was particularly noticeable in Japan whose imports of American beef and poultry from Thailand and China had been substantial.

This situation benefitted Danish pork exports, an example of the value of broad market access.

Exports to the enlarged EU amounted to 61.5% of total exports against 64.5% last year when exports to EU countries rose significantly.

In volume terms, the company recorded its largest export volumes ever. The improved market situation resulted in a reduction in stocks.

For a brief period (from January 1 to the beginning of February), the EU extended subsidies for private warehousing followed by a short period of export restitutions. Both arrangements occurred at an advantageous time and contributed to the spring's price improvements.

Main markets

Germany: A 1% increase in volume should be regarded as satisfactory after last year's very strong growth of 21% and in view of the unusually weak barbecue season.

UK: Competition for customers in the bacon market was unusually tough and many new exporters arrived in the market. At the same time, intense competition between the multiples resulted in greater focus on price above quality, which does not benefit sales of products carrying the designation "DANISH".

These conditions led to a modest decline in bacon sales while sales of ham and other production meat increased by 7%.

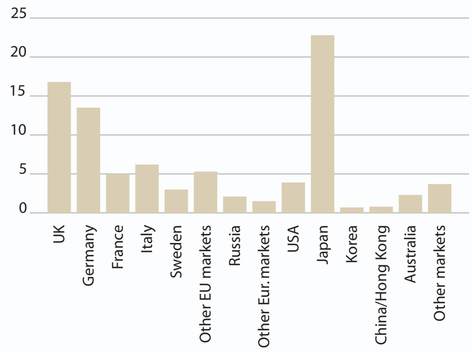
Italy: Largely unchanged volumes although sales of picnic shoulders increased.

France: An increase of over 20% was recorded after many years of falling sales. Ham is the main product.

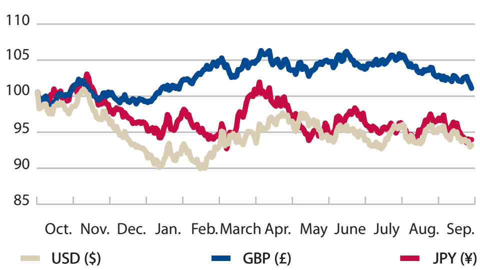
Sweden: Sales to the retail sector and the processing industry increased by 6% while sales of rind products to the gelatine industry fell.

Other former EU countries: Continued increase in exports to Holland and continued decline in the Greek market.

The Pork Division's exports in 2003/04 –in DKK and %



Development in exchange rates, indexed

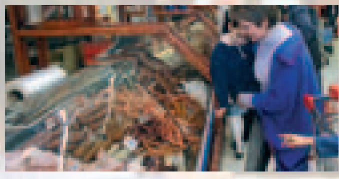


Record sales to Japan

While the UK remains Danish Crown's most important single market by far, Japan is the Pork Division's most important area. With a 17% advance in tonnage on the year, 2003/04 sales exceeded all previous records. Due to lower prices and foreign exchange rates, however, the financial side did not quite match the tonnage.

Enhanced co-operation

Polish consumers are well used to a widely differing range of fresh meat and high quality delicatessen products. One of the largest suppliers is Sokolow of which Danish Crown is co-owner after many years of supplying them with raw materials. As the relationship has now been strengthened, Sokolow's advantages with regard to low production costs and high quality combined with know-how from Danish Crown and HK Ruokatalo are set to benefit sales and competitiveness.



The Sokolow section at TESCO, Krakow

We create value

– by exploiting Danish Crown and Sokolow's respective strengths

Poland: A volume increase of 50% towards which the last five months made a strong contribution. Expectations remain high for both the processing industry and the retail sector.

Other new EU countries: Strong advances particularly in the Czech Republic and Hungary and unchanged sales to the Baltic countries.

Russia: Volumes were stable despite the quota scheme. Owing to slightly reduced supplies from Brazil, the latter part of the year saw sales of more expensive products improve.

The rest of Europe: Large advances in sales to Croatia, Rumania and Bulgaria. Advances are expected to continue in Croatia where Danish Crown has an office.

Japan: With a 20% increase in exports, a new volume record was set for this important market. The increase in pork was driven by the import ban on American beef and poultry from several countries.

Some of the increased imports were of a speculative nature which resulted in the build-up of very large stocks in Japan. Almost unavoidably this will hamper exports in the coming year.

Korea: After some years' difficulties in this market, large volume increases were achieved owing to increasing, regular sales of by-products.

China/HongKong: Another year of increased sales, which were up by approx. 20%. The Chinese market for by-products has shown strong demand and satisfactory prices.

Australia: With an increase of no less than 70%, the Australian market grew to a size that would have been unthinkable a few years ago. Danish raw materials used for bacon production have found a broad and loyal customer base.

USA/Canada: The market for barbecue rib products was good throughout the year with upward price trends. The customer base in the foodservice area expanded and total volumes increased by 6%.

Danish Crown backs Denmark's national team

As a food supplier, Danish Crown has an inherent interest in Danish gastronomy's international position. In recent years, Danish Crown has supported this objective through sponsorships which, in 2003/04, once more allowed Denmark to field a team of master chefs at the Gastronomic Olympics.

Danish/Finnish joint venture in Poland

In 2003/04, Danish Crown, in partnership with the Finnish meat group HK Ruokatalo, acquired approximately 70% of the shares in the Polish meat company Sokolow SA.

Sokolow, Poland's strongest brand business within the meat industry, achieved a turnover of approximately DKK 1.6 billion in 2003. The company, which runs a high level of added value production, produces a wide range of processed meat products based on own slaughterings of pigs and cattle although, in recent years, it has also purchased raw materials from, e.g. Danish Crown. Danish Crown has, therefore, been associated with the Polish company for several years.

The Sokolow stake gives Danish Crown access to new production and sales opportunities in the Polish meat industry - both locally and through access to other European markets.

Sokolow currently sells most of its production in the Polish market although exports are rising. Danish Crown sees the joint venture as providing significant potential due to Sokolow's competitiveness and wage levels which are significantly below those of Denmark and Germany.

Employing a workforce of 3,300, Sokolow slaughters up to 1,000,000 pigs per year and close to 100,000 cattle. A small proportion comes from the company's own production and the majority from farmers with supply agreements with Sokolow.

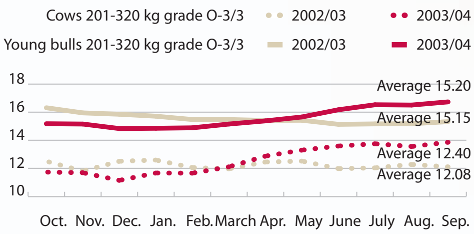
As the Danish/Finnish purchase of Sokolow's shares has been approved by the EU and the Polish authorities, Danish Crown, Sokolow and HK Ruokatalo have started to identify the opportunities that exist for optimising the Polish operations through co-operation, production agreements etc. The synergies, therefore are not expected to materialise until 2004/05.

Lorenz Hansen
Divisional Director

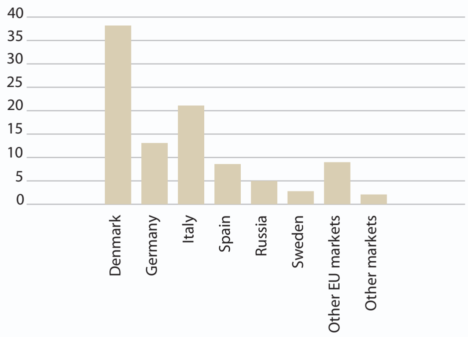
Record supplementary payments

2003/04 was a satisfactory year for the Beef Division

Price paid to farmers per kg – average price per kg



The Beef Divison's turnover in 2003/04 – in %



Main figures

Cattle supplies*	01/02	02/03	03/04
Weighed-in (million kg)	82.7	78.0	79.1
Cattle slaughtering (1,000 units)	334	312	318
Active suppliers	12,750	12,320	11,382

*Danish supplies exclusively

The Beef Division posted a profit of DKK 43.6 million, which reflects a positive development in the parent company and the subsidiaries, which all contributed positively to the result.

Reception and payment

415,482 cattle and calves were received during the year, an increase of close to 5% on the year.
In the Danish units the increase amounted to 2.2%, bringing the number of slaughterings to 318,132. The financial year, however, comprised an extra week compared to last year.
The share of national slaughterings was unchanged at approx. 59%.
97,350 animals were slaughtered at Husum representing a rise of 19% on last year. Husum accounts for approx. 27% of the total slaughterings in Schleswig-Holstein.

Production

The financial year recorded good capacity utilization at the slaughterhouses and cutting rooms. 40 hour working weeks were introduced at all slaughter plants and, coupled with alternating plant closures during the summer holiday period, this gave the Beef Division the necessary flexibility which not only generated some cost benefits, but also ensured that cattle were collected within the appropriate time limits.
The year saw strong focus on cost saving measures. To enhance competitiveness, piece rates for slaughtering and deboning were introduced in 2003/04. This will continue and the final result will fully materialise in the coming year.
All slaughtering and cutting plants are modern and fully rationalised. Once again, therefore, the Beef Division has been particularly cautious in terms of investment with levels significantly below depreciation.

Sales

With regard to sales, 2003/04 was characterised by relatively stable development.
The domestic market remains the Beef Division's most important market. Despite the continuing lower preference for Danish produced products and increasing competition from products from other EU countries and third countries, the Beef Division maintained its sales to the Danish market which continues to account for over half of the division's Danish production. As well as beef and veal, meat from young cattle advanced, particularly in the catering sector.

Chilling replaces salting

The hide company, ScanHide, is an asset to the Beef Division. In 2003/04, it was decided to make further investments in the Vester Skerninge plant to upgrade hide processing. Salt preservation was replaced by chilled storage, which has resulted in a significant reduction in environmental impact.

Recognition comes in time

In partnership with Danish Crown and the retail sector, a number of co-operative members have developed a veal concept marketed under the brand "Dansk Kalvekød" (Danish Veal). After some years of sluggish sales, the concept is now getting the attention it deserves. Animal welfare has high priority throughout the breeding process with plenty of space and straw, high veterinary standards and good production management. The result is a product which is attracting increasing numbers of customers and is being served in top-class restaurants.

A "Dansk Kalvekød" producer

We lead the way

– and, in partnership with veal producers, have created a unique product

While the anticipated upturn in sales of retail packed products has been slow to materialise, Danish Crown remains confident that this is only a matter of time.

Italy and Spain continue to be the Beef Division's most important European export markets. The two countries are the largest markets for young bulls from Denmark and although the Italian and Spanish customer structure is changing, the strong interest in Danish products remains. Last year's trend was for large volumes of deboned products rather than the previous half carcasses and bone in quarters.

Russia is the most important market outside the EU and is also the most important overall for a broad range of products. However, political problems during the year created some uncertainty with regard to market access and thus hampered the optimum exploitation of the potential inherent in the market.

The subsidiaries

The cattle slaughterhouse in Husum, Germany, developed particularly positively over the past year and made an excellent contribution to the year's profits. With 97,350 slaughterings, Husum has now reached the level of the previous year. Slaughtering is also expected to be on this level for the coming year.

A steadily increasing share of Husum's raw materials are deboned and an investment in a new cutting room at the slaughterhouse will be made in 2004/05.

ScanHide also performed well in a year when increased supplies of hides for processing and stronger focus on tanning operations contributed to the excellent results.

Accounts

Revenue for the parent company was highly satisfactory with profits exceeding expectations for both the 1st and 2nd half years. As last year, a competitive price was achieved. Several factors contributed to the positive development in earnings including cost savings, increased value growth from secondary activities and moderate investment levels.

The future

The greatest challenge for the year ahead is for the business to adapt to the immediate impact of the new EU reform in the shape of fewer animals for slaughter and enhanced competition.

In view of the Beef Division's modern and efficient operations, the Division is in a strong position to face the competition.

Danish Veal enjoys international recognition

Danish Veal has gained general recognition as a high quality product, particularly among Denmark's leading chefs.

French chefs also admire Danish Veal, which is distinguished by a darker colour and more flavour. The respect given to the product resulted in Danish Crown being selected as supplier of "Danish Veal" to the next unofficial world gastronomic championships, the Bocuse d'Or, which is held biennially in Lyon.

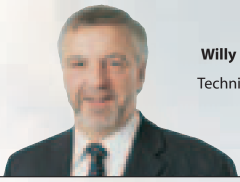
The competition is named after the French Master Chef, Paul Bocuse, who took the initiative for the championships in 1987 since when Denmark has participated in every competition. In 2005, Chef Rasmus Kofoed from Restaurant Gastronomique will represent Denmark.

The selection of "Danish Veal" for Bocuse d'Or has not only attracted the interest of the participating chefs, it has also put Danish meat in the spotlight. The Beef Division will obviously take advantage of this through a promotional campaign in the Danish market next year.

On-the-road profiling

Resulting from a committed effort, the Beef Division now benefits from fully competitive production facilities. In 2003/04, the Beef Division conveyed this message to Danish cattle producers by distributing a supplier magazine, inserting profile advertisements in the media and using the space on the sides of the division's refrigerated vehicles for advertising.

Bocuse d'Or
Concours Mondial de la Cuisine • *World Cuisine Contest*
2 0 0 5
bocusedor.com



Willy Mortensen
Technical Director

"Environment at Work" is Danish Crown's largest environmental project so far

The new slaughterhouse in Horsens was the main task of the year

In 2003/04, Danish Crown's technical and environmental work was strongly focused on the completion of the new slaughterhouse in Horsens. The running-in of the new cutting plant in Ringsted was also a major task. The experiences from Ringsted, however, have had a positive effect on Horsens in that they have reduced running-in time.
Foreign acquisitions also impacted on the department's work. Prior to purchase, technical and environmental assessments of the facilities were carried out and subsequently, especially in connection with Oldenburg, there were major tasks concerning production design and environmental applications.

The new slaughterhouse in Horsens

The major challenge of 2003/04 was the completion and running-in of the new slaughterhouse in Horsens. Towards the end of the financial year, the construction phase was completed so that only the completion of the area surrounding the slaughterhouse, i.e. the removal of the final cabins, the road system, planting etc. remained.
Inside, the running-in and testing of machinery has begun on a small-scale. This critical phase of the slaughterhouse project is expected to occupy the first months of the new financial year prior to large-scale slaughterings. First, slaughterings will be transferred from the Horsens plant and subsequently, the new slaughterhouse will introduce two shifts in connection with the transfer of slaughterings from Bjerringbro.
In view of the extent of this huge construction project, it is highly satisfactory to look back on a two-year construction phase without any serious work-related accidents. The rigorous safety requirements and regulations governing "good housekeeping", which Danish Crown incorporated into the construction project from the start, thus proved justified. Danish Crown received recognition of this work from the Danish Working Environment Authority.

Edible rendering plant

In 2003/04, Danish Crown carried out a rationalisation programme for the edible rendering plants. Until now, five plants have been operating – Skive, Ringsted, Blans, Herning and Tulip's plant in Sdr. Borup. In future, however, edible rendering will be concentrated at Blans, Skive and at the new slaughterhouse in Horsens. As part of the programme, the facilities are being upgraded so that the quality of fat and greaves products are enhanced. An added benefit is that less fat will be discharged with the waste water, resulting in annual savings.

Environmental costs

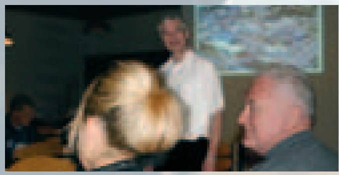
Expenses for: (DKK million)	Danish Crown parent company, total
Treatment and discharge of waste water	89.97
Disposal of slurry/dung	15.05
Waste management and removal of waste	5.74
Disposal of animal by-products	174.82
Total	**285.58**
Noise and odour measurements etc.	1.01

Technicians in the majority

During the final months of the financial year, a large number of technicians were working at the new slaughterhouse in Horsens registering and processing data from the trial runs of, e.g., the highly advanced cutting line, which photographs the carcasses and divides them accurately – more or less without human intervention.

Direct and straightforward contact

Danish Crown regards its impact on the external environment as extremely limited with low emissions from its production. Neighbours to the slaughterhouses sometimes take a different view because, from time to time, they are aware of smell and noise. Danish Crown sympathises with this and has asked residents to inform the slaughterhouses if they are inconvenienced. In this way, Danish Crown can identify the source of the smell or noise and take appropriate action.



Neighbourhood visit to Danish Crown, Grindsted

We take responsibility

– for reacting promptly to relevant enquiries about the environment

Neighbourhood groups

In 2003/04, Danish Crown enjoyed a constructive partnership with residents in areas around the slaughterhouses. The plants at Grindsted, Herning, Skærbæk, Holstebro and the new slaughterhouse in Horsens invited local residents to set up neighbourhood groups to facilitate contact in the event of problems with smell or noise. With direct contact to the slaughterhouse, the likelihood of rapidly locating the cause of the problem and rectifying it increases.

As part of Danish Crown's own environmental work, traffic in the local area is also monitored. Environmental staff frequently cycle around the local area, especially in the summer, to check smell and noise levels from the slaughterhouses.

The "Environment-at-Work" certification project

In 2003/04, Danish Crown embarked on its largest ever environmental project, the environmental and working environment certification of all the Pork and Beef Divisions' factories. Named "Environment at Work", the project will be crucial to future environment and working environment certification at slaughtering and cutting plants.

The certification is based upon the requirements of ISO 14001 for the external environment and equivalent international standards within the working environment (OHSAS 18001 and Directive 923). In addition, the certification contains a commitment to ongoing improvements.

Although the requirements were tightened during the year, Danish Crown is continuing the work because it is expected that the certification will generate sufficient additional benefits to make the project economically beneficial. Overall, certification will provide the individual companies with management systems that represent a major step forward compared to the current systems.

Neighbourhood audits

An important element in the environmental work is the ongoing work evaluation. In this respect, Danish Crown makes full use of its size in that a system has been devised under which the slaughterhouses and deboning departments audit each other twice a year, i.e. a slaughterhouse is visited by colleagues from another slaughterhouse who examine the plant's environmental and working environment conditions in minute detail. This marking system has proved to be highly beneficial and the scheme has contributed towards making the environmental work more dynamic.

Large supplier to biogas plants

Danish Crown is a large supplier to local biogas plants. All stomach and intestine contents, manure from transport vehicles and flotation slurry from the slaughterhouses are supplied to local biogas plants where the energy is extracted as heat and gas. The remainder is manure with a higher nutrient content and reduced smell.

Danish Crown's environmental impact

Each year Danish Crown prepares environmental accounts for the Danish production companies. These accounts are available from www.danishcrown.dk where the local environmental impact from each department is given.

The environmental impact is shown in this table:

Product	Process	Env. impact
	Transport and vehicle wash	• Noise • Manure waste • Wastewater • Smell
	Housing	• Ventilation noise • Smell • Waste water
Technical blood • Bristles •	Black killing floor	• Smell • Waste water
Casings • Intestines • Fat • Animal feed •	Clean killing floor	• Ventilation noise • Smell • Waste water • Combustible waste
	Cold store	• Condenser noise • Waste water • Cleaning
Non-edible • by-products	Cutting and deboning	• Waste water • Cleaning
Finished goods •	Despatch	• Vehicle noise

Danish Crown's environmental impact thus almost exclusively comprises organic components and the composition of waste water from Danish Crown's slaughterhouses has a beneficial impact in connection with the cleaning processes at the purification plants.

Impact from noise and smell are constantly monitored and investments are ongoing to limit such impact.

Waste volumes for biogas produce a gas volume of 3,675,000 m^3 – which corresponds to heat consumption in 887 households.

Jan Winther
Human Resources Director

Greater satisfaction – higher profitability

Danish Crown has reduced staff turnover and strikes have almost ceased

In recent years, Danish Crown has developed an HR function with the aim of optimising management and staff resources. Consequently, a number of activities have been developed to create a workplace with satisfied employees and with greater profitability.

Value-based behaviour

The Value-Based Behaviour project has been part of daily working life at Danish Crown for two years. The project has two objectives: to increase satisfaction and motivation among employees at the workplace and raise Danish Crown's profitability. Lower staff turnover results in decreased training costs.

Three polls have so far been carried out to establish whether progress has been made in benchmark designated areas. The surveys in the autumn of 2003 and one year later revealed progress in all benchmark areas with one exception. In addition, a number of changes aimed at improving supply stability, quality and competitiveness have been implemented following value meetings in individual departments.

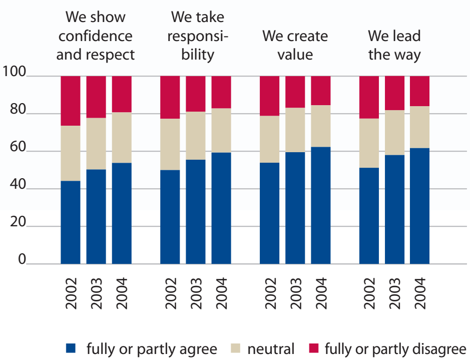
Foreman Project

As one important way of enhancing competitiveness is to optimise the management structure, 2003/04 saw particular focus on management development. A major project was the Foreman Project where all foremen at the Odense slaughterhouse and at Grindsted received coaching. The project has led to a significant improvement in staff relations, especially in absenteeism and staff turnover, two areas which are particularly cost heavy.

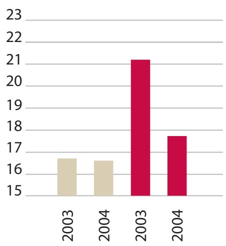
Recruitment

One of the major recruitment tasks of 2003/04 was to provide sufficient employees for the new slaughterhouse in Horsens. Recruitment for production will, in part, be through the transfer of employees from Horsens, Bjerringbro and Nørresundby and, in part, through a special project for socially disadvantaged groups and immigrants/refugees. Besides securing a sufficient number of employees, the projects will help to solve some of the challenges facing Danish society. The success rate has been the recruitment of over 80% of participants.

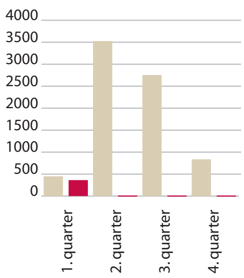
Level of satisfaction



Staff turnover in %



Lost working days owing to strikes



Integration award 2004 for Danish Crown

In recent years, Danish Crown has proved to be a popular partner for a number of local councils with which Danish Crown's factories have set up integration projects. The result has been a very high recruitment percentage among those who participate in the scheme. The scheme secured Danish Crown the Integration Award this year.

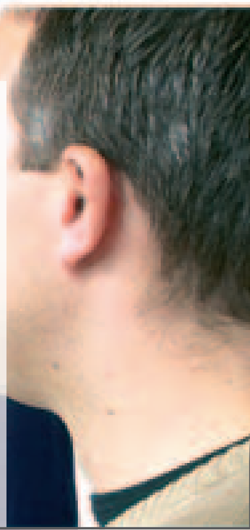
Greater responsibility towards the business

Through the "Value-Based Behaviour" project, Danish Crown aims at giving employees a greater understanding and a better impression of the individual's importance to the daily life of the business and, therefore, an enhanced sense of responsibility. At regular value meetings, employees focus on how to create a better workplace and meet the expectations of both owners and customers.

We show confidence and respect

– because motivated employees are an important resource

Value-Based Behaviour meeting



Processing

Sector division

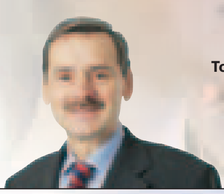
Danish Crown has divided its operations into sectors so that companies in the same business area come under the same umbrella. The objective is to secure an overall view of Danish Crown's activities in the individual sectors as well as creating an overall view of the key figures.

Growth in the processing sector

Comprising Tulip Food Company, Tulip Ltd and Plumrose USA, the processing sector is a strategic growth area. Sales and turnover figures demonstrate that, in 2003/04, the sector experienced strong growth. This is expected to continue in 2004/05 when the effects of recent acquisitions will materialise. In certain parts of the processing sector, however, the result was unsatisfactory.

Processing sector	01/02	02/03	03/04
Sales, tons	319,503	346,610	430,500
Turnover (DKK million)	10,051.0	10,421.0	12,685.8
Profit on ordinary operations (DKK million)	445.4	432.3	360.7
Profit on ordinary operations in % of turnover	4.4%	4.1%	2.8%

DANISH CROWN



Torben Skou
CEO

New opportunities in a difficult year

The year's restructurings point to an improved result in 2004/05

Key events during the year

The 2003/04 financial year presented considerable difficulties but also new opportunities. Earnings were affected by low exchange rates and extraordinarily large price increases for raw materials in Europe. The running-in of the Svenstrup factory was a contributory factor as the planned improvements failed to materialise. The factory, however, is expected to have achieved these improvements by January 1, 2005.

The planned changes to the production structure proceeded while new opportunities for increasing competitiveness opened up following Tulip Food Company and Danish Crown's acquisition of the German company, Oldenburger Fleishwaren GmbH on March 1, and Danish Crown's joint venture, regarding the Polish Sokolow S.A. in August.

Sales

The fact that markets, in general, were under strong pressure was a major challenge to Tulip Food Company's competitiveness. In overseas markets, however, Tulip maintained a strong position.

As American sales of ribs were transferred to Danish Crown, Tulip Food Company in the US will now focus on sales of processed meat products.

In key European markets, sales were above 2002/03 levels, but earnings were affected by the tough market conditions. Particularly within the retail sector, prices declined as a result of the discount sector's growth.

In Sweden, Norway and Finland sales and earnings developed satisfactorily.

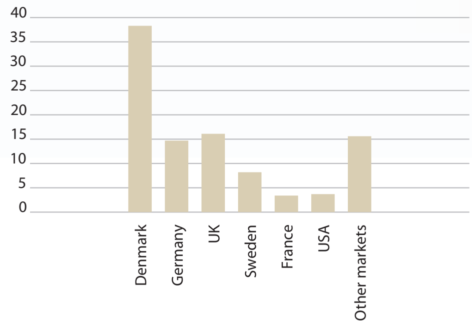
In the Danish retail sector conditions proved particularly difficult as Tulip Food Company's brands came under pressure from cheaper, foreign brands and own label products.

Production

Over the past two years, there has been substantial focus on rationalisation and restructuring and concentration of production to establish the optimum production structure. Aimed at further savings, this process will continue over the coming years.

In connection with the optimisation of the production structure, a major product transfer took place between the factories. Following the closure of the Brønderslev factory at the end of 2003/start of 2004, the factory's production was transferred to the factory in Schüttorf, a move which has resulted in significant competitive advantages. Toast production was moved to Fåborg and the factory in Odense was closed. The transfer of production to the new factory in Oldenburg from the factories at Vejle harbour and Viby, which both close in 2004/2005, was also initiated.

Tulip Food Company's turnover in 2003/04 in %



Main figures

	01/02	02/03	03/04
Sales, tons	172,891	199,883	201,036
Turnover (DKK millions)	4,994.3	5,270.9	5,380.8
Employees (average)	2,692	2,793	3,312

Increased competitiveness

Tulip Food Company's new factory in Oldenburg, Germany, will significantly increase competitiveness in Germany and other markets. Initial experiences from the factory are encouraging and the factory is expected to operate at similar efficiency levels as the Group's other factories, but with lower costs.

Partnership for healthy food in sports centres

Tulip Food Company has assumed responsibility for encouraging children and young people to eat healthily. The project, in partnership with the Danish Cancer Society, the Department for Human Nutrition and a number of other food companies, aims at developing healthy alternatives to food available at sports centres and clubs. The assumption is that children and young people eat healthily if the food is sold where they meet up. New and healthy fast food concepts, developed for sale in sports centres, will be tested in the New Year.

We lead the way

– because we wish to address obesity problems

From the DGI House canteen in Århus

Food safety

Food safety is crucial for Tulip Food Company. For this reason, a standard group quality system has been established and a new central laboratory commissioned. These investments will prepare Tulip for the quality-related challenges of the future.

Innovation

Tulip Food Company's innovation centre at the Vejle Nord factory has developed a range of chilled, traditional, convenience stews under the new LIVRETTER brand for the Danish retail sector and prospects are promising.

In addition, the year saw a broad range of other new products, including new varieties of cooked meat for the German market, canned patés for Europe, frozen meals under DEN GRØNNE SLAGTER (THE GREEN BUTCHER) brand for Sweden and a new range for the US.

Accounts

Although sales and turnover were on a par with last year, profits did not meet expectations.

The difficulties at the factory in Svenstrup had a significant impact on the accounts. The acquisition of Oldenburger Fleishwaren GmbH also impacted on the accounts by approx. DKK 40 million as a result of the winding-down of production in Denmark and the running in of production in Germany.

Low exchange rates and major increases in certain raw material prices in Europe (particularly raw materials used in sausage and minced meat production) also played a part. Although there was a need to raise prices, the market situation made it impossible to compensate for this fully.

Altogether, these factors impacted adversely on the year's earnings and the result must be regarded as unsatisfactory.

Expectations for 2004/05

Despite continued tough competition, profits for 2004/05 are expected to be at a higher level than in 2003/04. However, the uncertainties relating to the record high increases in raw material prices and the relatively low exchange rates will create extra challenges and significant uncertainty.

The planned factory closures and production efficiencies will also generate synergies and lower cost levels.

Delicious LIVRETTER in a jiffy

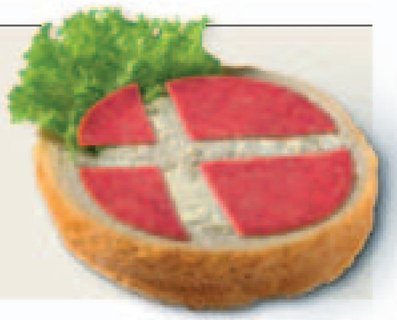
In 2004, Tulip Food Company launched LIVRETTER, a new brand within the convenience category. Danish Prime meatballs and Menuet chicken fillets were the first products launched under the new name. These were subsequently followed by three newly developed traditional, chilled stews.

The stews come in practical packaging, ready to heat in the microwave or oven and serve 2. The Livretter concept is unique as consumers can make the dish their own by selecting their own accompaniments (mashed potato, rice, pasta or bread).

The LIVRETTER stews are, like the other products in the range, produced from quality raw materials with the minimum of additives and with plenty of flavour. All varieties are low in fat (between 1% and 4%) and, therefore, represent a further step towards providing consumers with healthy, quality food products.

Salami success in Norway

In less than one year, TULIP has achieved a high profile in Norwegian stores. Since sales started in November 2003, Tulip's market share for salami has grown to approx. 15% with a distribution rate of 60%. Interest in salami, red sausages, liver paté, burgers and bacon among Norwegian consumers is considerable.



Carsten Jakobsen
Chairman

Tulip Ltd met ambitious target

Acquisitions have significantly strengthened Tulip Ltd's position

2003/04 was a challenging year for Tulip Ltd. Although following the acquisition of Hygrade Foods on March 31, 2003, an ambitious target was set, profits met expectations.
The major event during the 2003/04 financial year was the acquisition of Flagship Foods Ltd on June 29, 2004, which more than doubled Tulip Ltd's annual turnover. The acquisition represents a very important strategic step for the Danish Crown Group in the UK market and Flagship made a positive contribution to the result for the final three months of the year.

Sales

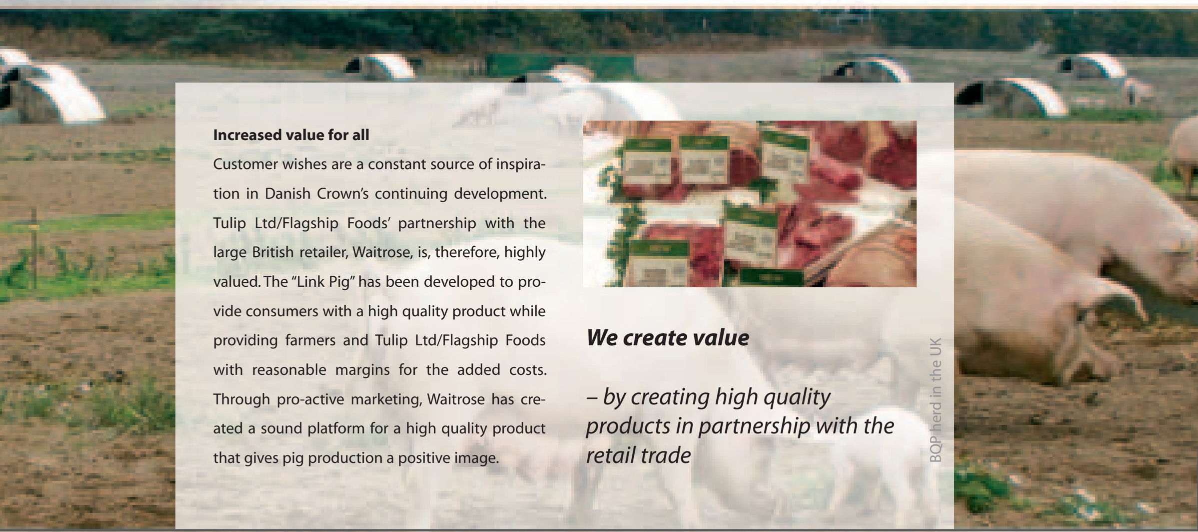
The market situation for the year under review was characterised by ever intensifying competition between the multiples, which put increased pressure on Tulip as a significant supplier.
Turnover for 2003/04 was DKK 6 billion, an advance of DKK 1.9 billion.
Bacon sales came under pressure due to tough price competition. Production capacity in the bacon industry exceeds demand and on the backdrop of plentiful supplies of raw materials, the expected improvement in earnings did not materialise. The DANEPAK and TULIP brands contributed to maintaining reasonable sales.
Sales of ham and other cooked meats continued their upward trend. The acquisition of Hygrade Foods in 2003 significantly strengthened Tulip's position and although there is substantial cooked meats capacity within the sector, Tulip's capacity utilization is substantial. Tulip offers a broad product portfolio, ranging from high quality hams to standard products with a relatively large proportion of its products in the high quality segment. This has secured Tulip a strong position within the ham and cooked meats area.
Within the area of fresh chilled sausages – a new product area for Tulip that came with Hygrade Foods – sales are developing positively. Tulip's capacity utilization is practically optimal, which provides a strong competitive edge.
Within the canned sector, sales of SPAM and STAGG continued to rise. These products are produced in Denmark under licence from Hormal Foods Corporation and are sold in the UK by Tulip Ltd.
Poultry products from the Morecambe factory remained a difficult area. Despite an encouraging improvement in sales, the readjustment phase coupled with price developments for chicken meant that the anticipated improvement in the result failed to materialise.

Main figures

	01/02	02/03	03/04
Sales, tons	85,177	109,018	178,566
Turnover (DKK millions)	3,644.9	4,129.0	6,026.2
Employees (average)	2,365	2,962	4,060

High profile special pigs from BQP

With the acquisition of Flagship Foods, Danish Crown/Tulip Ltd became the owner of BQP, a Waitrose-dedicated pork supplier.
The pork – and the story behind it – is actively marketed on packaging and is also used in a rich variety of sausages.



BQP herd in the UK

Increased value for all

Customer wishes are a constant source of inspiration in Danish Crown's continuing development. Tulip Ltd/Flagship Foods' partnership with the large British retailer, Waitrose, is, therefore, highly valued. The "Link Pig" has been developed to provide consumers with a high quality product while providing farmers and Tulip Ltd/Flagship Foods with reasonable margins for the added costs. Through pro-active marketing, Waitrose has created a sound platform for a high quality product that gives pig production a positive image.

We create value

– by creating high quality products in partnership with the retail trade

Production

2003/04 saw the start of two major projects aimed at improving cooked meat production. Modern and efficient facilities for the production of delicatessen hams are being established at Coalville and an investment in rational production of traditional cooked ham has been made at King's Lynn. As a result, Tulip will operate the most modern cooked ham plants in the UK.

Within the bacon area, the Flagship acquisition is expected to lead to rationalisation measures for the production apparatus.

Sausage production was particularly efficient.

Marketing and product development

To a large extent, product development takes place in close co-operation with individual retailers to ensure that the multiples receive products that match their ranges. A significant number of new products are developed in this way every year. Sales are supported through in-store activities. The brands, primarily bacon sold under the DANEPAK and TULIP brands and cooked meats sold under the PLUMROSE brand, are supported by direct marketing activities.

The result

Positive developments within ham, cooked meats and sausages meant that sales were significantly above expectations and profits for Tulip Ltd were in line with the forecast. In addition, there was a positive net result from Flagship for the three months during which the company was part of the Danish Crown Group.

Expectations for 2004/05

2004/05 will offer new and major challenges for Tulip Ltd. The purchase of Flagship provides excellent opportunities for the Danish Crown Group to maximise its position in the important UK market. Consequently, a signficant advance is expected for the coming year.

Within all product areas, Tulip enjoys a close relationship with the major multiples. This is expected to provide a sound platform for Tulip's continued development. With the Flagship acquisition, this position will be further strengthened as a result of a broader product portfolio and larger market shares within individual product areas.

Flagship acquisition increases processing capacity to 33%

As an important part of Danish Crown's strategy to increase processing levels, Tulip Ltd acquired the Flagship Group in June 2004, which comprises Dalehead Foods, Flagship Fresh Meats and Roach Foods.

Dalehead operates three slaughterhouses and retail packing plants. BQP, a part of Dalehead, is responsible for contract production of special pigs for the British retailer Waitrose.

Flagship Fresh Meats operates a factory where products from the three slaughterhouses are boned and retail packed.

Roach comprises four processing factories: Redruth, which slices bacon for retail customers, Launceston where bacon is sliced for food service customers, Bugle where joints and steaks are deboned, cured and produced and Bodmin which produces cooked meats and cooked bacon. Bodmin also comprises a head office and a distribution centre.

Flagship employs a workforce of approx. 4,000.

The acquisition has increased the level of processing within the Danish Crown Group from 28% to 33%.

Emphasis on detail

At Dalehead Foods' factory in Bury St. Edmunds, much of the production takes place by hand. The photo shows a production worker decorating a lamb joint. Dalehead Foods runs a largescale production of lamb products, where detail is all important.

Steven Mintz
Vice Chairman

John Arends
President

Plumrose's position strengthened in the USA

Plumrose emerges as a leading supplier of luncheon meat and bacon products in the USA

Plumrose USA enjoyed continued success for the 2003/04 year ended. As there was a significant increase in US dollar sales for the year, its profitable position was solidly maintained. Plumrose constantly progresses in its primary role as supplier of luncheon meat and bacon to both retail and foodservice customers.

Most of the year was devoted to the enhancement of the overall organizational structure ranging from the automation process to the management line-up across the various areas of responsibility. This concerted effort notably contributed to cost savings, to better service, and to the closer control of critical areas.

Production

The improvements effected in 2002/03 contributed to increasing capacity with minimal strain. The Council Bluffs facility, which had been under construction throughout 2003 and for the greater part of 2004, became operational in mid-October 2004.

Added cooler capacity at the Tupelo installation is now in full use. Additionally, during the course of the year, the use of rail transportation enabled Plumrose to move Council Bluffs' output quickly, and most importantly, at substantial cost savings. The Booneville plant is producing efficiently and to expectation thanks to the employment of multiple shifts. In 2003/04 new quality control methods were established to assure compliance with more stringent USDA regulations as well as to ascertain that production is safe and of the highest quality.

Product Development

Having successfully introduced new sliced meats such as Danola Supreme Deli, Thin and Tasty, and the new Combo packs, Plumrose extended its development strategy to include broader product areas that nonetheless serve as favourable companion offerings to the core lines. These include pulled pork and other meat products, packaged in convenient, gas-flushed tubs. Likewise, a range of pre-cooked ribs and sausage products was launched. These new lines are expected to contribute to further growth.

Expectations for 2004/05

Plumrose enters the new year with a new facility in Council Bluffs, Iowa. This addition to production capabilities represents a major benefit with regard to quality of product and for the maintenance of the critical need for slicing logs. Plumrose expects the popular DAK, PLUMROSE and DANOLA brands to further bolster deli counter sales for these products. Moreover, this year will see Plumrose USA's push into the Foodservice arena. Using the new capacity, Plumrose foresees this area becoming a substantial contributor to sales and profit growth.

Main figures

	01/02	02/03	03/04
Sales, tons	68,191	73,903	73,628
Turnover (DKK millions)	1,911.8	1,857.7	1,821.5
Employees (average)	797	902	941

Spectacular development

In recent years, Plumrose has seen explosive growth and continued advances in the US market. Today the company is a leading supplier of luncheon meat and bacon for the US retail and foodservice sectors – largely due to the American sandwich culture.

High technology increases profitability

Plumrose's latest investment in the Council Bluffs facility sets new standards. Together with the extension to the factory, new machinery has been installed for luncheon meat production. The facility is among the most advanced in the market and its production will be fully automated. Physically strenuous work has, therefore, been replaced by a few supervisors. The new process will also mean better food safety and improved product quality – as well as greater profitability.

We take responsibility

– by, like Plumrose, enhancing food safety

Plumrose's new production facility at Council Bluffs

Trading

Strong earnings in the trading sector

The trading sector comprises ESS-FOOD, DAT-SCHAUB International (DSI), Emborg Foods and Friland A/S. All made advances in both sales and turnover in 2003/04. Earnings made a strong contribution to the consolidated accounts.

Trading sector	01/02	02/03	03/04
Sales, tons	457,751	419,730	481,236
Turnover (DKK million)	7,001.1	5,750.5	6,212.3
Profit on ordinary operations (DKK million)	117.5	73.6	117.4
Profit on ordinary operations in % of turnover	1.7%	1.3%	1.9%

Henning Baunø
CEO

Another good year for ESS-FOOD

ESS-FOOD achieved a particularly good operating result despite difficult market conditions

ESS-FOOD's good year in 2002/03 was followed up with an even better performance in 2003/04 with better-than-expected results in all markets. In terms of volume, sales (apart from ESS-FOOD USA) increased almost 21% on the year, i.e. 13% above expectations. Turnover totalled DKK 2.4 billion, approx. DKK 180 million up on last year.

Sales

Pork sales totalled 91% in 2003/04 against 90% in 2002/03.

France: The French ESS-FOOD business made a positive contribution. Raynal Petersen, which trades in beef, and Desfis/Orléans (cutting/boning and sales of Danish and foreign pork) both posted a better than expected result.

Japan: Sales in Japan also exceeded expectations although this was largely owing to bird flu in the East and BSE in the US. In recent months, following the introduction of new safeguards, customers have switched their purchasing patterns from long-term to immediate requirements. This is expected to continue into the new year.

Hong Kong/China saw a volume increase of 28% and satisfactory earnings. Continued growth in sales to the Chinese market is expected in the coming year.

Korea: After some difficult years, the Korean market developed positively with increased sales of 37% on the year. As the activities were optimised at the same time, profits were more than twice than expected, but remain at a low level.

Benelux: The Benelux countries achieved a volume increase of 74% above budget. However, as prices failed to develop as expected, turnover "only" increased by 38%.

Production

After some minor running-in problems, the new plant at Desfis is working well and the benefits from the investment are expected to materialise in 2004/05.

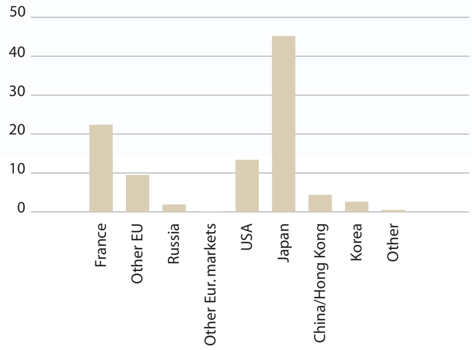
Accounts

The ESS-FOOD Division made an 18% year on year improvement in operating profit in 2003/04.

Expectations for 2004/05

A good result is expected for 2004/05 albeit at a slightly lower level. This is primarily due to tough market conditions and uncertainty in the Japanese market.

ESS-FOOD's turnover in 2003/04 distributed on markets in %

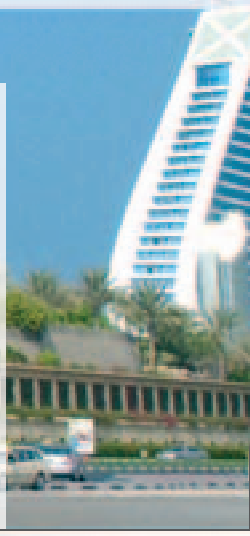


Main figures

	01/02	02/03	03/04
Sales, tons	22,088	127,932	144,612
Turnover (DKK millions)	2,407.5	2,219.8	2,400.1
Employees (average)	105	103	97

ESS-FOOD USA becomes DC USA

In mid 2003/04, ESS-FOOD USA was transferred to Danish Crown and renamed Danish Crown USA. This administrative transfer had no effect on sales activity, which benefits from American consumers' preference for Danish baby back ribs. Sales of Danish ribs were 24% above expectations for the full year.



From niche customer to important market

It is the responsibility of the Danish Crown Group's trading companies to cultivate potential markets and customers and to grow earnings by meeting market needs. One example is DSI's operations in Australia. DSI also sells a range of own label products, including in the Middle East, where DSI services the retail sector from its own office in Dubai. DSI also has substantial sales to the catering sector, i.e. to the UAE's international hotels.

We create value

– by cultivating new markets

Dubai with Hotel Burj Al Arab in the background

Holger Slotsager
CEO

Good year for DSI Group

Following a turnaround, all companies in the Group produced highly satisfactory results

To counter increasing competition in global markets, the DSI Group underwent a turnaround in 2002/03 based on cost control, the implementation of a risk management policy and a motivated team of employees. As a result, all companies in the DSI group produced highly satisfactory results. Turnover for the Group increased by DKK 232 million and sales by 22%. DSI's core business area is meat trading, which comprises pork 54%, beef 12%, poultry 27% and other products 7%.

Companies in the DSI Group

DAT-SCHAUB International A/S continues to export to more than 80 markets across the world and all plants made a positive contribution to the company's operations. Sales to Africa, South Africa, Australia and China were strong, while sales to the Middle East and the Far East as well as the performance of the poultry unit were in line with expectations. Russian and Eastern European sales were good for the first half year, while both markets performed extremely positively in the second half year. The results from these business areas have had a particularly positive effect on the company's result.

FINDANE proved to be a bright spot once again and the company achieved a particularly satisfactory result. Sales to the Baltic countries and to the UK were particularly good while other activities, including exports to Finland, were satisfactory and in line with expectations.

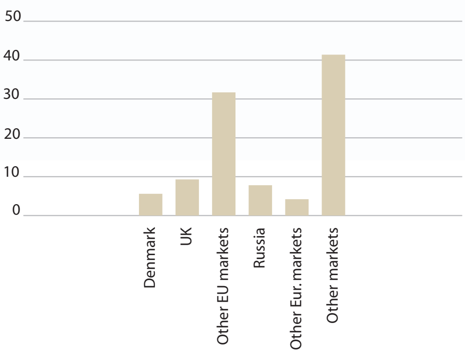
Dubai Meat Packers, which produces processed meat products for Middle Eastern markets, is owned by DSI and an Indian partner. The company had a difficult year due to rising raw material prices and limited scope for increasing sales prices. Despite this, the company finished the year with a positive result which, under the circumstances, should be regarded as satisfactory.

NoriDane, which is jointly owned by DSI and Gilde Norsk Kjøtt, focused on exports of products from Norway but also developed some business with goods for the Norwegian market. The company saw a positive development and the result should be regarded as satisfactory.

Expectations for 2004/ 05

The outlook for the DSI Group is positive and next year's result is expected to be on a par with this year. Synergies between the DSI Group's companies were good. In 2004/05, DSI Group will begin to co-operate with Swedish Meats with regard to exports. This is expected to contribute positively to the result.

DSI's turnover in 2003/04 distributed on markets in %



Main figures

	01/02	02/03	03/04
Sales, tons	211,330	169,126	206,650
Turnover (DKK millions)	2,719.0	1,770.0	2,002.4
Employees (average)	220	177	141

DSI in Brazil

DSI's responsibility within the Danish Crown Group is to identify niche areas within the field of meat trading. One new niche which DSI believes offers commercial potential is Brazil. DSI sells Brazilian pork, beef and poultry in export markets in partnership with Brazilian slaughterhouses.

Nils Dorin Jacobsen
CEO

Volumes and turnover maintained

However, Emborg Foods posted a small decline in profits

In 2003/04, Emborg Foods A/S maintained turnover and volume sales compared to last year. However, the continuing low exchange rate of the dollar, the fall in EU subsidies and internal restructurings caused a modest fall in profits.

Business units

The Meat Division, which primarily trades in pork, beef and poultry, had an excellent year with prices especially good for pork. Beef and pork volumes increased whereas sales of whole chickens declined. A new office in Shanghai generated increased sales to China and in general the Far East developed positively and new markets are showing clear, upward trends.

In *the Seafood Division* the year ended on a sluggish note, especially in Eastern Europe. Volumes were maintained, but profits did not meet expectations.

Business in *the Dairy Division* was affected by the low dollar rate, which reduced competitiveness in the Middle East. Changes in European market agreements and lower subsidies also had a significant impact. Notwithstanding, the year was satisfactory and expectations were fully met.

The Retail Division markets a broad range of own label food products for the retail sector primarily in the Middle East, Southern Europe, the Far East and Africa. On the backdrop of a low dollar rate and reduced competitiveness for Western European products, developments were positive. Profits were satisfactory with many new products in the pipeline.

The Catering Division's most important business is the Emborg AO subsidiary in Moscow which performed well. In view of the fast growing Russian economy, expectations for further growth are high.

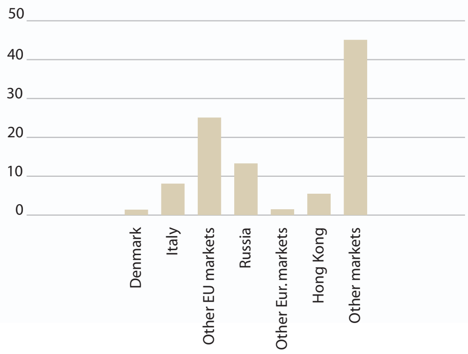
Dan Deli s.r.o. in Prague is back on course after a difficult period with flooding in central Prague, where the majority of the company's customers are located.

Emborg Foods Rumania SRL had an unsatisfactory year. Despite a successful launch, the Emborg brand failed to achieve sufficient volumes.

Positive expectations

Prospects for Emborg Foods A/S are good and improved earnings for 2004/05 are expected.

Emborg Foods turnover in 2003/04 distributed on markets in %



Main figues

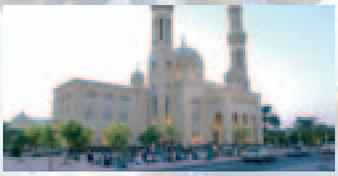
	01/02	02/03	03/04
Sales, tons	118,595	117,288	124,317
Turnover (DKK million)	1,714.2	1,595.8	1,622.1
Employees (average)	312	335	343

Golden Dane

In June 2004, Emborg Foods A/S purchased A/S Golden Dane Dairy, Århus, a trading company within the area of dairy products. The company's brands and products complement the activities in the Dairy division. Some staff will relocate to Emborg's head office in Svenstrup.

Snacks for Muslim markets

During the product development process, customers are firmly in focus and their wishes and requirements paramount. This was also the case when Emborg, in partnership with Dubai Meat Packers Ltd, developed a new range of "Mini Samosas", a type of snack consumed primarily in Muslim countries, especially during Ramadan, when the male population gathers outside the mosques and enjoys "Mini Samosas" from Emborg/ Dubai Meat Packers after sunset and prayer.



We take responsibility

– for developing new products which address special requirements

Gathering after prayer at the Jumeira mosque in Dubai

Other companies

Positive results from other companies

Other companies include Danish Bacon Company in the UK (DBC), SFK Systems and SFK Food. The internal insurance company, GALT A/S, is also included.

The companies are engaged in a broad range of activities. All the group's companies achieved a positive result.

Other companies	01/02	02/03	03/04
Turnover (DKK million)	2,739.8	2,842.1	3,138.1
Profit on ordinary operations (DKK million)	22.7	36.9	39.7
Profit on ordinary operations in % of turnover	0.8%	1.3%	1.3%

DANISH CROWN

Carsten Jakobsen
Chairman

10% increase in turnover

DBC foodservice's fleet fully multi-temperature

The past year has shown continued development of DBC's presence in the UK food-service market with turnover now reaching £193 million, reflecting a growth of 10%. A significant proportion of this growth arose from the acquisition of A-Z Foods (a London based foodservice business). The business is now totally integrated into the DBC operation.

Operation

The investment in new vehicles continued throughout the year, with the fleet now fully multi-temperature, enabling the delivery of frozen, chilled and ambient goods on the same vehicle.

The Birmingham depot was closed in August 2004 and the property sold. The branch was operating under severe operating constraints imposed by the City Council and was unprofitable. The majority of the business has been moved into the new Nottingham depot, which was commissioned last year. This closure will bring considerable business efficiencies and increased utilisation of assets.

Frozen facilities were installed at the Petersfield and Exeter depots to provide a 24-hour ordering facility.

There were considerable changes in the sales teams during the year to improve performance levels.

Accounts

The increased sales and gross margin has been negated by additional costs resulting in a trading profit similar to that earned in the prior year.

The business of Tom Granby (Liverpool) Ltd has now been divisionalised into DBC and is now generating a healthy profit.

Expectations for 2004/05

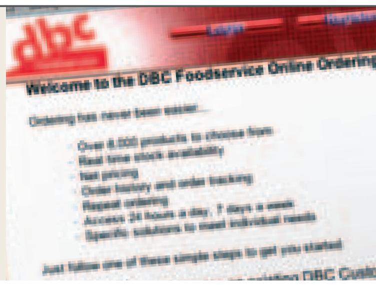
The foodservice market continues to be highly competitive, with further competitor consolidation occurring during the past year. DBC growth expectations for 2004/05 are significantly above the markets, resulting predominately from development of the significant frozen food opportunities together with the strengthening of the sales teams. Cost pressures are increasing, a consequence of the high fuel prices together with a shortage of HGV drivers in the UK.

Main figures

	01/02	02/03	03/04
Turnover (DKK millions)	1,668.3	1,926.4	2,109.8
Employees (average)	916	873	902

New DBC website

To strengthen its customer service, DBC Foodservice has updated their website. As well as cataloguing 8,000 product lines, the website offers customers a 24/7 service.



Exploiting SFK Systems' know-how

International competition is not only a challenge for Danish Crown's slaughterhouses. SFK Systems has also taken up the challenge and invested considerable resources in developing new machinery together with the Danish Meat Research Institute which automatises parts of the slaughtering process. During the process, SFK Systems' technicians have made full use of their skills and know-how and the company's robots have achieved considerable success in world markets – success which is illustrated by the contributions to the new slaughterhouse in Horsens.

Test run at SFK Systems in Aalborg

We lead the way

– and provide solutions for the automation requirements of slaughterhouses

Kim N. Carlsen
CEO

Focus on traditional slaughter lines

SFK Systems now operating in three divisions

The merger between SFK Meat Systems and SFK-Danfotech was finalised in March 2004 under the name SFK Systems A/S.
The restructuring of the organisation at the start of the year gathered all slaughtering activities under the Slaughtering Division and all processing under the Process Division. Production, purchasing etc. now come under the Factory Division.

Current operations

Slaughtering Division: By and large, the year progressed as expected albeit with lower-than-expected sales of robots. Production relocation by SFK's customers curbed growth within the high technology area and has brought focus back to more traditional slaughtering lines. Work on the new slaughterhouse in Horsens proceeded on schedule and trial runs will begin in the fourth quarter of 2004. As well as the project in Horsens, the Slaughtering Division delivered major consignments.
Process Division: As a result of substantial one-off costs in connection with previously supplied machinery to the US market, the division had a difficult year.
A new service concept for packing is to be launched at all cheese plants in Scandinavia.
In the weighing/data area, there was a major demand for SFK's new terminals.

Development

The year focused on the development of an automatic throat cleaning system for pigs and on a system for offal separation. A new thawing concept for frozen meat, which is thawed in massage units, was also developed.

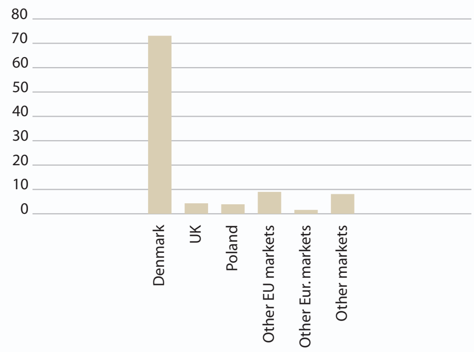
Accounts

Primarily owing to major one-off costs relating to the modification of machinery for the US market, the company did not meet its profit target for the year.

Expectations for the coming year

It is expected that the level of turnover can be maintained while profitability will rise significantly. Focus will be on sales within the slaughtering and processing areas with emphasis on the customer.

SFK Systems turnover in 2003/04 distributed on markets in %



Main figures

	01/02	02/03	03/04
Turnover (DKK million)	470.6	496.7	642.0
Employees (average)	327	350	375

Optimum precision

Among the new machinery at the Horsens slaughterhouse is a splitting saw from SFK Systems A/S. SFK Systems is the only company in the world to use a controlled process which loosens "feather bones", after which the carcass is fixed before being cut through by the splitting saw.
This achieves 100% precision.

Erik Vinkel
CEO

Amalgamation saves on investment

SFK Food increases focus on export markets

After a challenging 2003/04, SFK Food A/S, nevertheless, achieved a profit due to positive developments in the Norwegian and Swedish markets and focused reduction and control of capacity costs in the parent company.
In the summer of 2004, SFK Food's and DAT-Schaub's ingredients businesses were gathered under SFK Food. Subsequently, SFK consists of two production plants in Viborg and Hedensted. Production also takes place in Norway.
The merger of the ingredients businesses was driven by the desire for better resource and capacity utilization within the ingredients area and reduces the need for new investment because the two plants match each other well. Follow-up is proceeding as planned.

Sales

The internationalisation of the food market accelerated during the past year partly as a consequence of the enlargement of the EU resulting in Danish suppliers increasingly sourcing their food products from suppliers from new or existing EU members where processing costs are lower than in Denmark. This led to a decline in sales in the Danish market, while the Swedish market, which is subject to the same development trends, managed to compensate for this by increasing market share and turnover. SFK Norway succeeded in maintaining turnover and increasing profitability due to favourable exchange rates.

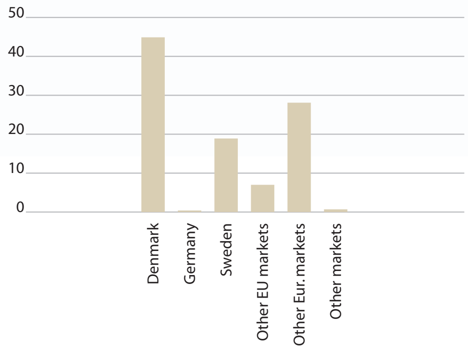
Increased internationalisation and focus on costs

To compensate for the stagnating Scandinavian market, SFK Food increased focus on export markets. To strengthen its competitiveness, the company also implemented a targetted reduction in capacity costs and met ambitious savings targets on the purchasing side. As a result, the earnings related consequences of the falling turnover were strongly reduced.

Expectations for the coming year

An improved result is expected for the coming year through increased internationalisation of sales, greater productivity and greater value growth for our customers.

SFK Food's turnover in 2003/04 distributed on markets in %



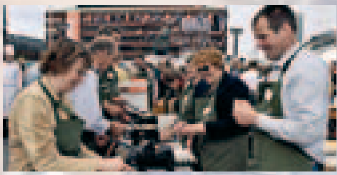
Main figures

	01/02	02/03	03/04
Turnover (DKK millions)	467.0	412.9	386.8
Employees (average)	129	130	146

The sector's most modern ingredients factory
In July 2004, SFK Food purchased DAT-Schaub's ingredients factory in Hedensted. The factory was completely renovated in 2002 and is now the most modern and efficient within the sector.

Breakfast sausages from Danish Crown

It was natural for Danish Crown to play a part when Danish agriculture invited Copenhageners to breakfast on the morning of Crown Prince Frederik of Denmark's wedding. Tulip supplied cooked meats for the rolls served at Axeltorv while in the Town Hall Square, there was great demand for spiced sausages made especially to mark the day. Thus the Danish Crown Group lent a particularly effective hand in the celebrations for the Crown Prince and Crown Princess Mary – a day of which Danish agriculture and participating farmers could be proud.



Danish agriculture's breakfast buffet at the Crown Prince's wedding

We take responsibility

– for contributing to the marketing of Danish agriculture

Jan Roelsgaard

CEO

Improved result despite low growth

DAT-Schaub anticipates increased international competition in the casings markets

2003/04 was a satisfactory year for the DAT-Schaub a.m.b.a. group which, despite a moderate growth in turnover, achieved a markedly improved result. The group also acquired a major German casings company.

DAT-Schaub a.m.b.a.

The group's parent company, DAT-Schaub a.m.b.a. received and processed 20,676,000 veterinary approved casings in the year under review, corresponding to an increase of almost 5% on the year.

Although the company's turnover is largely unchanged on the year, owing to better prices for certain products, staff cutbacks and cost reductions, gross profit increased significantly. Even though DAT-Schaub a.m.b.a. produces some of the world's best pig casings, high Danish wage levels limit the opportunity for competing on price. Wage costs reductions, therefore, are – and will remain – of crucial importance to continuing employment at Danish slaughterhouses. To the greatest possible extent, casings processing has already been transferred to lower cost countries like Portugal and China.

Other subsidiaries

The DAT-Schaub group's other companies performed satisfactorily and, with the exception of DAT-Schaub AB, Sweden, have all made a positive contribution. The companies offer a broad range of products which are largely sold in their own geographical markets although there is also some exports.

DAT-Schaub AB's result was affected by difficulties stemming from declining numbers of pig casings at cost levels approaching Danish levels. In connection with the purchase of Swedish Meats' casings business, which now comes under DAT-Schaub AB, Sweden, a casings factory in Lisboa, Portugal, was also acquired. Its production has now been transferred to the DAT-Schaub factory in Porto.

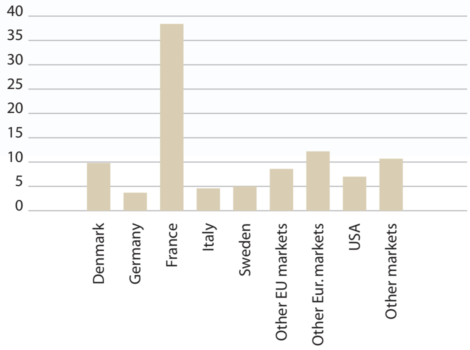
Accounts

Acquired on August 1, 2004, the German casings production business is not included in the current year's income statement, but in the balance sheet.

The future

The German acquisition is expected to make a positive contribution to the consolidated result for 2004/05. However, a lower result is expected for 2004/05 owing to tougher competition in global markets.

DAT-Schaub's turnover in 2003/04 distributed on markets in %



Main figures

	01/02	02/03	03/04
No. of casings (million)	19.5	19.7	20.7
Turnover (DKK million)	1,693.8	1,667.7	1,697.4
Employees (average)	2,107	1,993	1,875

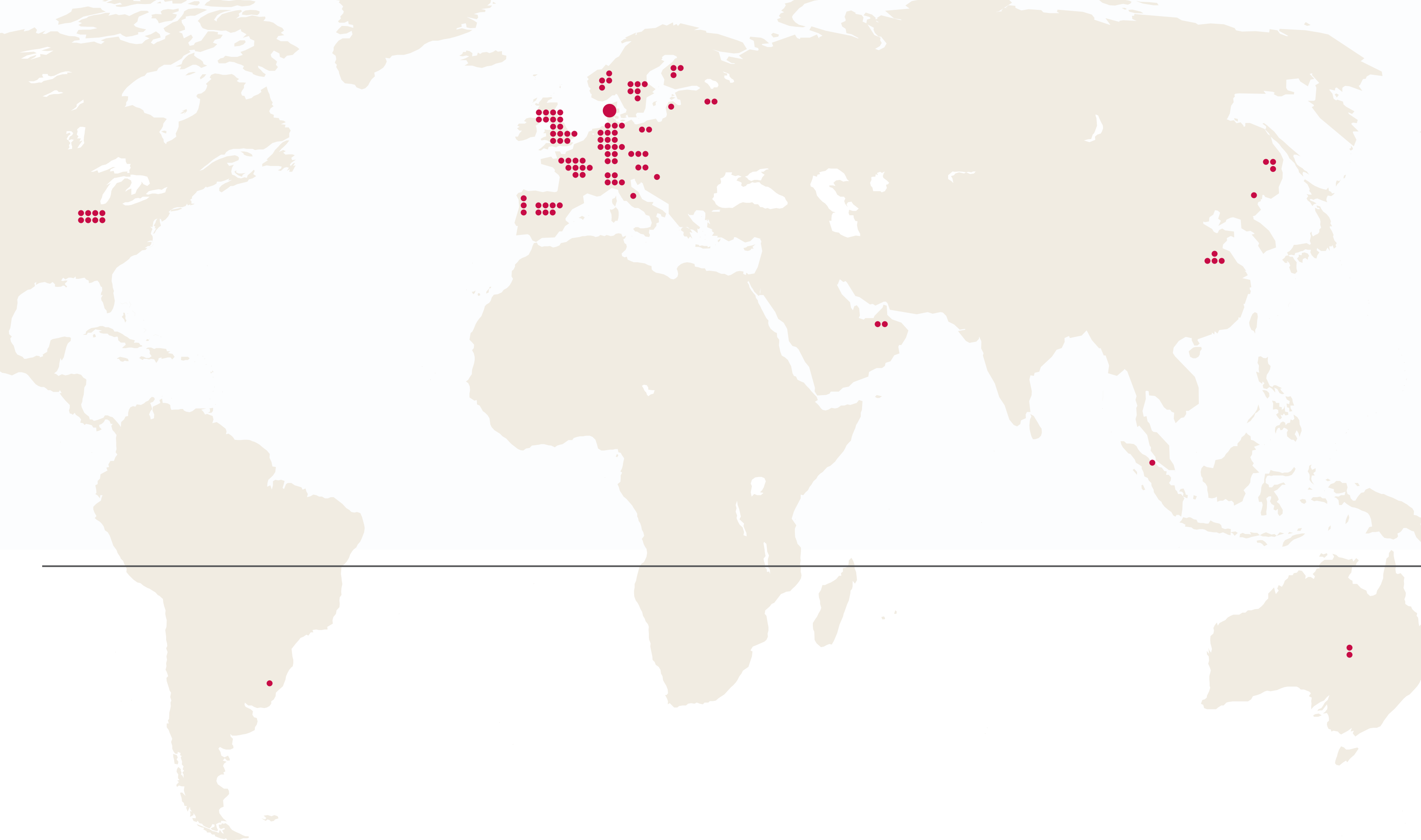
Stronger position in the German market

DAT-Schaub has had a long-term ambition for reinforcing its position in the German market. This was the motive for the acquisition of DIF Küpers and its subsidiaries in August 2004. This means that DAT-Schaub now owns a business group in Germany which receives more than 10 million casings.

Danish Crown has become even more international

During 2003/04, the Danish Crown Group strengthened its presence in international markets as well as its competitiveness through acquisitions of production plants in the UK, Germany and Poland. Moreover, Danish Crown and its subsidiaries are supported by sales companies and sales representations in countries where such offices are warranted.

It is Danish Crown's policy to establish and close down sales offices in keeping with the potential of the individual markets.



Exports to premium markets

With exports of approx. 90% of its Danish production, Danish Crown's products are subject to freight costs which do not apply to domestic competitors. Consequently, Danish Crown has to sell its products in markets where it can achieve higher prices in order to – as a minimum - offset the extra costs. Some of these markets are overseas such as Japan and the US. The consignments are despatched in freezer containers on board container vessels, which only call at ports such as Århus and Hamburg.

We create value

– by increasing sales in premium markets

Loading freezer containers at the Port of Århus

Consolidated and financial statements

DANISH CROWN

Preben Sunke
CFO

Accounting policies

Basis of accounts
This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large) and Danish accounting standards.
The accounting policies applied are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group and the value of the assets can be measured reliably.
Liabilities are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.
On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each item.
Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.
Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recorded in the income statement as financial income or financial expenses.

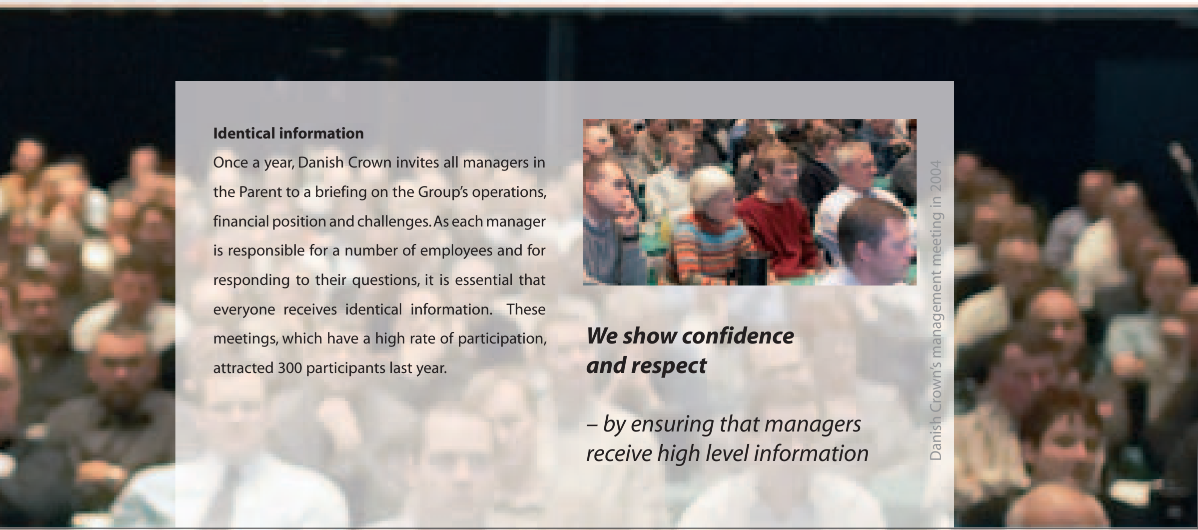
Consolidated financial statements
The consolidated financial statements are prepared on the basis of the annual reports of the Parent, Danish Crown AmbA, and its subsidiaries in which the Parent directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.
Associates which are managed together with one or more other enterprises (joint ventures) are consolidated on a pro rata basis, which implies that the individual accounting items are included in proportion to the share of ownership of the enterprise. Other associates are included at the proportionate share with which they have contributed to the result and equity (equity method).

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent, its subsidiaries and pro rata consolidated enterprises. The consolidated financial statements are prepared by combining uniform items. On consolidation intragroup income and expenses, intragroup accounts as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have primarily been prepared applying the Group's accounting policies.
Subsidiaries' items are recognised in full in the consolidated financial statements. Minority interests' pro rata share of profit/loss and the net assets are disclosed as a specific item in the income statement and the balance sheet, respectively.
Investments in subsidiaries and enterprises consolidated on a pro rata basis are offset at the pro rata share of the net assets of such subsidiaries and enterprises at the takeover date with net assets having been calculated at fair value.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding up.
The purchase method is applied in the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of the restatements.
Positive differences (goodwill) between the cost of the acquired share and the fair value of the assets and liabilities taken over are recognised under intangible assets, and amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet as deferred income, and they are recognised in the income statement as such adverse development is realised.

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

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet



Identical information

Once a year, Danish Crown invites all managers in the Parent to a briefing on the Group's operations, financial position and challenges. As each manager is responsible for a number of employees and for responding to their questions, it is essential that everyone receives identical information. These meetings, which have a high rate of participation, attracted 300 participants last year.

Danish Crown's management meeting in 2004

We show confidence and respect

– by ensuring that managers receive high level information

date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.
On recognition of foreign subsidiaries, statements of income and items in the balance sheet are translated using average annual exchange rates. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange rate differences that arise when translating the foreign subsidiary's equity at the beginning of the year using the exchange rates on the balance sheet date are recognised directly in equity. Exchange rate differences that arise when translating the income statements of foreign subsidiaries from average exchange rates into exchange rates in effect on the balance sheet date are recognised in the income statement if the subsidiaries are integrated, foreign subsidiaries and are classified directly as equity if the foreign subsidiaries are independent, foreign subsidiaries.
Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in equity.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.
Changes in the fair value of derivative financial instruments are recognised in the income statement together with changes in the value of the hedged asset or liability.
Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are recognised directly in equity.

Income statement

Turnover

Turnover is recognised in the income statement when delivery is made, and risk has passed to the buyer. Turnover comprises invoiced sales plus export restitutions and less agency commissions.
Contract work in progress is, however, included based on the percentage-of-completion method.

Cost of sales

Cost of sales comprises direct and indirect costs incurred to earn turnover. In cost of sales, cost of raw materials including meat from members where such meat is entitled to supplementary payments, consumables and production staff and depreciation on production plant are included.
Cost of sales also includes costs of development projects that do not meet the criteria for recognition in the balance sheet, and amortisation of recognised development projects.

Distribution costs

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

Administrative expenses

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

Other operating income and expenses

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

Financial income and expenses

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

Extraordinary items

Extraordinary items comprise income and expenses which relate to events outside the Company's ordinary activities, and which are therefore expected to be non-recurring.

Income taxes

The tax charge of the year comprises current tax as well as change in deferred tax. Taxes are computed based on cooperative and income tax charged.
The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.
Deferred tax is recognised and measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax-based value of the assets is calculated based on the planned use of each asset.
Deferred tax assets, including the tax base of tax loss carry forward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.
In those parts of the Group which are liable to pay income tax and where joint taxation has been established, the tax charge of the year is fully allocated among the entities/subsidiaries with a positive taxable income.

Balance sheet

Intangible assets

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

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

Trademarks	10 years
Goodwill/goodwill on consolidation	up to 20 years

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

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

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

Property, plant and equipment

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

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

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

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

Land	is not depreciated
Buildings	20 to 30 years
Plant and machinery	10 years
Other fixtures and fittings, tools and equipment	5 years

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

Assets with short useful lives or with a cost of below DKK 20,000 are recognised as costs in the income statement at the date of acquisition.

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

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

Fixed asset investments

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

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

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

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

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

Other securities are measured at amortised cost.

Inventories

Inventories are measured at cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials and consumables consists of purchase price plus landing costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs as well as indirect production costs. Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation and write-down on machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

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

Receivables

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

Contract work in progress

Contract work in progress (construction contracts) is measured at the selling price of the work carried out at the balance sheet date. The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortised cost which usually corresponds to the nominal value.

Securities and investments

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

Provisions

Pension obligations:

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

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

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

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

The obligation which relates to the benefit-based schemes is calculated on an annual basis by way of an actuarial calculation based on certain conditions in respect of the future development in the rate of interest, inflation and expected average life of the employee, etc.

The actuarial net present value less the fair value of any assets related to the scheme is recognised in the balance sheet under pension obligations.

Actuarial gains and losses arising as a consequence of the change in the assumptions upon which the calculation of the pension obligation is based or in the calculation of the assets related to the pension scheme are recognised in the income statement.

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

Other provisions

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

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

Mortgage debt and debt with other credit institutions

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

Lease commitments

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

Other financial liabilities

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

Deferred income

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

Cash flow statement

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

Cash flows from operating activities are calculated as the profit of the year adjusted for non-cash operating items and working capital changes etc.

Cash flows from investing activities comprise payments in connection with the purchase and sale of intangible assets, property, plant and equipment as well as fixed asset investments.

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

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

Segment information

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

Statement and report

Randers, 23 November 2004

Statement by the Management on the annual report

Today we have presented the annual report of Danish Crown AmbA for 2003/04.
The annual report has been presented in accordance with the Danish Financial Statements Act and Danish accounting standards.
We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Group's and the Parent's assets, equity and liabilities, financial position, results and cash flows.
We recommend the annual report to be adopted by the Board of Representatives.

On the Executive Board	Kjeld Johannesen *CEO*	Carsten Jakobsen *Vice-CEO*	Preben Sunke *CFO*	Jens Haven Christiansen *Executive Director*
	Torben Skou *Executive Director*			
On the Supervisory Board	Niels Mikkelsen *Chairman*	Bent Claudi Lassen *Vice-chairman*	Jens Lorenzen *Vice-chairman*	
	Karl Kristian Andersen	Per Højgaard Andersen	Erik Bredholt	John Brædder
	Bjarke Christiansen	Peder Damgaard	Per Frandsen	Erik Ugilt Hansen
	Hans Klejsgaard Hansen	Preben Hansen	Asger Krogsgaard	Erik Larsen
	Kaj Kragkær Larsen	Peder Philipp	Leo Christensen (e)	Hans Søgaard Hansen (e)
	Jens Pedersen (m)	Jørgen H. Rasmussen (e)	Søren Tinggard (e)	*(e) Employee representative*

Auditors' report

To the members of Danish Crown AmbA
We have audited the annual report of Danish Crown AmbA for the financial year 2003/04.
The annual report is the responsibility of the Company's Management. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of opinion
We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report.
An audit also includes assessing the accounting policies used and significant estimates made by the Management, as well as evaluating the overall annual report presentation.
We believe that our audit provides a reasonable basis for our opinion.
Our audit has not resulted in any qualification.

In our opinion, the annual report gives a true and fair view of the Group's and the Parent 's financial position at 3 October 2004 and of the results of their operations as well as the consolidated cash flows for the financial year 2003/04 in accordance with the Danish Financial Statements Act and Danish Accounting Standards.

Viborg, 23 November 2004

DELOITTE
Statsautoriseret Revisionsaktieselskab

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

Income statement

29 September 2003 - 3 October 2004

(DKK million)

		Group		Parent	
	Note	**2003/04**	**2002/03**	**2003/04**	**2002/03**
Turnover	**1**	**44,369.8**	**40,367.7**	**24,359.2**	**23,422.6**
Production costs		-37,453.8	-33,722.3	-21,223.0	-20,314.7
Gross profit		**6,916.0**	**6,645.4**	**3,136.2**	**3,107.9**
Distribution costs		-3,749.2	-3,606.9	-1,480.7	-1,399.0
Administrative expenses		-1,498.0	-1,484.5	-606.9	-670.9
Operating profit from ordinary activity		**1,668.8**	**1,554.0**	**1048.6**	**1,038.0**
Other operating income		12.8	12.1	0.0	0.6
Other operating expenses		-24.5	-23.2	-16.7	-15.1
Operating profit		**1,657.1**	**1,542.9**	**1,031.9**	**1,023.5**
Share of profit/loss before tax in subsidiaries	5	0.0	0.0	439.8	354.9
Share of profit/loss before tax in associates		87.8	82.3	62.8	77.8
Income from other investments		0.3	2.4	0.3	2.3
Financial income	6	166.3	188.3	132.0	169.3
Financial expenses	7	-519.3	-450.5	-289.0	-286.2
Profit before tax		**1,392.2**	**1,365.4**	**1,377.8**	**1,341.6**
Tax on profit for the year		-118.5	-144.3	-117.0	-127.4
Group profit for the year		**1,273.7**	**1,221.1**	**1,260.8**	**1,214.2**
Minority interests' share of profit		-12.9	-6.9	0.0	0.0
Profit for the year		**1,260.8**	**1,214.2**	**1,260.8**	**1,214.2**

Distribution of profit:					
For distribution:					
Profit for the year	8			1,260.8	
Total amount for distribution				**1,260.8**	

To be distributed as follows:					
Supplementary payments					
Pig-supplying members 1,573,418,648 kilos of DKK 0.70				1,101.4	
Sow-supplying members 79,009,749 kilos of DKK 0.60				47.4	
Cattle-supplying members 75,147,189 kilos of DKK 0.80				60.1	
Total supplementary payments				**1,208.9**	
Transferred to equity					
Transferred to reserve for net revaluation of investments				23.5	
Transferred to other reserves				28.4	
Transferred to equity				**51.9**	
Total amount distributed				**1,260.8**	

Balance sheet

Assets at 3 October 2004

(DKK million)

		Group		Parent	
Fixed assets	**Note**	**3.10.2004**	**28.9.2003**	**3.10.2004**	**28.9.2003**
Intangible assets	9				
Trade marks etc.		9.7	6.4	0.0	0.0
Goodwill		34.8	30.5	0.3	0.4
Goodwill on consolidation		1,060.7	319.0	0.0	0.0
Total intangible assets		**1,105.2**	**355.9**	**0.3**	**0.4**
Property, plant and equipment	10				
Land and buildings		4,442.0	3,634.9	1,491.8	1,717.5
Plant and machinery		2,168.9	1,753.1	624.4	593.3
Other fixtures and fittings, tools and equipment		495.3	428.8	157.7	179.7
Property, plant and equipment in progress		2,627.8	1,345.3	2,136.4	1,200.7
Total property, plant and equipment		**9,734.0**	**7,162.1**	**4,410.3**	**3,691.2**
Fixed asset investments	11				
Investments in subsidiaries		0.0	0.0	1,717.7	1,426.0
Receivables from subsidiaries		0.0	0.0	78.7	100.5
Investments in associates		473.1	557.3	654.7	532.4
Other securities and investments		181.5	38.7	152.8	16.8
Total fixed asset investments		**654.6**	**596.0**	**2,603.9**	**2,075.7**
Total fixed assets		**11,493.8**	**8,114.0**	**7,014.5**	**5,767.3**
Current assets					
Inventories					
Raw materials and consumables		745.5	469.4	25.4	37.4
Work in progress		307.7	246.7	144.7	120.5
Finished goods and goods for resale		2,541.4	2,597.8	996.5	1,210.7
Total inventories		**3,594.6**	**3,313.9**	**1,166.6**	**1,368.6**
Receivables					
Trade receivables		5,520.2	4,876.6	1,651.8	1,819.4
Contract receivables		268.2	264.1	268.2	264.1
Contract work in progress		32.8	32.6	0.0	0.0
Receivables from subsidiaries		0.0	0.0	2,330.2	1,827.9
Receivables from associates		17.2	6.3	1.8	3.7
Other receivables		624.6	374.7	215.2	429.6
Deferred tax assets	12	0.0	22.1	0.0	0.0
Required deposit to members accounts		259.1	250.1	259.1	250.1
Prepayments		79.5	71.6	40.8	30.3
Total receiveables		**6,801.6**	**5,898.1**	**4,767.1**	**4,625.1**
Securities and investments		**94.9**	**1.6**	**0.0**	**0.0**
Cash		**291.1**	**393.2**	**37.4**	**141.8**
Total current assets		**10,782.2**	**9,606.8**	**5,971.1**	**6,135.5**
Total assets		**22,276.0**	**17,720.8**	**12,985.6**	**11,902.8**

Balance sheet

Equity and liabilities at 3 October 2004

(DKK million)

		Group		Parent	
Equity	**Note**	**3.10.2004**	**28.9.2003**	**3.10.2004**	**28.9.2003**
Members' accounts		1,130.5	890.1	1,130.5	890.1
Personal capital accounts		255.3	388.0	255.3	388.0
Reserve for net revaluation of investments		0.0	0.0	0.0	0.0
Other reserves		1,198.1	1,164.5	1,198.1	1,164.5
Total equity		**2,583.9**	**2,442.6**	**2,583.9**	**2,442.6**
Minority interests		**111.3**	**19.7**	**0.0**	**0.0**
Provisions	12	**482.6**	**380.3**	**164.8**	**169.7**
Liabilities other than provisions					
Long-term liabilities other than provisions	13				
Subordinated loan		1,000.0	0.0	1,000.0	0.0
Mortgage debt		4,207.5	2,968.1	3,722.9	2,395.8
Lease commitments		15.5	23.5	0.0	0.0
Other credit institutions		1,786.0	3,112.7	1,500.7	2,819.4
Total long-term liabilities other than provisions		**7,009.0**	**6,104.3**	**6,223.6**	**5,215.2**
Short-term liabilities other than provisions					
Short-term portion of long-term debt		275.4	406.5	5.0	208.5
Credit institutions		6,140.9	2,844.8	1,284.9	282.4
Trade payables		2,397.5	2,392.0	638.6	1,156.0
Debt to subsidiaries		0.0	0.0	120.3	355.5
Debt to associates		39.5	26.1	27.3	24.1
Income taxes		0.0	44.5	2.6	0.0
Other payables		1,800.9	1,651.9	592.6	752.2
Accruals and deferred income		95.8	117.5	2.8	6.0
Proposed capital accounts to be paid out		130.3	138.5	130.3	138.5
Proposed supplementary payments to members		1,208.9	1,152.1	1,208.9	1,152.1
Total short-term liabilities other than provisions		**12,089.2**	**8,773.9**	**4,013.3**	**4,075.3**
Total liabilities other than provisions		**19,098.2**	**14,878.2**	**10,236.9**	**9,290.5**
Total equity and liabilities		**22,276.0**	**17,720.8**	**12,985.6**	**11,902.8**

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

Statement of changes in equity

At 3 October 2004

(DKK million)

	Group		Parent	
Members' accounts	**3.10. 2004**	**28.9. 2003**	**3.10. 2004**	**28.9. 2003**
Balance at 29 September 2003	890.1	642.2	890.1	642.2
Net capital investment for the year	240.4	247.9	240.4	247.9
Members' accounts	**1,130.5**	**890.1**	**1,130.5**	**890.1**
Personal capital accounts				
Balance at 29 September 2003	388.0	530.7	388.0	530.7
Net amount transferred for payment	-132.7	-142.7	-132.7	-142.7
Total personal accounts	**255.3**	**388.0**	**255.3**	**388.0**
Reserve for net revaluation of investments in subsidiaries				
Balance at 29 September 2003	0.0	0.0	0.0	118.7
Exchange rate adjustment of opening equity in subsidiaries	0.0	0.0	-25.2	-104.0
Other adjustments	0.0	0.0	6.6	-3.9
Transferred to other reserves	0.0	0.0	-4.9	-10.8
Transferred according to the distribution of profit	0.0	0.0	23.5	0.0
Total reserve for net revaluation	**0.0**	**0.0**	**0.0**	**0.0**
Other reserves				
Balance at 29 September 2003	1,164.5	1,210.3	1,164.5	1,091.6
Exchange rate adjustment of opening equity in foreign subsidiaries	-25.2	-104.0	0.0	0.0
Other adjustments	6.9	-3.9	0.3	0.0
Transferred from net revaluation reserve	0.0	0.0	4.9	10.8
Transferred according to the distribution of profit	51.9	62.1	28.4	62.1
Other reserves	**1,198.1**	**1,164.5**	**1,198.1**	**1,164.5**
Equity	**2,583.9**	**2,442.6**	**2,583.9**	**2,442.6**

Cash flow statement

29 September 2003 - 3 October 2004

(DKK million)

	Group	
Cash flow from operating activities	**2003/04**	**2002/03**
Profit for the year	1,260.8	1,214.2
Depreciation and amortisation	1,184.2	994.3
Share of profit/loss generated by fixed asset investments	-83.5	-83.2
Change in provisions	102.3	14.0
Change in inventories	-280.7	-36.0
Change in receivables	-894.5	319.9
Change in trade payables, etc.	15.0	450.4
Cash flow from operating activites	**1,303.6**	**2,873.6**
Cash flow from investing activities		
Investment in intangible assets	-814.0	-153.0
Investment in property, plant and equipment	-3,709.1	-2,296.1
Fixed asset investments	50.4	41.7
Cash flow from investing activities	**-4,472.7**	**-2,407.4**
Cash flow from operating and investing activities	**-3,169.1**	**466.2**
Cash flow from financing activities		
Deposit of members' capital	250.1	248.8
Payment of personal capital accounts	-138.5	-89.1
Payment of supplementary payment	-1,152.1	-1,150.0
Change in short-term bank credit	3,296.1	-968.9
Change in subordinated loan	1,000.0	0.0
Change in mortgage debt	1,239.3	359.8
Change in lease commitments	-7.9	6.0
Change in other long-term debt	-1,326.7	1,144.8
Cash flow from financing activities	**3,160.3**	**-448.6**
Change in cash and securities	-8.8	17.6
Cash and securities at 28 September 2003	394.8	377.2
Cash and securities at 3 October 2004	**386.0**	**394.8**

Notes

Notes 1-3

(DKK million)

		Group		Parent	
1	**Turnover**	**2003/04**	**2002/03**	**2003/04**	**2002/03**
	Divided into:				
	Denmark	4,722.5	4,421.0	4,024.1	4,010.8
	International	39,647.3	35,946.7	20,335.1	19,411.8
	Total turnover	**44,369.8**	**40,367.7**	**24,359.2**	**23,422.6**
	Divided into:				
	Pork	23,705.3	21,716.6	22,686.0	21,020.3
	Beef	2,779.9	2,464.8	1,673.2	1,536.5
	Processing	11,427.8	10,129.0	0.0	776.8
	Other activities	6,456.8	6,057.3	0.0	89.0
	Total turnover	**44,369.8**	**40,367.7**	**24,359.2**	**23,422.6**

2	**Staff costs**				
	Wages and salaries	6,871.2	6,466.8	3,719.6	3,787.3
	Pensions	348.3	325.4	226.3	215.1
	Other social security costs	495.2	458.4	208.1	229.0
	Total staff costs	**7,714.7**	**7,250.6**	**4,154.0**	**4,231.4**
	Including:				
	Remuneration to Parent's Supervisory Board	4.9	4.7	4.0	4.0
	Remuneration of Board of Representatives	5.3	5.5	5.3	5.5
	Remuneration of Parent's Executive Board	20.9	19.3	12.8	12.0
	Average number of employees	23,948	23,053	11,359	12,395

3	**Depreciation, amortisation and write-down**				
	Intangible assets	64.9	50.9	0.1	0.1
	Property, plant and equipment	1,119.3	943.4	612.6	522.4
	Exchange rate adjustments	2.9	4.9	0.0	0.0
	Profit from sale of property, plant and equipment	-141.2	-26.9	-124.5	-7.3
	Total depreciation, amortisation and write-down	**1,045.9**	**972.3**	**488.2**	**515.2**
	Depreciation, amortisation and write-down are included in the below items:				
	Production costs	863.2	798.6	449.4	471.4
	Distribution costs	31.6	40.8	5.2	4.1
	Administrative expenses	151.1	132.9	33.6	39.7
	Total depreciation, amortisation and write-down	**1,045.9**	**972.3**	**488.2**	**515.2**

Notes

Notes 4-8

(DKK million)

		Group		Parent	
4	**Audit fees**	**2003/04**	**2002/03**	**2003/04**	**2002/03**
	Audit fee, Deloitte	13.6	10.3	2.8	2.4
	Audit fee, others	2.5	5.2	0.0	0.0
	Other services, Deloitte	13.7	9.2	2.5	4.3
	Other services, others	3.0	7.2	0.6	0.0
	Total audit fees	**32.8**	**31.9**	**5.9**	**6.7**
5	**Share of profit/loss in subsidiaries before tax**				
	Share of profit/loss before tax	0.0	0.0	456.7	381.7
	Unrealised intra-group profits	0.0	0.0	4.3	-6.7
	Amortisation of additional value in connection with acquisition of shares	0.0	0.0	-21.2	-20.1
	Total share of profit/loss in subsidiaries before tax	**0.0**	**0.0**	**439.8**	**354.9**
6	**Financial income**				
	Subsidiaries	0.0	0.0	1.9	4.4
	Other interest	166.3	188.3	130.1	164.9
	Total financial income	**166.3**	**188.3**	**132.0**	**169.3**
7	**Financial expenses**				
	Subsidiaries	0.0	0.0	0.6	2.6
	Other interest	519.3	450.5	288.4	283.6
	Total financial expenses	**519.3**	**450.5**	**289.0**	**286.2**
8	**Tax on profit for the year**				
	Tax on profit for the year	113.0	118.5	7.0	5.3
	Adjustment concerning previous years	-20.4	10.4	3.3	0.6
	Change in deferred tax	21.3	13.9	0.0	0.0
	Share of tax in subsidiaries	0.0	0.0	104.3	118.9
	Share of tax in associates	4.6	1.5	2.4	2.6
	Total tax on profit for the year	**118.5**	**144.3**	**117.0**	**127.4**
	Income taxes paid	121.3	100.9	6.7	5.7

Notes

Note 9

(DKK million)

9	**Intangible assets, Group**	**Trademarks etc.**	**Goodwill**	**Goodwill on consolidation**	**Total intangible assets**
	Total cost:				
	Total cost at 29 September 2003	479.4	76.5	532.5	1,088.4
	Exchange rate adjustment	-0.5	-0.3	0.4	-0.4
	Additions during the year	6.5	13.4	802.3	822.2
	Disposals during the year	0.0	-13.1	-28.6	-41.7
	Total cost at 3 October 2004	**485.4**	**76.5**	**1,306.6**	**1,868.5**
	Total amortisation and write-down:				
	Total amortisation and write-down at 29 September 2003	473.0	46.0	213.5	732.5
	Exchange rate adjustment	-0.6	0.0	0.0	-0.6
	Additions	0.0	0.0	0.0	0.0
	Amortisation and write-down of the year	3.3	5.6	56.0	64.9
	Amortisation and write-down on assets disposed of	0.0	-9.9	-23.6	-33.5
	Total amortisation and write-down at 3 October 2004	**475.7**	**41.7**	**245.9**	**763.3**
	Carrying amount at 3 October 2004	**9.7**	**34.8**	**1,060.7**	**1,105.2**
	Carrying amount at 28 September 2003	6.4	30.5	319.0	355.9

9	**Intangible assets, Parent**				
	Total cost:				
	Total cost at 29 September 2003	24.4	8.8	0.0	33.2
	Additions during the year	0.0	0.0	0.0	0.0
	Disposals during the year	0.0	0.0	0.0	0.0
	Total cost at 3 October 2004	**24.4**	**8.8**	**0.0**	**33.2**
	Total amortisation and write-down:				
	Total amortisation and write-down at 29 September 2003	24.4	8.4	0.0	32.8
	Amortisation and write-down of the year	0.0	0.1	0.0	0.1
	Amortisation and write-down on assets disposed of	0.0	0.0	0.0	0.0
	Total amortisation and write-down at 3 October 2004	**24.4**	**8.5**	**0.0**	**32.9**
	Carrying amount at 3 October 2004	**0.0**	**0.3**	**0.0**	**0.3**
	Carrying amount at 28 September 2003	0.0	0.4	0.0	0.4

Notes

Note 10

(DKK million)

10 Property, plant and equipment, Group	Land and buildings	Plant and machinery	Other fixtures and fittings etc.	Property, plant and equipment in progress	Total property, plant and equipment
Total cost:					
Total cost at 29 September 2003	6,823.8	6,988.4	1,547.0	1,345.3	16,704.5
Exchange rate adjustment	-13.9	-14.8	-2.2	-0.6	-31.5
Transfer	-86.6	115.3	-28.7	0.0	0.0
Completion of plant in progress	129.9	146.0	30.9	-306.8	0.0
Addition in connection with the acquisition of enterprises	1,035.2	293.7	106.7	56.5	1,492.1
Additions during the year	283.2	379.8	136.8	1,533.4	2,333.2
Disposals during the year	-226.5	-72.8	-121.1	0.0	-420.4
Total cost at 3 October 2003	**7,945.1**	**7,835.6**	**1,669.4**	**2,627.8**	**20,077.9**
Total revaluation:					
Total revaluation at 29 September 2003	37.0	5.8	0.5	0.0	43.3
Disposals during the year	-6.1	0.0	0.0	0.0	-6.1
Total revaluation at 3 October 2003	**30.9**	**5.8**	**0.5**	**0.0**	**37.2**
Total depreciation and write-down:					
Depreciation and write-down at 29 September 2003	3,225.9	5,241.1	1,118.7	0.0	9,585.7
Exchange rate adjustment	-5.8	-6.5	-1.3	0.0	-13.6
Transfer	-28.1	50.6	-22.5	0.0	0.0
Addition in connection with the acquisition of enterprises	22.5	29.9	12.8	0.0	65.2
Depreciation and write-down of the year	524.5	426.5	168.3	0.0	1,119.3
Depreciation and write-down on assets disposed of	-205.0	-69.1	-101.4	0.0	-375.5
Total depreciation and write-down at 3 October 2003	**3,534.0**	**5,672.5**	**1,174.6**	**0.0**	**10,381.1**
Carrying amount at 3 October 2003	**4,442.0**	**2,168.9**	**495.3**	**2,627.8**	**9,734.0**
Carrying amount at 28 September 2003	3,634.9	1,753.1	428.8	1,345.3	7,162.1
At 3 October 2004, the carrying amount includes:					
Recognised leased assets	0.0	21.4	6.6	0.0	28.0
Recognised interest expenses	0.0	0.0	0.0	56.8	56.8
Assessed cash value of Danish properties at 1 October 2003	2,240.9				
Carrying amount of foreign properties	2,034.4				

Notes

Note 10

(DKK million)

10	Property, plant and equipment, Parent	Land and buildings	Plant and machinery	Other fixtures and fittings	Property, plant and equipment in progress	Total property, plant and equipment
	Total cost:					
	Total cost at 29 September 2003	4,030.8	3,168.8	808.2	1,200.7	9,208.5
	Completion of plant in progress	85.8	82.7	25.9	-194.4	0.0
	Disposals in connection with the sale of enterprises	-134.5	-142.6	-13.5	-1.2	-291.8
	Additions during the year	111.3	120.9	23.9	1,131.3	1,387.4
	Disposals during the year	-162.0	-21.0	-51.5	0.0	-234.5
	Total cost at 3 October 2004	**3,931.4**	**3,208.8**	**793.0**	**2,136.4**	**10,069.6**
	Total depreciation and write-down:					
	Total depreciation and write-down at 29 September 2003	2,313.3	2,575.5	628.5	0.0	5,517.3
	Disposals in connection with the sale of enterprises	-108.4	-126.2	-11.5	0.0	-246.1
	Depreciation and write-down of the year	392.9	155.3	64.4	0.0	612.6
	Depreciation and write-down on assets disposed of	-158.2	-20.2	-46.1	0.0	-224.5
	Total depreciation and write-down at 3 October 2004	**2,439.6**	**2,584.4**	**635.3**	**0.0**	**5,659.3**
	Carrying amount at 3 October 2004	**1,491.8**	**624.4**	**157.7**	**2,136.4**	**4,410.3**
	Carrying amount at 28 September 2003	1,717.5	593.3	179.7	1,200.7	3,691.2
	The carrying amount at 3 October 2004 includes:					
	Recognsed leased assets	0.0	0.0	0.0	0.0	0.0
	Recognised interest expenses	0.0	0.0	0.0	56.8	56.8
	Assessment of cash value of Danish properties at 1 October 2003	1,314.8				

Notes

Note 11

(DKK million)

11	Fixed asset investments, Group	Investments in subsidiaries	Receivables from subsidiaries	Investments in associates	Other securities and investments	Total fixed asset investments
	Total cost:					
	Total cost at 29 September 2003	0.0	0.0	267.0	29.0	296.0
	Exchange rate adjustment	0.0	0.0	0.0	0.0	0.0
	Additions during the year	0.0	0.0	0.0	140.3	140.3
	Disposals during the year	0.0	0.0	-59.0	-11.0	-70.0
	Total cost at 3 October 2004	**0.0**	**0.0**	**208.0**	**158.3**	**366.3**
	Total value adjustments:					
	Total value adjustment at 29 September 2003	0.0	0.0	290.3	9.7	300.0
	Exchange rate adjustment	0.0	0.0	-3.1	25.7	22.6
	Share of net profit/loss before tax	0.0	0.0	87.8	0.3	88.1
	Share of tax	0.0	0.0	-4.6	0.0	-4.6
	Distribution of dividends during the year	0.0	0.0	-59.4	0.0	-59.4
	Disposals during the year	0.0	0.0	-48.8	-12.5	-61.3
	Other adjustments	0.0	0.0	2.9	0.0	2.9
	Total value adjustments at 3 October 2004	**0.0**	**0.0**	**265.1**	**23.2**	**288.3**
	Carrying amount at 3 October 2004	**0.0**	**0.0**	**473.1**	**181.5**	**654.6**
	Carrying amount at 28 September 2003	0.0	0.0	557.3	38.7	596.0

11	Fixed asset investments, Parent	Investments in subsidiaries	Receivables from subsidiaries	Investments in associates	Other securities and investments	Total fixed asset investments
	Total cost:					
	Total cost at 29 September 2003	1,608.8	100.5	259.2	10.6	1,979.1
	Exchange rate adjustment	-17.4	0.1	4.0	0.0	-13.3
	Additions during the year	290.2	1.2	212.6	129.3	633.3
	Disposals during the year	0.0	-23.1	-58.6	-8.1	-89.8
	Total cost at 3 October 2004	**1,881.6**	**78.7**	**417.2**	**131.8**	**2,509.3**
	Total value adjustments:					
	Total value adjustments at 29 September 2003	-182.8	0.0	273.2	6.2	96.6
	Exchange rate adjustment	-10.8	0.0	-1.0	25.7	13.9
	Share of net profit/loss before tax	439.8	0.0	62.8	0.3	502.9
	Share of tax	-104.3	0.0	-2.4	0.0	-106.7
	Distribution of dividend during the year	-317.3	0.0	-55.1	0.0	-372.4
	Additions during the year	7.8	0.0	0.0	0.0	7.8
	Disposals during the year	0.0	0.0	-42.9	-11.2	-54.1
	Other adjustments	3.7	0.0	2.9	0.0	6.6
	Total value adjustments at 3 October 2004	**-163.9**	**0.0**	**237.5**	**21.0**	**94.6**
	Carrying amount at 3 October 2004	**1,717.7**	**78.7**	**654.7**	**152.8**	**2,603.9**
	Carrying amount at 28 September 2003	1,426.0	100.5	532.4	16.8	2,075.7

Notes

Note 12

(DKK million)

12		Group		Parent	
	Provisions	**3.10.2004**	**28.9.2003**	**3.10.2004**	**28.9.2003**
	Pension obligations	240.2	237.6	65.2	67.2
	Deferred tax	23.8	0.0	0.0	0.0
	Restructuring expenses	53.5	44.2	53.5	44.2
	Insurance provisions	94.2	44.7	31.9	44.7
	Other provisions	70.9	53.8	14.2	13.6
	Total provisions	**482.6**	**380.3**	**164.8**	**169.7**
	Anticipated maturity of provisions made:				
	Within one year	122.0	73.3	70.6	71.1
	After one year	360.6	307.0	94.2	98.6
	Total provisions	**482.6**	**380.3**	**164.8**	**169.7**

Group	**Pension obligations**	**Deferred tax**	**Restructuring expenses**	**Self-insurance**	**Other provisions**
Provisions at 29 September 2003	237.6	0.0	44.2	44.7	53.8
Transfer	0.0	-22.1	0.0	0.0	0.0
Exchange rate adjustments	0.2	-1.9	0.0	0.0	0.0
Additions in connection with the acquisition of enterprises	3.7	26.5	0.0	0.0	3.5
Employed during the year	-8.4	0.0	-13.7	-12.8	-13.8
Provisions for the year	7.1	21.3	23.0	62.3	27.4
Provisions at 3 October 2004	**240.2**	**23.8**	**53.5**	**94.2**	**70.9**
Parent					
Provisions at 29 September 2003	67.2	0.0	44.2	44.7	13.6
Employed during the year	-7.3	0.0	-13.7	-12.8	-12.3
Provisions for the year	5.3	0.0	23.0	0.0	12.9
Provisions at 3 October 2004	**65.2**	**0.0**	**53.5**	**31.9**	**14.2**

Notes

Notes 13

(DKK million)

13	Long-term liabilities other than provisions, Group	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total long-term liabilities other than provisions
	Subordinated loan	0.0	0.0	1,000.0	1,000.0
	Mortgage debt	104.8	210.2	3,997.2	4,312.2
	Lease commitments	8.8	15.5	0.0	24.3
	Other credit institutions	161.8	1,447.8	338.3	1,947.9
	Long-term liabilities other than provisions at 3 October 2004	**275.4**	**1,673.5**	**5,335.5**	**7,284.4**
	Long-term liabilities other than provisions at 28 September 2003	406.5	3,078.1	3,026.2	6,510.8
	Long-term liabilities other than provisions, Parent				
	Subordinated loan	0.0	0.0	1,000.0	1,000.0
	Mortgage debt	0.0	0.0	3,722.9	3,722.9
	Lease commitments	0.0	0.0	0.0	0.0
	Other credit institutions	5.0	1,270.0	230.7	1,505.7
	Long-term liabilities other than provisions at 3 October 2004	**5.0**	**1,270.0**	**4,953.6**	**6,228.6**
	Long-term liabilities other than provisions at 28 September 2003	208.5	2,600.0	2,615.2	5,423.7

	Group		Parent	
Interest rate risks	**28.9. 2003**	**30.9. 2002**	**28.9. 2003**	**30.9. 2002**
DKK	6,659.7	4,810.0	6,005.4	4,078.0
EUR	485.1	1,577.3	223.2	1,345.7
GBP	1.1	1.3	0.0	0.0
USD	57.2	65.8	0.0	0.0
SEK	49.5	49.9	0.0	0.0
NOK	6.4	6.5	0.0	0.0
PLN	25.4	0.0	0.0	0.0
	7,284.4	**6,510.8**	**6.228.6**	**5,423.7**
Weighted average interest	5.16%	4.64%	5.30%	4.63%

Of the Group's long-term loans, DKK 5,445.4 million has been raised as fixed-rate loans (excluding subordinated loan as discussed below) and DKK 839.0 million has been raised as floating-rate loans. Of the Parent's loans, DKK 4,755.4 million (excluding subordinated loan) has been raised as fixed-rate loans and DKK 473.2 million has been raised as floating-rate loans. At the balance sheet date, DKK 3,755.4 million had been refinanced from fixed-rate loans to floating-rate loans by way of financial instruments. Together with the underlying liabilities, the financial instruments have been stated at their fair value at the balance sheet date and have been recognised in the income statement under financial income and expenses. The weighted rate of interest on the long-term debt of the Group is 4.99% (excluding subordinated loan) before recognition of financial instruments. For the Parent, the weighted rate of interest is 5.12% (excluding subordinated loan).

The Parent has raised a subordinated loan maturing in 2012 and 2014 of DKK 1,000.0 million. Of this loan, DKK 550.0 million has been raised as a fixed-rate loan with a rate of interest of 6.125% and maturing in 2012 and DKK 450.0 million has been raised with a rate of interest of 6.375%. This loan matures in 2014.
The subordinated loan is subordinated to the other creditors of the Company.

Notes

Notes 14-16

(DKK million)

14		Group		Parent	
	Contingent liabilities etc.	**3.10. 2004**	**28.9. 2003**	**3.10. 2004**	**28.9. 2003**
	Guarantees provided to subsidiaries, max.	0.0	0.0	4,913.7	5,426.7
	Guarantees provided to subsidiaries, applied	0.0	0.0	2,357.4	2,291.1
	Other guarantees	67.5	45.4	2.2	19.5
	Contractual obligations regarding property, plant and equipment	230.7	695.4	253.0	899.4
	Guarantees provided to the EU Directorate	162.4	177.5	130.1	32.1
	Repayment obligation	53.9	53.9	52.7	40.7
	Rental and lease commitments	89.7	79.8	0.0	0.0
	Other	2.2	2.2	0.6	0.0

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

15	**Provision of security**				
	The assets below have been provided as security for mortgage debt and other long-term debt:				
	Land, buildings and plant etc.	4,147.2	2,979.7	3,536.5	2,304.4
	Carrying amount of above assets	5,272.0	3,677.7	4,250.0	2,514.0

16 **Members' liability**

The members are personally and severally liable for the Parent's commitments.

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

The total liability of members at 3 October 2004 amounts to DKK 456.3 million.

At 3 October 2004, Danish Crown AmbA had 18,253 members.

Notes

Notes 17-18

(DKK million)

17	**Currency exposure and financial instruments, Group**	**Receivables**	**LIabilities other than provisions**	**Hedged by way of forward contracts**	**Net position at 3.10. 2004**
	EUR	1,815.2	930.3	276.9	608.0
	GBP	898.1	235.0	640.6	22.5
	JPY	957.0	99.3	874.0	-16.3
	USD	1,189.0	293.4	920.3	-24.7
	Other	499.9	275.2	165.8	58.9
		5,359.2	**1,833.2**	**2,877.6**	**648.4**

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

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

18 **Related party transactions**

Associates and members of the Supervisory Board and Executive Board of Danish Crown AmbA are considered related parties. As the Company is a co-operative society, it has received supplies from its members, including the Supervisory Board.

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

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

Group structure

At 3 October 2004

Company name		Direct ownership share %
Danish Crown Holding A/S	Denmark	100.0
Danish Crown Beef Company A/S	Denmark	100.0
Danish Crown Salg og Service ApS	Denmark	100.0
DC II A/S	Denmark	100.0
Antonius A/S	Denmark	100.0
Steff Food A/S	Denmark	100.0
Landsby-Slagteren A/S	Denmark	100.0
Forsikringsselskabet Galt a/s	Denmark	100.0
Danish Bacon Independent Ltd.	UK	100.0
Danish Crown Incorporated A/S	Denmark	100.0
Tulip Food Company P/S ®) ■	Denmark	5.0
DAT-SCHAUB International Holding A/S	Denmark	100.0
DAT-SCHAUB International A/S	Denmark	100.0
Carnehansen A/S	Denmark	100.0
Dansk Svensk Koedexport s.r.o.	Czech Republic	100.0
DAT-SCHAUB Hungary KFT	Hungary	100.0
ESS-FOOD Hungaria Kft.	Hungary	100.0
DAT-SCHAUB Australia Pty Ltd.	Australia	100.0
DAT-SCHAUB (H.K.) Ltd.	Hong Kong	100.0
Findane A/S	Denmark	100.0
NoriDane Food A/S	Denmark	50.0
Dansk Kuldekonservering A/S	Denmark	55.0
Dubai Meat Packers Ltd. (filial)	U.A.E.	100.0
Emborg Foods Holding A/S	Denmark	100.0
Emborg Foods A/S	Denmark	100.0
Emborg Foods Transport A/S	Denmark	100.0
A/S Golden Dane Dairy	Denmark	100.0
Emborg Foods GmbH	Germany	100.0
Danegoods HMHB	Germany	100.0
Emborg Foods USA Inc.	USA	100.0
ZAO Emborg Foods AO	Russia	100.0
Emborg España S.A.	Spain	100.0
Dann'Ka S.L ■	Spain	50.0
Emborg Foods Polska Sp.z.o.o.	Poland	100.0
Dan-Deli S.R.O.	Czech Republic	100.0
Emborg Foods Rumania SRL	Rumania	100.0
Emborg Foods Norge AS	Norway	100.0
Dann'Ka S.L ■	Spain	50.0
SFK Holding A/S	Denmark	100.0
SFK Systems A/S	Denmark	100.0
SFK America Inc.	USA	100.0

Company name		Direct ownership share %
SFK TECH S.L.	Spain	76.2
Danfood Technology Ltd.	UK	30.4
SFK Ltd.	UK	100.0
SFK Australia Pty. Ltd.	Australia	100.0
SFK Food A/S	Denmark	100.0
SFK Norge AS	Norway	100.0
Nordfalks Industri AB	Sweden	90.0
SFK CR. spol.s.r.o.	Czech Republic	100.0
Landbrugets Samkøb ApS	Denmark	50.0
Tulip International (UK) Ltd.	UK	100.0
Tulip Ltd.	UK	100.0
Flagship Foods Ltd.	UK	100.0
Flagship Fresh Meats Ltd.	UK	100.0
Roach Foods Ltd.	UK	100.0
Dalehead Foods Ltd.	UK	100.0
Hygrade Food Ltd.	UK	100.0
Latona Foods Ltd.	UK	100.0
Danish Crown Holding Ltd.	UK	100.0
ESS-FOOD UK Ltd.	UK	100.0
Tulip Food Company P/S ®) ■	Denmark	95.0
Tulip Food Company Holding ApS	Denmark	100.0
Komplementarselskabet DP af 21. marts 2001 ApS	Denmark	100.0
Iwans ApS	Denmark	100.0
TFC af 1/1 2004 ApS	Denmark	100.0
PFG Holding A/S	Denmark	100.0
TFC Fast Food A/S	Denmark	100.0
P.G. Leasing A/S	Denmark	100.0
Eksportselskabet Gøl, Svenstrup J. ApS	Denmark	100.0
Best Holding GmbH	Germany	100.0
Tulip Food Service GmbH	Germany	100.0
Tulip Fleischwaren Oldenburg GmbH	Germany	100.0
Tulip Food Company GmbH	Germany	100.0
Tulip Food Company France S.A.	France	100.0
Tulip Food Company AB	Sweden	100.0
Pölsemannen AB	Sweden	100.0
Tulip Food Company Oy	Finland	100.0
Tulip Food Company Italiana S.r.L.	Italy	100.0
Tulip Food Company Japan co. Ltd.	Japan	100.0
Majesty Inc.	USA	100.0
Tulip Food Service Ltd.	UK	100.0
Danish Deli Ltd.	UK	100.0

Company name		Direct ownership share %
DAT-Schaub a.m.b.a.	Denmark	94.4
Oriental Sino Limited	Hong Kong	45.0
Yancheng Lianyi Casing Products Co. Ltd.	China	33.0
DAT-Schaub Holding A/S	Denmark	100.0
DAT-Schaub (PORTO) S.A.	Portugal	100.0
KHi Tripas Lda.	Portugal	100.0
DAT-Schaub USA Inc.	USA	100.0
DAT-Schaub France S.A.	France	100.0
Soussana S.A.	France	100.0
Argental s.a.r.l.	France	100.0
Alandal S.A.	Portugal	100.0
Boyauderie du Poitou S.A.	France	100.0
Cima S.A.	Spain	100.0
Trissal S.A.	Portugal	50.0
Aktieselskabet DAT-Schaub Danmark	Denmark	100.0
Arne B. Corneliussen AS	Norway	100.0
Ørako AS	Norway	100.0
Oy DAT-Schaub Finland Holding Ab	Finland	100.0
Oy DAT-Schaub Finland Ab	Finland	100.0
DAT-Schaub Eesti OÛ	Estonia	80.0
DAT-Schaub AB	Sweden	100.0
DAT-Schaub (DEUTSCHLAND) GmbH	Germany	100.0
Gerhard Küpers GmbH	Germany	100.0
DIF Organgveredlung Gerhard Küpers GmbH & Co. KG	Germany	100.0
CKW Pharma-Extrakt GmbH & Co. KG	Germany	50.0
CKW Pharma-Extrakt Beteil.- u. Verwaltungsges. GmbH	Germany	50.0
EFS Gerhard Küpers GmbH & Co. KG	Germany	100.0

Company name		Direct ownership share %
OTHER SUBSIDIARIES:		
Danish Crown USA Inc.	USA	100.0
Plumrose USA Inc.	USA	100.0
Sunhill Food of Vermont Inc.	USA	100.0
Foodane USA Inc.	USA	100.0
Danish Crown GmbH	Germany	100.0
Oldenburger Convenience GmbH	Germany	100.0
Danish Crown Schlachtzentrum Nordfriesland GmbH	Germany	100.0
Foodane Japan Ltd.	Japan	100.0
Danish Crown S.A.	Switzerland	100.0
Danish Crown/Beef Division S.A.	Switzerland	100.0
Danish Bacon Company plc.	UK	100.0
Q.A. Meat Ltd.	UK	90.0
DAK AO	Russia	100.0
Steff-France S.A.	France	100.0
Carnes Danesas S.A.	Spain	100.0
Danish Crown España S.A.	Spain	100.0
Scan-Hide A.m.b.a.	Denmark	69.4
Dansk Hesteslagteri A/S	Denmark	75.0
Friland A/S	Denmark	100.0
Friland Food AB	Sweden	100.0
ESS-FOOD S.A.	France	100.0
Desfis S.A.	France	100.0
SCI E.F. Immobilier Orléans	France	100.0
SCI RP Bernay	France	85.0
Globe Meat Holland B.V.	Holland	100.0
Pelco B.V.	Holland	100.0
ESS-FOOD Benelux B.V.	Holland	100.0
ESS-FOOD Japan Co. Ltd.	Japan	100.0
Meat World	Korea	100.0
ESS-FOOD (H.K.) Ltd.	Hong Kong	100.0
ASSOCIATES:		
daka amba	Denmark	46.1
Agri-Norcold A/S	Denmark	43.0
FoodSafe A/S	Denmark	30.0
Danske Slagterier	Denmark	97.0
Saturn Nordic Holding AB	Sweden	50.0
Sokolow S.A.	Poland	66.1

■ Is included more than once in the group structure

▼ The following text in red indicates subsidiaries of the company

Bold = parent companies in sub-groups

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