DANISH CROWN

IT'S ALL ABOUT NUMBERS

2014
2015

MANAGEMENT'S REVIEW

Pages 4-31

PARENT

Pages 81-93

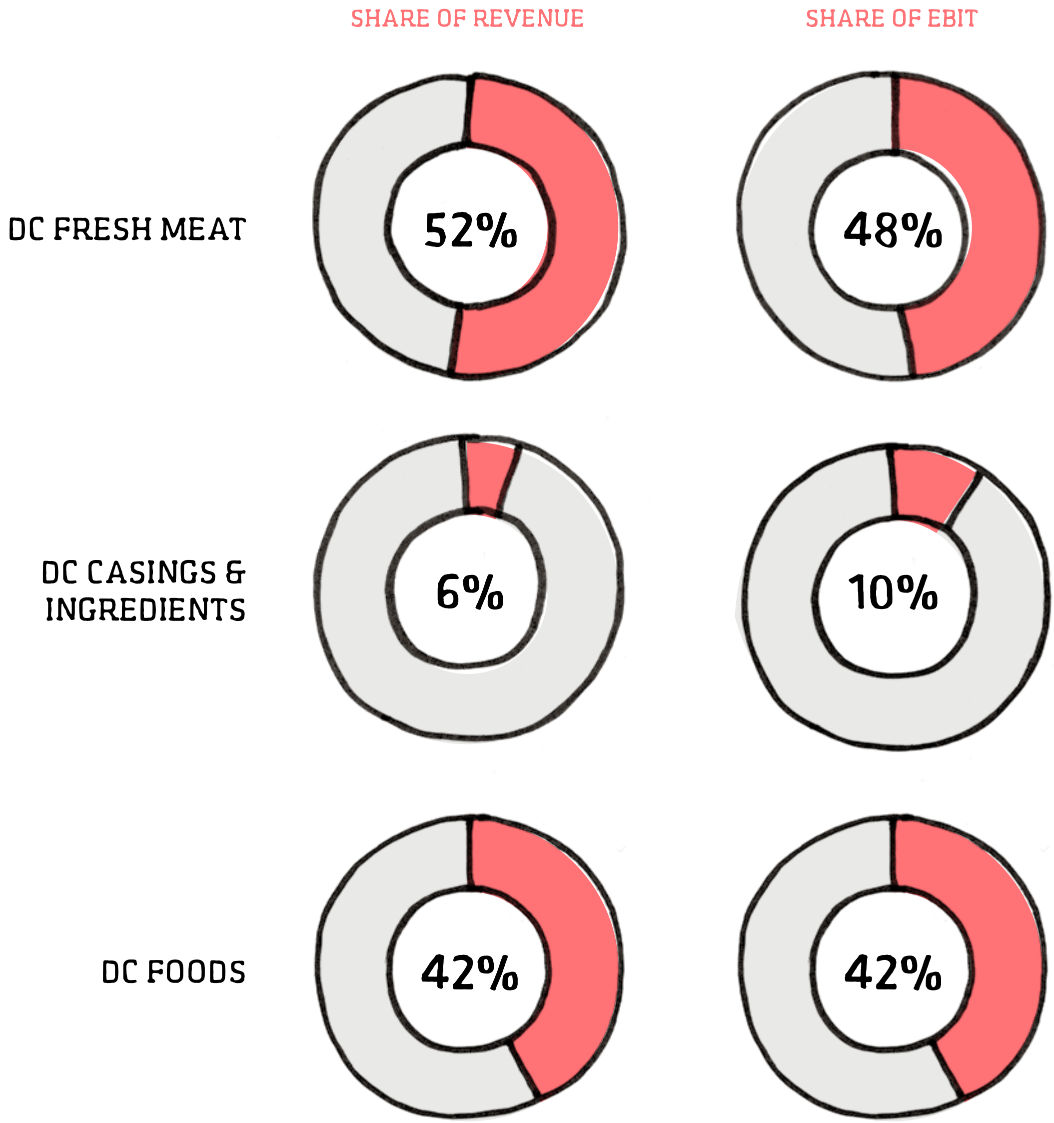
CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS

Pages 33-77

MANAGEMENT'S STATEMENT AND AUDITOR'S REPORT

Pages 94-95

GROUP
BUSINESS AREAS



DANISH CROWN GROUP

President and Group CEO Kjeld Johannesen

Revenue (DKKm)	EBIT (DKKm)	EBIT in %	Employees
59,556	2,471	4.1	25,792

DC FRESH MEAT

Slaughterhouse activities and sale of pork and beef raw material
CEO DC Fresh Meat Kjeld Johannesen

Revenue (DKKm)	EBIT (DKKm)	EBIT in %	Employees
30,724	1,204	3.9	8,210

DC CASINGS & INGREDIENTS

Production and sale of natural and artificial casings, ingredients and packaging
CEO DAT-Schaub Jan Roelsgaard

Revenue (DKKm)	EBIT (DKKm)	EBIT in %	Employees
3,704	261	7.0	1,824

DC FOODS

Processing activities and sale of processed meat products
CEO DC Foods Flemming N. Enevoldsen

Revenue (DKKm)	EBIT (DKKm)	EBIT in %	Employees
24,949	1,051	4.2	15,334

MANAGEMENT'S REVIEW

Danish Crown drives food development in Northern Europe

Key figures for Danish Crown	DKKm	2014/15	2013/14
Revenue		59,556	58,029
Operating profit		2,471	2,178
Net profit for the year		1,821	1,656
Total assets		26,779	27,015
Equity		7,172	6,423
Total supplementary payments		1,425	1,218
Supplies from members, million kg		1,330	1,317
No. of cooperative members		8,020	8,278
No. of employees, end of year		25,792	25,984

Group business areas

The Danish Crown Group is a global food company focusing primarily on meat and meat products. The group's primary business areas are fresh meat (DC Fresh Meat), processed products (DC Foods) and ingredients (DC Casings & Ingredients). In addition, the group participates in associates supporting these primary activities through active part ownerships.

A company in development

In 2014/15, many new and exciting initiatives were launched that will contribute to shaping the future of Danish Crown and the company's role in the continued consolidation of the European food industry. Furthermore, these initiatives will enable Danish Crown to meet the requirements for a professional partner made by consumers and the retail business.

The group has worked on optimising the production structure both in Denmark and the UK, where many employees have been given new tasks as a result of products being moved between the group's production facilities. Also, a lot of effort has been put into quickly getting Sokołów fully integrated in the group and thereby taking advantage of the synergies assumed in connection with the acquisition of the remaining 50 per cent of the shares in June 2014.

In May 2015, Danish Crown acquired the majority of the shares in the Swedish slaughterhouse company Dalsjöfors. The transaction was effected in October 2015. Also in 2015, Danish Crown and German Westfleisch announced a joint venture concerning deboning of sows. The joint venture is expected to be approved by the competition authorities in 2015/16.

The structural adjustments in the Northern European food industry are expected to continue in the coming years, and Danish Crown expects to contribute actively to this.

A market under pressure

The market developments that started in 2013/14 with low fresh meat price levels and extremely fierce competition in the retail market continued in 2014/15 and still prevailed at the end of the financial year. However, beef prices have increased in the 2nd half of the year due to a decline in supply combined with decreasing imports on the European market.

The market has prepared itself for a long-term closing of the Russian market to fresh meat imports from the EU. On the retail market, the discount chains continue to put traditional retail chains under pressure, which makes heavy demands on producers in terms of innovation and optimisation. Globally, all these aspects put market prices under pressure, affecting the prices paid to farmers negatively. Consequently, the Danish cooperative members were paid DKK 1.8 billion less for their raw materials in 2014/15 relative to 2013/14 due to declining international prices of pork and beef.

A strong company

In addition to the many development initiatives, the group has continued its large focus on ensuring a strong Danish Crown – also in terms of current earnings – for example by focusing on profitable organic growth and continued streamlining of production.

Overall, DC Foods generated organic growth of 4 per cent and increased earnings significantly through dedicated efforts in the different markets. This is particularly true for Tulip Food Company, which managed to generate solid earnings in a competitive zero-growth market. In the UK market, Tulip Ltd was particularly challenged by an increased gap between pan-European and UK raw material prices, which made products based on UK raw materials relatively more expensive than products based on pan-European raw materials. In the Polish market, Sokołów generated organic growth of 4 per cent and a similar growth in earnings. In the US market, raw material prices declined from a historically high level in 2013/14, resulting in improved earnings in Plumrose.

Overall, the group generated organic growth of almost 4 per cent in 2014/15, among other things owing to DC Foods and increased sales in the Chinese market. But also in the Swedish market, KLS Ugglarps managed to increase both sales and earnings.

In the market for casings and other by-products, earnings were under pressure, among other things as a consequence of lower selling prices and extra costs incurred for cleaning casings due to special requirements on the Asian market.

Structural changes create the basis for efficient production

The pressure on the markets increases the need for a continued strong development in sales and a high degree of production streamlining, which is therefore a high priority for Danish Crown's management.

The announced acquisitions and joint ventures enable the group to continue its production streamlining. Work is carried out across companies and countries to create the most efficient production structure.

The group has invested heavily in relocating and concentrating production activities and in upgrading production facilities at the UK factories. In Sweden, the acquisition of Dalsjöfors is expected to create a potential for significant production optimisations.

In Denmark, the slaughtering processes have been optimised by closing down 2 lines at the pig slaughterhouse in Ringsted, sows are now being slaughtered at 1 plant instead of 2 and the running-in of the cattle slaughterhouse in Holsted has largely been completed. The work on process optimisation will continue here.

Furthermore, the international comparison of processes across the facilities will continue in order to be able to introduce best practice at all facilities.

Efforts to optimise the by-product area continued in 2014/15 in the form of product and production-technical development projects across the group's other business areas. Relaxations of the classification of by-products from cattle are expected to increase the number of possible applications within this area. Efforts have also been made to improve applications for other by-products.

The group's other business areas are also focusing on innovation and product development, which contribute to increased earnings and a better product mix. Innovation in Danish Crown is driven by consumer insight and customer needs. Nutritional considerations are high on the agenda, but also to make it easy for consumers to use the products; for example, shorter preparation times are decisive. Examples of new products in the group are an entire product range aimed at diabetics, bacon with 30 per cent less salt and ready-to-serve meals where fresh vegetables are an integral part of the product.

Preparing employees for a new future

Today, the group has 26,000 employees all over the world. Structural changes can only be implemented with a dedicated and well-trained staff. The group's employees are therefore continuously trained in new processes, partly by participating in courses and partly through peer-to-peer learning, the latter being regarded as an optimal way of learning, particularly among production staff.

The group is focused in its efforts to foster personal and talent development. One of the tools is Team PI, which allows the employees to learn more about themselves and each other. Furthermore, it helps teams cooperate in the best possible manner with a view to fully harness the team's potential.

Development programmes have also been established for employees who have to leave the company as a result of structural changes to help them move on to new jobs or further education.

Organisational changes

During the year, DC Pork changed its management structure and was split up into DC Pork B2B, DC Pork B2C, KLS Ugglarps and DC Fleisch as independent units coordinated by a management team with representatives from all units. This change is expected to increase dynamics and market focus.

A development that did not succeed

In February 2015, Danish Crown and Tican announced a merger. Tican had been looking for an economic business partner for some time, and that was the background to the merger agreement. The main objective of the merger was to create a strong Danish supply of slaughter animals in a merged business owned by Danish farmers.

The merger agreement was subject to the approval of the competition authorities. The merger was approved outside Denmark, but an approval of the merger in Denmark was not obtained before the merger agreement expired. Consequently, the merger was not carried out. This is a regrettable outcome, considering the many resources invested by both parties in preparing a successful merger.

Outlook for the coming year

The production of slaughter animals in Europe is expected to increase in the coming year. Combined with lower consumption in these markets and uncertainty concerning sales to, for example, China, prices for the group's products are not expected to increase.

Group revenue is expected to increase in the coming year due to organic growth as prices are expected to remain unchanged. To this should be added growth from acquisitions and joint ventures already agreed.

The integration of Dalsjöfors in the group will be initiated already at the beginning of the new financial year. In addition, the group continues to optimise and streamline its processes. An operating profit on par with present year is expected.

Chairman's remarks

In November 2015, Jais Valeur took up his position, which marked the beginning of a planned management change. This enables Kjeld Johannesen to hand over his responsibilities smoothly up until he resigns at the beginning of 2016 and Jais Valeur takes over as new Group CEO.

At that time, an era in the group's history will end. For 27 years, Kjeld has been the CEO of the company which today has become an international group with an annual revenue of DKK 59 billion and 26,000 employees. Kjeld joined the slaughterhouse company Wenbo as CEO in 1988. At that time, the company had revenue of DKK 2.7 billion and 1,800 employees. In 2002, after several mergers with other Danish limited liability cooperatives, Danish Crown, headed by Kjeld, was ready to start up international activities through a number of acquisitions, primarily within processing. Not least thanks to Kjeld, his successor will take charge of a very strong and progressive company.

Of course, one man alone cannot move a company from DKK 2.7 to 59 billion in revenue.

Over the years, a lot of employees in the group have worked hard to integrate new companies and thereby creating development opportunities for the future. On behalf of the Board of Directors, I would like to thank you all for your efforts in preparing the group for the future – not least Kjeld, whose extraordinary contribution has greatly benefited Danish Crown's owners.

Kjeld Johannesen | President and Group CEO

DANISH CROWN

Erik Bredholt | Chairman of the Board of Directors

DANISH CROWN

For 27 years, Kjeld has been the CEO of the company which today has become an international group with an annual revenue of DKK 59 billion and 26,000 employees.

GROUP FINANCIAL HIGHLIGHTS

DKKm	2010/11	2011/12	2012/13	2013/14	2014/15
Income statement					
Revenue	51,754	56,462	58,164	58,029	59,556
Operating profit before special items (EBIT)	2,204	2,270	2,098	2,178	2,471
Operating profit after special items	2,204	2,270	2,098	2,162	2,403
Net financials	-222	-335	-334	-304	-269
Net profit for the year	1,762	1,732	1,583	1,656	1.821
EBIT in %	4.3	4.0	3.6	3.8	4.1
Balance sheet					
Total assets	23,935	25,522	24,725	27,015	26,779
Investments in intangible assets	15	34	19	68	46
Investments in property, plant and equipment	986	1,323	1,536	1,282	1,448
Equity	5,391	5,797	5,962	6,423	7,172
Solvency ratio	22.5%	22.7%	24.1%	23.8%	26.8%
Net interest-bearing debt	12,182	12,480	11,948	13,138	12,039
Financial gearing	3.6	3.5	3.5	3.7	3.0
Interest cover	8.1	8.4	8.9	9.8	11.6
Cash flows from operating and investing activities					
Cash flows from operating and investing activities	753	1,240	2,117	329	2,908
No. of employees					
Average no. of full-time employees	23,557	24,066	23,034	23,764	25,873
Supplementary payments, DKK per kg					
Supplementary payments, pigs	0.95	0.90	0.90	0.90	1.05
Supplementary payments, sows	0.80	0.80	0.80	0.80	0.90
Supplementary payments, cattle	1.30	1.50	1.50	1.40	1.55
Supplies from members weighed in (million kg)					
Pigs	1,311.2	1,242.2	1,195.1	1,185.7	1,200.7
Sows	65.1	57.8	57.3	54.7	55.9
Cattle	74.1	73.0	71.9	76.8	73.6
No. of cooperative members					
No. of cooperative members	9,577	9,031	8,552	8,278	8,020

FINANCIAL REVIEW

Results for 2014/15

Growth in revenue of 3 per cent and in gross profit of 12 per cent was realised on the basis of an increase in tonnage sold of 8 per cent (of which 4 per cent is attributable to organic growth), while selling prices for the group's main products declined. The decline in prices was offset by increasing foreign exchange rates, primarily GBP and USD.

The increase in sales resulted in an increasing level of costs. Adjusted for the effect of increasing GBP and USD rates and the acquisition of 50 per cent of Sokołów in 2014, costs increased by 4 per cent, among other things as a result of increased selling and distribution costs.

Expectations of a declining pig supply to the Danish slaughterhouses led to the closure of 2 slaughterlines in Ringsted. Write-down of plant and costs relating to severance payments totalling DKK 55 million were expensed under special items together with costs of DKK 13 million incurred in connection with preparation of the now called-off merger with Tican.

Last year, gains from the sale of equity investments were included in income from associates, which explains the decrease compared to 2013/14.

Net finance costs were reduced by DKK 40 million compared to last year as a consequence of a reduction in the group's net interest-bearing debt as well as lower interest rates on this.

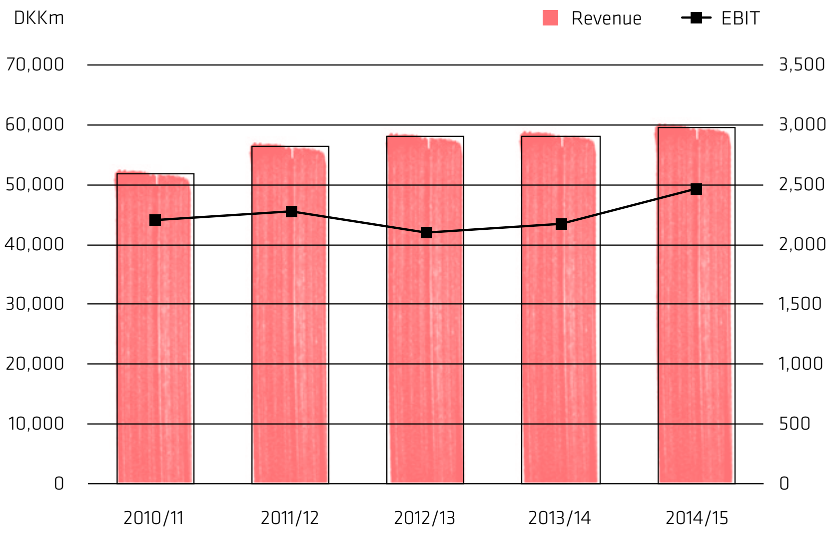
Tax on profit for the year increased primarily as a result of increased earnings in units subject to income tax.

Net profit for the year totalled DKK 1.8 billion, which is very satisfactory and a clear improvement on last year.

Assets

The balance sheet total was reduced by DKK 0.2 billion in spite of the development in the GBP and USD exchange rates, which in itself increased the balance sheet total by DKK 0.5 billion.

Net investments for the year were a little lower than depreciation and amortisation for the year. More than half of the year's investments concerned streamlining of the group's processing facilities. In DC Fresh Meat, approximately 2/3 of the investments were made in the Danish slaughterhouses, while the rest related to the slaughterhouses in Germany and Sweden. In DAT-Schaub, the establishment of a new casings facility in Esbjerg, Denmark, constituted the largest single investment.



Increase in EBIT

During the year, the group's continued efforts to reduce net working capital paid off despite increases in revenue and exchange rates. The trade debtor value was reduced by DKK 0.3 billion, while the trade creditor value increased by DKK 0.3 billion.

Only the inventory development was negative with an increase of DKK 0.3 billion, of which DKK 0.2 billion is attributable to exchange rates. Due to the closing of the Russian market for fresh pork described in the management's review, inventories were higher than planned for part of the year. In addition, special market conditions resulted in an increase in the inventory of casings.

The reduction of the group's net working capital will continue to be one of the focus areas in 2015/16.

Equity
The group's equity totalled DKK 7.2 billion at the end of 2014/15. At the end of the year, equity was positively impacted by foreign currency translation adjustments of approx. DKK 118 million and negatively by an increase in pension obligations in the UK of DKK 6 million.

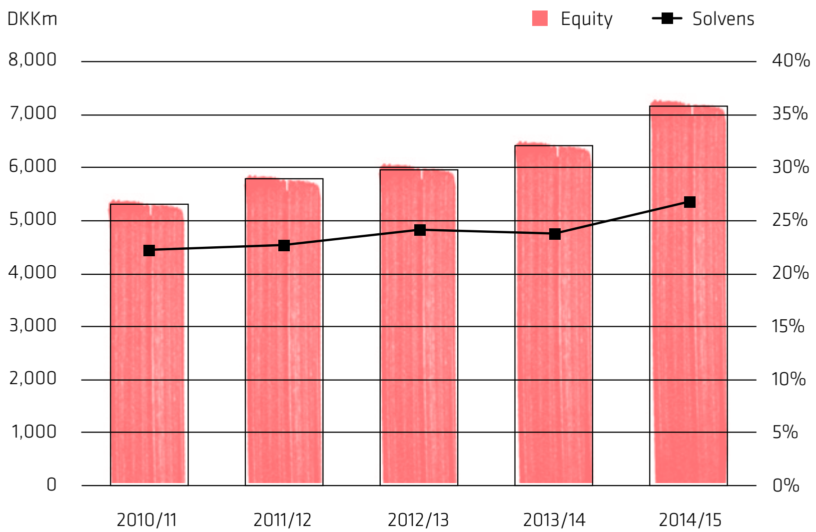
At the end of 2014/15, the solvency ratio amounted to 26.8 per cent against 23.8 per cent last year. The increase is attributable to an increase in equity as well as a decreasing balance sheet total.

Liabilities
During 2014/15, the group's net interest-bearing debt decreased by DKK 1 billion and now amounts to DKK 12 billion.

The group's financing structure is based mainly on credits with a maturity of more than 1 year. Thus, 87 per cent of the interest-bearing debt is long-term debt, of which 34 per cent falls due more than 5 years from the balance sheet date. Fixed-rate loans account for 30 per cent of total loans, which is unchanged compared to the end of 2013/14.

A change in the market rate of 1 percentage point is estimated to have a DKK 91 million impact on total annual finance costs, all other factors aside.

Cash flow statement
Cash flows for the year were positively impacted by the strong results as well as the efforts to reduce net working capital. In addition, investments made in the year were a little lower than depreciation and amortisation for the year.



Growth in equity resulting in increased solvency

GROUP BUSINESS AREAS

The group's business areas are divided into:
- DC Fresh Meat, comprising DC Pork and DC Beef
- DC Casings & Ingredients, comprising DAT-Schaub and the new business area DC Ingredients
- DC Foods, comprising the group's 4 processing companies
- Other companies, comprising DC Trading and a number of associates.

DC Fresh Meat

Main companies in DC Fresh Meat:
- DC Pork B2B
- DC Pork B2C
- KLS Ugglarps
- DC Fleisch
- DC Beef

Market conditions

2014/15 saw contrasting developments in the prices of pork and beef in the European market.

For beef, a decline in supply and imports to the EU, which is DC Beef's primary market, resulted in increasing prices. On the other hand, the economic challenges in the Southern European countries resulted in lower sales of beef. This was partly compensated by the opening of new markets for Danish beef in the Middle East and Africa. New opportunities are also seen in the Japanese market.

In the Danish beef market, successful efforts have been put into increasingly processed and market-adapted products.

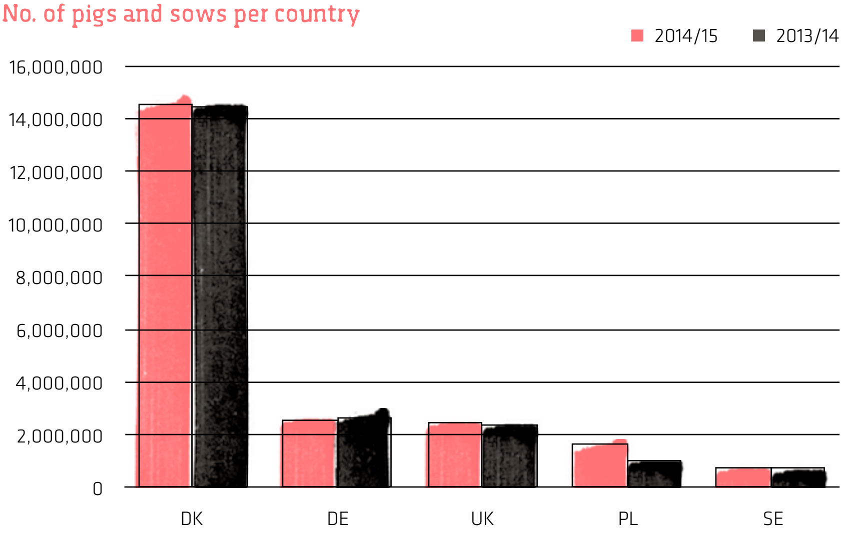
As for pork, a continued excess supply in Europe following the closing of the Russian market led to decreasing prices, which meant that the European slaughterhouse companies turned to markets outside Europe, including, in particular, the Asian markets. Furthermore, cold and rainy weather during the barbecue season in Northern Europe resulted in a weak demand.

Via its broad international access to the fresh pork market, Danish Crown has an advantage, but has also experienced increased competition. Sales in the European markets taken as a whole were thus on a par with last year. Consequently, the group has been working actively to increase sales, for example on the South Asian markets, where price levels are attractive compared to Europe. Sales in South Asia doubled compared to last year, and a new sales office is currently being established in the area. Also the Australian market continues to prefer Danish products.

The Chinese market is still the group's largest single market in terms of quantities and is expected to grow further in future. Danish Crown is well-known in China for the quality and safety of its products.

In Denmark, competition in the retail market increased. Consequently, the group has focused on developing products and concepts tailored to the individual customer's needs. A similar development was seen in the Swedish market, where KLS Ugglarps increased sales, among other things owing to a close partnership with the customers.

No. of pigs and sows per country



Growth in pig slaughterings in all countries, except for Germany

In spring 2015, the EU introduced private storage aid. Danish Crown has only to a limited extent made use of the scheme, which is deemed not to have had the desired effect on price levels.

The work to increase the commercial potential for by-products continued in 2014/15. Amended legislation in the area of BSE risk material created new commercial potential for casings and other parts of the cattle which were previously characterised as subject to risk, but which have now been declared risk-free for human consumption.

Furthermore, the Russian market was opened for imports of by-products from DC Beef, which has made it possible to partially recover this market.

Organisation
In DC Pork, a new organisation was established in 2014/15.

DC Pork B2B now includes the Danish pig and sow slaughterhouses, production facilities in Bugle and Manchester, UK, as well as sales to the global industrial meat market. The business unit also includes DC Pork's foreign sales subsidiaries.

DC Pork B2C comprises sales of pork on the Danish market, sales of Friland (free-range) and organic meat on the global market as well as a retail facility in Sweden.

KLS Ugglarps and DC Fleisch slaughter and sell their products primarily on the local markets in Sweden and Germany, respectively.

Production
In 2014/15, DC Fresh Meat slaughtered 17.8 million pigs and 0.5 million cattle at the group's facilities in Denmark, Germany and Sweden, corresponding to the same level as last year.

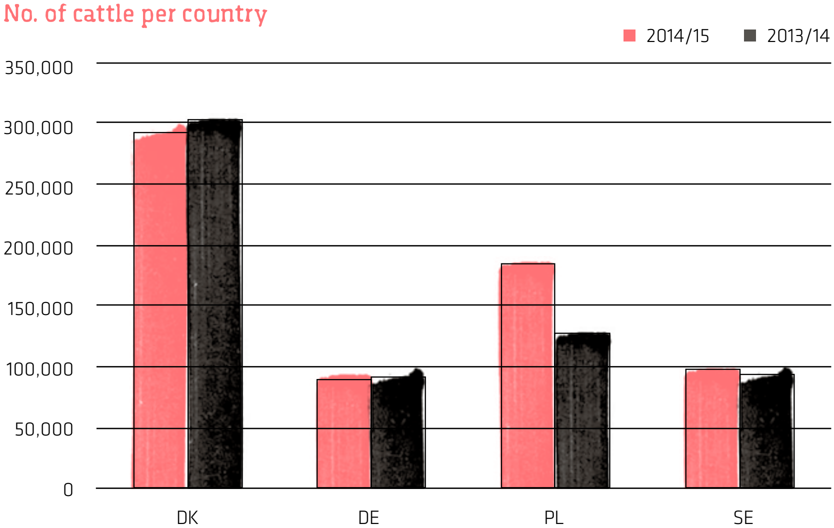
DC Beef's slaughter of cattle in Denmark should be viewed against the backdrop of the abolition of milk quotas in April this year, which made the supply of animals decline for a period. In Denmark, the market share of slaughterings was maintained, while it increased in Sweden.

DC Pork's supply of pigs is primarily based on slaughter of Danish animals in Denmark. The number of pigs slaughtered in Denmark was 14.5 million in 2014/15, corresponding to 77 per cent of the Danish supply of pigs.

In 2014/15, the production of weaners in Denmark increased. Combined with decreasing prices of weaners in the export markets, this had a positive impact on the Danish production of slaughter pigs. DC Pork saw a minor decline in the market share of pigs slaughtered in Denmark, while the market share of pigs slaughtered in Germany was on a par with last year, whereas the group's Swedish slaughterhouse increased its market share of pigs slaughtered in Sweden.

DC Fresh Meat continued to focus on a number of initiatives with a view to strengthening the economy in the production of slaughter pigs in Denmark, thereby increasing the supply to the slaughterhouses in Denmark. One example is DC Coop. Supply's

No. of cattle per country



Increased cattle slaughterings in Sweden, while growth in Poland is due to acquisitions

GROUP BUSINESS AREAS
(continued)

advisory service, the purpose of which is to help the group's Danish suppliers identify potential operational improvements at the pig farms.

In Denmark, both pig and cattle suppliers are continuously being motivated to maintain or expand their production of slaughter animals to the benefit of both the company and the individual cooperative member. For both pig and cattle suppliers, different contribution options for the financing of new establishment and new building exist, just as pig suppliers have the option of obtaining a 7-year contribution margin guarantee.

All slaughterhouses focus on production optimisation, and efforts are made to create strong and efficient production units across factories and countries.

Changes in production layout at Tulip Ltd thus made it possible to establish a DC Pork production facility in Bugle, UK, which is now being run in. Similarly, 2 slaughterlines at the slaughterhouse in Ringsted, Denmark, were shut down with a view to utilising capacity at the plant more efficiently.

During the year, all sow slaughterings in Denmark were concentrated at the facility in Skærbæk, where a number of streamlining initiatives were implemented in cooperation with the employees. The planned joint venture with Westfleisch concerning the deboning of sow meat for the German market is expected to enable DC Pork to move up in the value chain in the sow meat market.

At the German pig slaughterhouse, work went into establishing a production that will enable exports to the demanding high-price market in Japan, while other investment projects were initiated with a view to improving efficiency at the facility.

At the Swedish pig slaughterhouses, investments were made in expanding capacity to accommodate the increased market share.

In DC Beef, the running-in of the new cattle slaughterhouse in Holsted, Denmark, was completed. Operating profits for the period after running-in have shown that building the most modern facility in Northern Europe was the right decision. However, efforts to utilise the facility and the modern production techniques more efficiently will continue. Furthermore, an expansion of the storage capacity at the German cattle slaughterhouse was initiated with a view to increasing the deboning activities while at the same time being able to ripe a larger part of the meat and thus increase the added value.

DC Foods

DC Foods is Europe's leading company within processed meat products. The company has a broad product range comprising cold cuts, bacon, sausages, meal components (e.g. meat balls and slow cooked products), soups, salami and canned products, among other things.

The primary markets are the UK, Poland, Denmark, the US, Sweden and Germany, but products are sold in more than 100 countries. The division consists of 4 strong companies:

- Tulip Ltd (UK)
- Sokołów (Poland)
- Plumrose (US)
- Tulip Food Company (Denmark)

In the 2014/15 financial year, DC Foods achieved growth and managed to increase both revenue and primary earnings.

It was thus a good year – despite very difficult market conditions characterised by fierce competition for customers and consumers, both in the retail sector and within the foodservice area. Most of the countries where DC Foods sells its products saw a decline in selling prices (deflation) resulting from the Russian trade embargo and increasing production of meat in Europe and the US. Overall, this has detracted value from a number of product categories.

Several customers still face challenges in the form of lack of growth and fierce competition.

Consolidation among suppliers continues, but it is still far from the development seen on the customer side. For example, the three leading suppliers in Europe (including DC Foods) had a total market share of less than 7 per cent. In the financial year, a number of minor and a few major acquisitions were carried out in the market. Part of DC Foods' growth in revenue and earnings were achieved through Sokołów, which as of this financial year is owned 100 per cent by Danish Crown.

Exchange rates made a positive contribution to revenue and earnings and strengthened our competitiveness compared to several international competitors. On the other hand, increasing GBP and USD exchange rates in particular meant that net working capital and capital employed increased when measured in Danish kroner.

The growth in earnings is to a wide extent caused by a very tight management of fixed costs. Among other things, this resulted in the closure of a factory in Denmark (Faaborg) and the divestment of a factory in the UK (Bugle) to the affiliated company DC Pork. On the other hand, a factory producing slow cooked products re-opened in the UK.

DC Foods launched many new products during the financial year – both under the strong international brands (Tulip and Sokołów) and under the national brands (Danepak, Plumrose, Mou, Steff-Houlberg etc.). In addition, many new products were launched in close cooperation with customers within the retail and foodservice segments under the customers' own brands (private label).

Innovation in DC Foods is driven by consumer insight and customer needs. This has resulted in particular focus on

DC FRESH MEAT

	2014/15	2013/14
Sales, '000 tonnes	2,196	2,125
Revenue, DKKm	30,724	32,642
Operating profit before special items (EBIT), DKKm	1,204	889
Operating profit before special items (EBIT), %	3.9	2.7

DC CASINGS & INGREDIENTS

	2014/15	2013/14
Sales, '000 tonnes	295	109
Revenue, DKKm	3,704	3,355
Operating profit before special items (EBIT), DKKm	261	289
Operating profit before special items (EBIT), %	7.0	8.6

DC FOODS

	2014/15	2013/14
Sales, '000 tonnes	940	804
Revenue, DKKm	24,949	22,105
Operating profit before special items (EBIT), DKKm	1,051	879
Operating profit before special items (EBIT), %	4.2	4.0

convenience/slow cooked products, where consumers can save time in the kitchen without compromising the requirements for quality and taste. In addition, DC Foods has also seen a continued demand for products that live up to health and nutritional requirements (e.g. reduced salt and fat content).

These 2 trends were also clear in connection with Tulip Ltd's relaunch of Danepak, British consumers' preferred bacon brand, in 2015. The company has thus developed both a variant with 30 per cent less salt, but with the same great taste, and a microwave-friendly variant that allows consumers to get crispy bacon in just 1 minute during busy mornings.

These are just 2 examples of how the companies in DC Foods are continuously working to develop tasty products that are easy to use at home in the kitchen. Other launches during the financial year include Tulip Food Company's relaunch of the meat ball range and the work to make slow cooked products even easier to use by offering shredded pulled pork. Furthermore, Sokołów launched, among other things, the product range Uczta Qulinarna, which will make it easier for consumers to prepare delicious meals with beef, just as the company has continued its growth within snacking.

It is DC Foods' objective to spread good ideas and new products faster across the companies in DC Foods to maximise the benefits of the innovation work.

DC Foods has made ongoing investments in the factory structure with a view to tailoring the group to changes in customer behaviour and market needs. In the financial year, DC Foods has invested DKK 850 million in ensuring that its factories are among the most efficient within their area, and all factories meet the increasing requirements for product quality and food safety.

DC Casings & Ingredients

DAT-Schaub

After several years of very strong earnings, DAT-Schaub was unable to continue this development in 2014/15 and recorded a slightly lower EBIT than in recent years.

The financial year saw a number of challenges in the form of decreasing prices for several of the most important products such as sheep casings, hog stomachs, mucosa and heparin.

However, the lower earnings within these product areas were partly offset by other product groups and geographical areas.

Closer cooperation in the DAT-Schaub group and the achievement of more synergies increased earnings, and efforts were also made to reduce fixed costs.

DAT-Schaub saw satisfactory growth in a number of markets, for example Poland, where new distribution rights for artificial casings resulted in the company acquiring a significant market share in a relatively short period of time.

A higher USD rate meant that revenue in DKK increased. In recent years, efforts have been made to achieve higher revenue outside Europe, and we are now approaching a situation where revenue outside Europe is just as high as in Europe.

During the financial year, DAT-Schaub moved its department in Esbjerg, Denmark, from the current premises at Storegade, where the company has had offices, production facilities and warehouse since its establishment in 1893. The Esbjerg department has now been moved to newly renovated facilities at the former Danish Crown slaughterhouse in Esbjerg, which will reduce current costs.

DC Ingredients

The 2014/15 financial year is DC Ingredients' first financial year. The company was established to develop and market new and existing products based on by-products from DC Pork, DC Beef and DAT-Schaub. Various routines and procedures necessary to ensure compliance were established during the year.

DC Ingredients thus functions as a development and sales company for the underlying production companies DC Pork, DC Beef and DAT-Schaub. The 2014/15 financial year ended with positive results, not to mention the added value created in the production companies. The results were achieved by processing by-products and introducing a number of new documented feed products on the Scandinavian markets.

Having also the role of a development forum for better utilisation of by-products, DC Ingredients works, among other things, on developing protein hydrolysates for different feed and food applications.

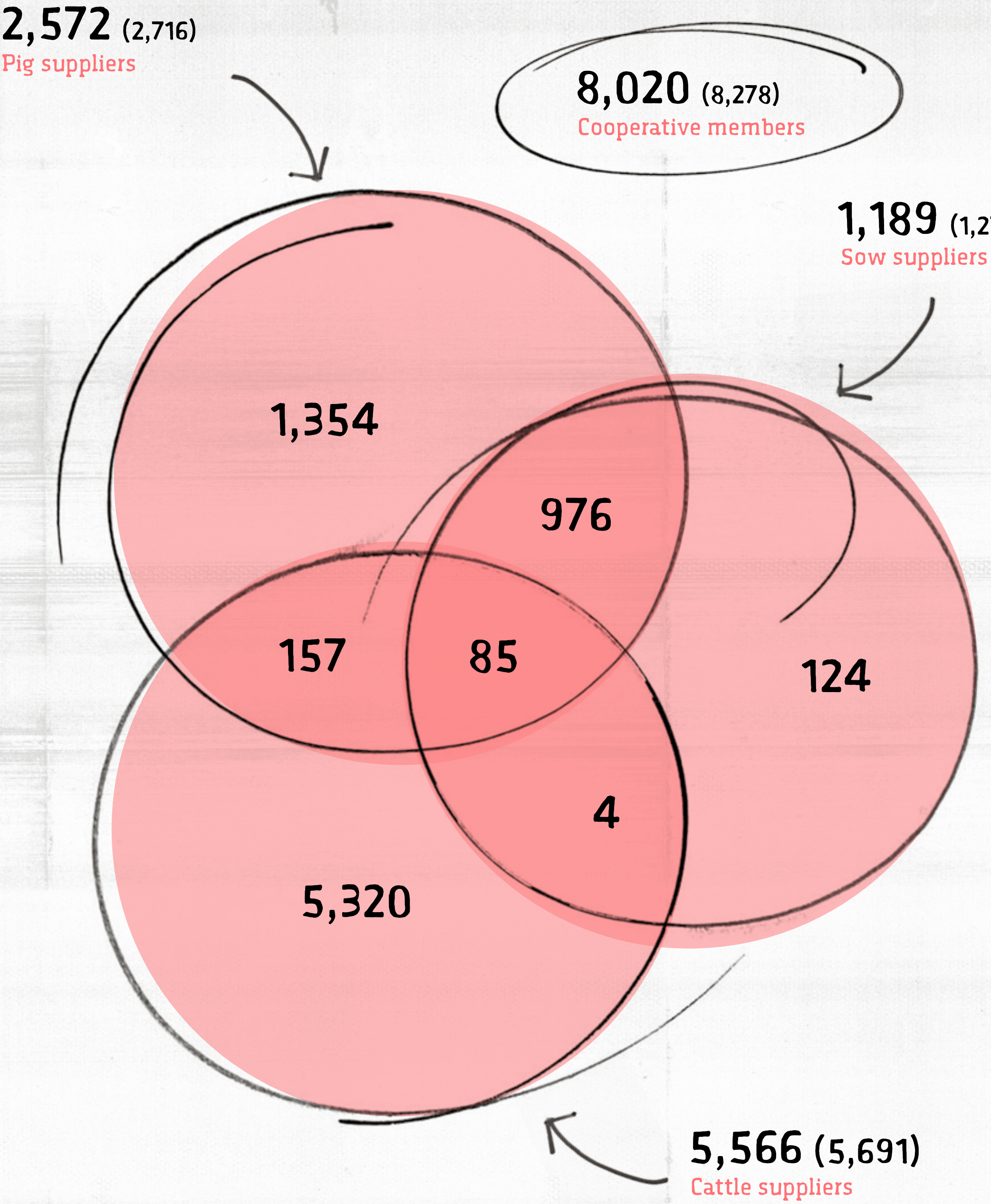
Ownership

The Danish Crown Group is owned by Danish pig and cattle suppliers, who are cooperative members of Leverandørselskabet Danish Crown AmbA.

The structural trend in Danish pig and cattle production is towards increasingly larger farms and this has reduced the number of cooperative members in recent years. Also in 2014/15, the number of cooperative members decreased from 8,278 at the end of 2013/14 to 8,020 at the end of 2014/15.

DISTRIBUTION OF COOPERATIVE MEMBERS

2014/15 (2013/14)



RISK MANAGEMENT

As a global food company engaged in production and sales on several continents, Danish Crown is exposed to a number of industry-related risks, among other things associated with food safety, market access and public regulation. In addition, the group is exposed to insurable and institutional risks as well as financial risks associated with the group's global presence. The Danish Crown Group's overall activities, covering a large part of the value chain from farm to fork, mean that the group is well protected against individual risks. Danish Crown manages the risks of the group centrally at group level as well as decentrally in its subsidiaries. Risk management is coordinated across the group's companies and through the general management structure.

Strategic risks

Consumer demand

Declining economic activity or constant changes in consumer eating habits may affect the demand for the group's products, both among the group's direct customers and among consumers. The group is continuously developing new products at all price levels and for all markets, just as ongoing identification of growth markets helps mitigate the effect of an economic crisis in one or more countries.

The group's overall product portfolio covers both fresh products, retail fresh meat products and processed products to industrial customers as well as retail chains. Via its broad product portfolio and market access, the Danish Crown Group is able to respond quickly to constant changes in consumer demand.

Competitor activities

The group operates in a highly competitive market where the competitor situation can quickly change and the preference for the group's products be affected by global trends. The group counters these risks by working closely with a number of customers at a global level, while at the same time focusing on developing and tailoring its products to the individual market and the individual customer. The spreading of the group's overall customer portfolio, geographically and per segment, means that Danish Crown as a whole is less exposed to changes in sales opportunities.

Commercial risks

Market access

Danish Crown's high veterinary standards give the group access to a number of strategically important local and overseas markets. Access barriers can be divided into veterinary factors, political factors and product-specific customer requirements.

The Danish Crown Group's slaughterhouses are dependent on the countries from which it purchases live animals maintaining their status as being free of infectious livestock diseases. A major outbreak of livestock diseases in one of these countries would probably result in a periodic ban on imports from a number of vital markets. A number of national measures have been adopted to ensure to the widest possible extent that livestock diseases are quickly contained and not spread across borders. The protection against infection has proved extremely effective and is a key precondition for the group's extensive market access. In the unlikely event of signs of a disease outbreak in one of the countries in which the group has slaughtering activities, emergency plans have been established in cooperation with the authorities. The purpose of these emergency plans is to rapidly and effectively locate any disease outbreaks and limit the consequences. In the 2014/15 financial year, Danish Crown, in cooperation with the Danish Veterinary and Food Administration, temporarily closed down its cattle slaughterhouse in Holsted, Denmark, as a preventive measure due to a suspected case of foot-and-mouth disease in a slaughter animal. The suspicion was unfounded, and production was resumed the next working day. The most recent case of foot-and-mouth disease in Denmark was in 1983. There have been no cases of classical swine fever (CSF) in Denmark since 1933, and vaccination against the disease is prohibited in Denmark. Consequently, the group's slaughterhouses in countries not affected by a livestock disease outbreak would be able to continue production. Similarly, it would be possible to continue production at the group's processing plants by supplementing with external raw materials.

Public regulation

Globally, food production is tightly regulated throughout the entire value chain. This regulation serves several purposes, the most prominent being food safety demands, environmental protection and support of the operating economy of the primary producers. Changes in regulation can significantly impact Danish Crown's access to markets and raw materials.

To counter these risks, Danish Crown is a member of several Danish and foreign trade organisations, and there is a continuous dialogue with political organisations and authorities. Cooperation with the trade organisations enables Danish Crown to closely follow political developments and monitor new initiatives.

Operational risks

Stoppages

The group's production facilities are vulnerable to unforeseen events that may cause production stoppages, e.g. fire, long-term interruptions in water and electricity supplies as well as IT breakdowns. A number of measures and plans have been adopted to reduce the consequences of such major and long-term unforeseen events.

The farmers' production and subsequent delivery of pigs and cattle take place on an ongoing basis. Concurrent and long-term production stoppages at national slaughterhouses can lead to capacity problems on the farms. This should be seen in the perspective that the group's trade with customers is based on contracts on quantities and delivery dates. Consequently, it is crucial that the Danish Crown Group as a whole is able to ensure ongoing slaughtering and processing activities without long-term stoppages. In the 2014/15 financial year, two major stoppages occurred at the group's factories as a result of interruptions in the electricity supply. The first stoppage occurred at Tulip Ltd's factory in Bodmin, UK, in August 2014 and was caused by an internal cable breakdown. The other occurred at the Danish Crown pig slaughterhouse in Ringsted, Denmark, in November 2014 and was caused by an external cable breakdown. In both cases, production was resumed the same day.

Danish Crown's production structure with many slaughterhouses and processing facilities makes it possible to adjust capacity both upwards and downwards. Furthermore, the vast majority of the Danish Crown Group's products can be produced in more than one facility.

Capacity utilisation and inventory levels

The Danish Crown Group maintains its competitiveness through high capacity utilisation at production facilities with a high degree of automation, among other things. Capacity is adjusted on an ongoing basis via investments and structural adjustments with a view to maintaining and improving the group's overall competitiveness.

The desire to maintain a high level of capacity utilisation combined with timing differences between the supply of raw materials and the optimum selling time involves varying inventory levels. By freezing finished products, it is possible to both maintain the quality level and sell the products at the desired market price.

Food safety

As a food-producing business, Danish Crown depends on the trust that customers and consumers have in its products. Food safety is therefore a high priority and forms an integral part of the group's quality programmes.

Food safety is regulated through legislation supplemented by a number of international food safety standards. The Danish Crown Group is subject to and complies with applicable requirements for hygiene and food safety – both in the countries where the group has production activities and in the countries to which the group sells its products. Danish Crown supplies the customers and countries in the world with the highest food safety standards. It is thus necessary to ensure that the group generally meets the highest standards in terms of food safety, hygiene and health.

Food safety and hygiene are checked daily and optimised on a regular basis. This takes place through Danish Crown's internal control procedures, daily inspections by the authorities and external audits. Food safety is therefore an integral part of all processes and documentation as well as of the entire supply chain from supplier selection and product development to production, distribution and sales.

The above factors combined with the continuous production contribute to reducing the group's risk of product recalls due to failures in food safety. The most recent major product recall took place in June 2014 following a test result showing traces of DES hormone in a pig slaughtered at the Danish Crown slaughterhouse in Sæby, Denmark. The substance was banned in 1971 and has not been used since. Despite an in-depth investigation of the slaughterhouse, herd, drinking water, feed and manure, the Danish Veterinary and Food Administration was not able to identify the source of the DES hormone.

Financial risks

Managing financial risks

The Danish Crown Group is exposed to financial risks in the form of changes in foreign exchange rates and interest rate levels as well as to credit risks and liquidity risks. Danish Crown A/S manages the financial risks of the group centrally and coordinates the group's liquidity management and capital reserves. The group adheres to a financial policy approved by the Board of Directors, according to which the group pursues a low-risk profile which means that currency, interest rate and credit risks only arise as a result of commercial conditions. The financial policy also stipulates that no active speculation in financial assets may take place.

The group's use of derivative financial instruments is regulated through a set of rules approved by the Board of Directors and related internal business procedures, among other things, stipulating thresholds and which derivative financial instruments may be used.

Insurable risks

It is group policy to buy coverage for insurable risks to the extent it is deemed financially appropriate. The group's ongoing risk management enables a relatively high degree of self-financing of insurance claims, which means that frequency claims can be removed from the insurance markets. Consequently, only large claim scenarios are insured, which allows the group to buy broader coverage and higher insurance sums. The management of insurable risks is coordinated across the group's companies through Danish Crown Insurance.

Currency risks

The currency risks of the group are primarily hedged by matching incoming and outgoing payments in the same currency. The difference between incoming and outgoing payments in the same currency constitutes a currency risk, which is normally hedged by drawing on currency overdraft facilities or by means of forward exchange transactions. It is group policy to hedge the group's net currency exposure on an ongoing basis.

Interest rate risks

The group aims at ensuring a reasonable balance between the group's exposure to variable and fixed interest rates. The interest rate risk reflects the annual change in the financial cash flow which a change in interest rate levels of 1 per cent would entail. Significant changes to the balance between variable and fixed interest rates are approved by the Board of Directors.

Liquidity risks

In connection with the raising of loans etc., the group aims at ensuring the greatest possible flexibility through a spreading of the loans in relation to maturity, renegotiation dates and contracting parties, taking pricing etc. into account. It is the group's strategy to have a predominance of long commitments to ensure financial stability. It is also the group's strategy to have enough cash resources to be able to make the necessary arrangements in the event of unforeseen fluctuations in the cash outflow.

Credit risks

The primary credit risk of the group concerns trade receivables. A credit check is carried out for each individual customer, and based on an overall assessment of the customer's credit rating and geographical location, a decision is made concerning the use of credit insurance, letters of credit, prepayments or open-credit terms. Agreements on derivative financial instruments with a nominal value exceeding DKK 100 million or reinsurance cover on insurance policies taken out with Danish Crown Insurance are generally only concluded with reputable insurance or credit institutions with an A-level Standard & Poors credit rating as a minimum.

CORPORATE RESPONSIBILITY

Danish Crown is one of Europe's leading food companies.

Sustainability is a keyword for the group, and throughout the entire value chain targeted efforts are made to ensure that all processes are carried out in a sustainable and responsible manner. For several years, Danish Crown has focused on a number of key areas when it comes to sustainability. This includes reducing the number of accidents at work through changes in procedures and the use of new technology, and a number of projects have been completed to reduce the company's resource consumption and CO_2 emissions. The companies in the Danish Crown Group also work hard to develop healthy and safe foods, and strict requirements are placed on animal welfare. Work is continuously going into disseminating best practice and knowledge sharing across the group's companies, while respecting cultural differences.

CSR strategy

Danish Crown's CSR strategy was most recently updated in 2013 in connection with the preparation of the DC2018 strategy plan. Danish Crown has joined the UN Global Compact principles and has therefore committed itself to operating responsibly. The group has aligned its strategy and the way it does business with the UN Global Compact's 10 principles relating to human rights, labour, environment and anti-corruption.

The CSR strategy sets out a number of specific targets within the focus areas that are most important for Danish Crown and the group's stakeholders. These include requirements relating to animal welfare, human rights, employment conditions, working environment, the environment and climate, food safety and health, responsible supplier management as well as corruption and facilitation payments.

Long-term strategies have been set within all these areas, which means that many of the projects last for more than one financial year.

To ensure focus on the group's progress within the CSR area and measure the progress made, Danish Crown has adopted a new model for managing CSR activities across the group in the past financial year.

A joint CSR coordinator has been appointed and a CSR group established to monitor and evaluate the group's CSR activities. This includes:

- Overview of the group's overall efforts within the CSR area and recommendations to the Executive Board on CSR-related issues.
- Assessment of the effectiveness of the group's strategy and management of CSR-related issues.
- Assessment of the group's sustainability plans and activities.
- Assessment of the effectiveness of Danish Crown's CSR governance.

Progress Report 2014/15

A full overview of the group's efforts and improvements within the CSR area can be found in Danish Crown's Progress Report 2014/15, which is available both on the UN Global Compact's website and on the Danish Crown website (www.danishcrown.com/Danish-Crown/CSR/What-we-want-to-do.aspx).

Animal welfare

Animal welfare is a high priority for Danish Crown, regularly launching new initiatives in the area. Among other things, the company has successfully increased the share of Danish suppliers who are making use of the option of an extended health check of animals delivered for slaughter. Danish Crown offers to test for a wide range of diseases and can quickly notify the supplier if the test reveals any signs of disease in the animals in the herd. This allows the farmer to change the conditions or administer vaccines at an earlier stage, which reduces disease and thus improves animal welfare. Use of the extended health check is particularly significant when it comes to sows where Danish Crown offers to provide feedback on the health of each animal.

Danish Crown is also working hard to increase the supply of organic meat to keep up with demand. During the financial year, Danish Crown's organic company Friland has initiated a number of concrete initiatives. These include financing assistance for Danish producers wishing to increase their production of organic pigs, material for producers' meetings with banks or other sources of financing as well as a cash grant of DKK 1,000 for each additional organic sow produced by the farmer. The purpose of the initiatives is to increase the share of organic pigs in Denmark.

Human rights

Danish Crown recognises and protects fundamental international human rights, including labour rights. It must be ensured that no violations of these rights occur within the group, and Danish Crown will require the same of all its business partners.

All companies in the group know that human rights must be respected, and systems and policies have been implemented to ensure that this happens.

Employment conditions

The precondition for the business development of Danish Crown is a dedicated staff focused on quality and results.

Danish Crown is therefore working to increase the group's knowledge of the staff's well-being through the employee survey DC CHECK. Danish Crown continuously increases the number of employees taking part in the survey, which gives the group a good overview of areas with room for improvement. In 2014, DC CHECK formed the basis for 390 departmental

CORPORATE RESPONSIBILITY
(continued)

results. Action plans have been prepared, allowing all managers to monitor the progress of the work being done within their own area of responsibility. The majority of the action plans focus on improving the day-to-day management, cooperation and working conditions.

Another example of employee care can be found in Tulip Ltd, which has rolled out a welfare programme for all the company's employees. The programme is called Equipped for Life and is intended to help employees to a better life both in and outside the workplace.

Working environment
Danish Crown's employees must be offered a healthy and safe working environment. Therefore, the group continuously works on improving work conditions for its employees.

During the past year, all foremen and leading hands in Tulip Food Company and DC Beef in Denmark have completed a 2-day health and safety course, which has reduced the number of accidents at work. Earlier, foremen and leading hands in DC Pork and DAT-Schaub have also successfully completed the health and safety course.

Danish Crown has also been a party to major industry agreement where the group has been working with noise reduction and acoustics over a period of 3½ years. In Denmark, DC Pork, DC Beef and Tulip Food Company have all reduced their noise levels to less than 85 dB for all functions, with the exception of a few areas where the authorities have acknowledged that it is not possible. This means that Danish Crown has achieved the targets set and improved the working environment for a lot of employees.

Years of dedicated focus on working environment at Plumrose have also proved fruitful. For several years, the company has gradually reduced the number of accidents, and in spring 2015, 3 of the company's facilities received visible recognition for their work at the NAMI (North American Meat Institute) Awards, where companies with strong accident-prevention performance are rewarded. In the US, Plumrose's facility in Booneville received the Award of Honor, which is the highest honour, while the company's facility in Elkhart, Indiana, received the second-highest honour – the Award of Merit. Finally, the facility Council Bluffs 1 received the Award of Commendation.

Environment and climate
Danish Crown aims at contributing to a reduction of the environmental impact throughout the entire value chain. The group wishes to strengthen the dialogue with customers and other important stakeholders on product sustainability and enter into strategic cooperation and partnerships with both authorities, educational institutions and other companies.

During the financial year, Danish Crown has introduced a number of initiatives aimed at reducing water and energy consumption. Along with a number of other companies, Danish Crown has joined the INNO+VIP (water-efficient industrial production) partnership. The project runs for a 5-year period from 2015 to 2020, and the target is to reduce water consumption in production by 15-30 per cent.

In addition, focus has been directed on energy savings and heat recovery, for example at Danish Crown in Horsens, Denmark, which has achieved savings of more than 4,500 MWh/year in connection with 2 energy projects. Several of the group's other facilities have also achieved substantial energy savings during the year.

For example, Danish Crown in Essen, Germany, has implemented a wide range of initiatives resulting in considerable savings in electricity, gas and water consumption, and a targeted effort has also been made to separate waste for easier recycling.

Health and food safety
Danish Crown is actively involved in the health issues shared by many of the group's markets by developing products, for example, with reduced salt and fat content. The work to reduce the salt and fat content in the group's products is an ongoing process which began several years ago and is expected to continue in the years to come.

In the 2014/15 financial year, Tulip Ltd has launched Danepak bacon with 30 per cent less salt, and the company has also launched a new gluten-free version of the English specialty scotch eggs.

Sokołów and the organisation Coalition for Diabetes have participated actively in a campaign to help Poland's 3 million diabetics to eat healthier by offering them recipes and products that are particularly suitable for diabetics. DC Pork has, among other things, launched a series of keyhole-labelled tender pork products on the Danish market.

Food safety is another important parameter for Danish Crown. The group imposes strict requirements with regard to cleaning, own checks and traceability, both internally and at its suppliers.

In some cases, speed may also be an important factor in relation to food safety. For example, this is true for the control of antibiotic residues, where Danish Crown has introduced new test methods.

In 2015, Danish Crown began testing a multichemical analysis method. This method can test for far more types of antibiotics in one run than previous methods and produces much faster results. At the same time, the new analysis method provides Danish Crown's food safety department with instant information about the type of antibiotics concerned in the very rare case of a positive test result. The multichemical analysis method thus enables Danish Crown to respond much faster if traces of antibiotics are found in the meat. As the method is more accurate, it strengthens Danish Crown's reputation in the export markets. Moreover, the instant type identification makes it far easier for the farmer to find out why animals with antibiotic residues have been supplied and take action to eliminate the problem. The method will be fully phased in from 2016.

In 2014/15, Danish Crown also introduced a project to produce pigs without the use of antibiotics. The aim is to investigate whether it is possible to produce slaughter pigs on a commercial basis without the use of antibiotics and thereby reduce the use of antibiotics in pig production.

Responsible supplier management

Danish Crown continuously evaluates its suppliers. Wherever a trading agreement has been concluded with suppliers, the suppliers are obliged to demonstrate social responsibility and sustainability.

In order to standardise and professionalise the area, work is being done to implement uniform principles for supplier risk assessment. Among other things, this means that the suppliers are evaluated based on their food safety, quality, environment and CSR management systems.

Also when it comes to transport, Danish Crown is working actively to reduce the overall CO_2 emissions from transport of the company's products. Danish Crown requires its suppliers of transport services to supply documentation showing that their CO_2 emissions are being reduced each year.

CORPORATE GOVERNANCE

The aim of the Danish Crown Group's corporate governance process is to ensure that the company is managed and controlled, while at the same time creating value for the company and its stakeholders.

The Danish Crown Group's primary parent is a cooperative, while Danish Crown A/S, the parent of the company's business units, is incorporated as a public limited company. In the 2014/15 financial year, all Danish Crown A/S shares were owned by the cooperative-based parent.

Corporate governance in Leverandørselskabet Danish Crown AmbA focuses primarily on the interaction with the company's owners and suppliers (cooperative members) and on the cooperative's overall objective of selling member deliveries in the best possible way and creating value for the cooperative members in the long and short term. The company is managed with reference to its Articles of Association and accepted Danish cooperative principles.

Corporate governance in Danish Crown A/S focuses on optimising the value creation from the group's Danish and foreign business activities. The purpose is to generate the largest possible return for the owners in the short and long term and to increase the value of the group. The management also focuses on developing positive relations with the company's customers, employees, suppliers and other stakeholders.

As a cooperative, Danish Crown is not obliged to comply with corporate governance rules and guidelines for listed companies. Danish Crown has decided to follow the main part of the Recommendations on Corporate Governance laid down by the Danish Committee on Corporate Governance, while taking into account the group's special ownership structure. Danish Crown has considered the recommendations and described how Danish Crown follows the recommendations in its Statement on Corporate Governance. In the few areas where the recommendations have not been followed, Danish Crown has stated the reason for not following them.

The most important areas of Danish Crown's non-compliance are:
- The group is not listed on the stock exchange, so the publication of quarterly reports is not deemed to be necessary. The group publishes half-year reports.
- The Board of Directors of the group does not meet the recommendations' requirements with respect to composition, independence, age, election period as well as disclosure of remuneration and remuneration policy. This is due to the group's close relationship with its owners who are also suppliers to the group, and Leverandørselskabet Danish Crown AmbA's special status as a cooperative with the resulting election procedures.
- The group does not publish terms of reference and other information on the management committees as these are deemed to be of an internal nature.
- For historical reasons and according to Leverandørselskabet Danish Crown AmbA's Articles of Association, cooperative members wishing to exercise their influence at meetings of the Board of Representatives must attend such meetings in person.

Board of Representatives

The Board of Representatives is the supreme governing body of Leverandørselskabet Danish Crown AmbA and consists of up to 90 representatives elected by and among the company's cooperative members for a period of 2 years at a time. Meetings are held within the electoral districts established with a view to inform cooperative members about the company's affairs, including the presentation of the annual report. In addition, the dialogue with the cooperative members takes place on an ongoing basis, primarily via electronic weekly newsletters.

The Board of Representatives held 5 meetings in 2014/15. The Board of Representatives receives general information about the current state of the company and quarterly reports with financial statements and comments on the group's business activities, which are elaborated at the meetings.

The Board of Representatives receives information about or adopts, based on a recommendation from the Board of Directors, matters of significance to the group, including its strategy plan, capital structure, annual report, distribution of profit and amendments to the Articles of Association.

Board of Directors of Leverandørselskabet Danish Crown AmbA

The Board of Directors of Leverandørselskabet Danish Crown AmbA is in charge of the overall management of the company and elects a chairman and a vice-chairman once a year. The Board of Directors consists of up to 12 members and 1 observer.

10 members are elected at regional and national electoral meetings among the members of the Board of Representatives. In addition, the Board of Representatives may elect 2 members to the Board of Directors who are not cooperative members or employees of the company. Members of the Board of Directors are elected for 2 years at a time. At the end of 2014/15, the Board of Directors consisted of 10 elected members and 1 observer. The tasks of the Board of Directors are described in more detail in the Board of Directors' rules of procedure and in the annual plan for the work of the Board of Directors.

The Board of Directors held 8 meetings in 2014/15. The Board of Directors recommends candidates to the Board of Directors of Danish Crown A/S to the general meeting of the latter. Moreover, it lays down the overall earnings and strategy requirements for Leverandørselskabet Danish Crown AmbA and the group in general. Furthermore, the Board of Directors considers strategic initiatives of importance to the entire group as well as all matters relating to the cooperative members.

As the group's operating activities are handled by Danish Crown A/S, relevant board committees are organised under the Board of Directors of this company, just as several other corporate governance tasks are handled by the Board of Directors of Danish Crown A/S.

Board of Directors of Danish Crown A/S

The Board of Directors of Danish Crown A/S is in charge of the overall management of the company and elects a chairman and a

DANISH CROWN'S MANAGEMENT STRUCTURE

COOPERATIVE MEMBER AND SUPPLIER MATTERS

Cooperative members

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Board of Representatives

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Board of Directors of Leverandørselskabet Danish Crown AmbA

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LEVERANDØRSELSKABET DANISH CROWN AMBA

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BUSINESS ACTIVITIES

Board of Directors of Danish Crown A/S

Audit committee

Nomination committee

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DANISH CROWN A/S

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Executive Board of Danish Crown A/S

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Organisation

vice-chairman once a year. The Board of Directors of Danish Crown A/S consists of 6 to 15 members. At the end of 2014/15, the Board of Directors consisted of 13 members, of whom 10 members have been elected by Leverandørselskabet Danish Crown AmbA as the only shareholder, and 3 members have been elected by the group's employees. 4 of the 10 members elected by Leverandørselskabet Danish Crown AmbA are independent, while 6 members have been elected among the members of the Board of Directors of Leverandørselskabet Danish Crown AmbA. Members of the Board of Directors are elected for 1 year at a time.

The tasks of the Board of Directors are described in more detail in the Board of Directors' rules of procedure and in the annual plan for the work of the Board of Directors. The Executive Board reports regularly to the Board of Directors on the company's financial position through monthly and quarterly reports. Moreover, budgets, large investments, important strategic initiatives, strategy plans and annual reports are presented to the Board of Directors for adoption. The company's business risks are regularly assessed and reported on, and the Board of Directors considers the company's risk management and control systems on an annual basis. The work of the Board of Directors, including its cooperation with the Executive Board, is assessed on a regular basis.

The Board of Directors held 8 meetings in 2014/15. The Board of Directors holds meetings with the company's auditors in connection with the presentation of the annual report and the auditors' records.

The Board of Directors has set up an audit committee with the primary aim of monitoring the processes relating to the group's financial reporting, internal control and risk management processes and well as monitoring the external statutory audit. In addition, the audit committee meets once a year with the auditors without the Executive Board being present.

In addition, the Board of Directors has set up a nomination committee which prepares recommendations for the Board of Directors on candidates for the different boards of directors and committees of the group as well as their remuneration. Remuneration policies and the remuneration structure for the group's management are adopted by all members of the Board of Directors, while decisions regarding the remuneration of the Executive Board are made by the chairman and vice-chairman of the Board of Directors.

Finally, the Board of Directors has set up 2 sub-committees for a more in-depth treatment of certain business aspects of DC Pork and DC Beef, respectively.

Executive Board of Danish Crown A/S

The Executive Board of Danish Crown A/S consists of Kjeld Johannesen (President and Group CEO), Flemming N. Enevoldsen (Group Executive Vice President) and Preben Sunke (Group CFO). The tasks and responsibilities of the Executive Board are laid down in an Executive Board manual prepared by the Board of Directors. According to this, all group activities within DC Fresh Meat are the responsibility of Kjeld Johannesen, while Flemming N. Enevoldsen has the overall responsibility for DC Foods.

Boards of directors and executive boards of subsidiaries

The boards of directors and executive boards of the individual subsidiaries have been composed to meet individual requirements, but with a general focus on precise reporting lines and the delegation of decentralised and market-based responsibilities for results and development such that group coordination primarily takes place at strategic level. All transactions between the group's business units are conducted on an arm's length basis.

In the large companies, the boards of directors and executive boards are composed of members of the Board of Directors and Executive Board of Danish Crown A/S and independent board members possessing expertise within the various relevant business areas.

Diversity in management

In 2014/15, the Board of Directors adopted a new target for the percentage of women in the group's Danish boards of directors, the target being based on all the members of the group's Danish boards of directors except for the members elected by the employees. The target for 2020 is 7 per cent. At the end of 2014/15, the percentage amounted to 3.4 per cent.

In addition, it is group policy to increase diversity in management. The group has introduced initiatives to increase the percentage of women at other management levels in the company, the objective being 25 per cent. The percentage of women in management is currently 28 per cent compared to 27 per cent in 2013/14. The initiatives introduced with respect to recruitment and training have thus been successful.

Reporting and internal control

The group's financial reporting processes are designed to ensure uniform and reliable financial reporting for the group. The processes are based on fundamental principles of a simple organisational structure with a division of responsibilities and clear reporting lines.

The Board of Directors is responsible for monitoring the group's internal control and risk management processes as well as the group's financial reporting. The Executive Board is responsible for implementing the processes and has established a number of financial reporting policies and procedures which the group's units must follow. Among the more important policies and procedures are the treasury policy, IT and insurance policy as well as accounting and reporting instructions.

The Board of Directors has decided not to set up a central whistleblower scheme or an internal audit function, but continuously monitors the development in the group to assess the need for such scheme or function. The consolidated financial statements are audited by independent auditors appointed by the Board of Representatives.

MANAGEMENT

Executive Board

President and Group CEO

Kjeld Johannesen

Appointed: 1990

Member of the boards of:
Aktieselskabet Schouw & Co.

Spar Nord Bank A/S (Vice-chairman)

Member of the boards of the following professional bodies:
Board of Directors of Danmarks Nationalbank

Danish Pig Meat Industry,
Danish Agriculture & Food Council

Permanent Committee on Business Policies of Confederation of Danish Industry (Chairman)

Honorary Consul General of Japan

Group Executive Vice President

Flemming N. Enevoldsen

Appointed: 2006

Member of the board of:
Port of Esbjerg (Chairman)

Member of the boards of the following professional bodies:
Danish Food and Drink Federation

Company Board,
Danish Agriculture & Food Council

Group CFO

Preben Sunke

Appointed: 2002

Member of the boards of:
Santa Fe Group (Vice-chairman)

Skandia Kalk Holding ApS

Member of the boards of the following professional bodies:
Energy and Climate Policy Committee of Confederation of Danish Industry (Chairman)

Employers' Association of Danish Abattoirs (Chairman)

MANAGEMENT

Board of Directors

Chairman

Erik Bredholt *1) 2) 3) 4)

Appointed: 2001

Member of the boards of:
Industriens Pensionsforsikring A/S

Livland Holding A/S

Member of the boards of the following professional bodies:
Danish Bacon and Meat Council

Company Board,
Danish Agriculture & Food Council

Danish Pig Meat Industry,
Danish Agriculture & Food Council

Central Board of Confederation of Danish Industry

Employers' Association of Danish Abattoirs (Vice-chairman)

Danish Pig Levy Fund

Vice-chairman

Asger Krogsgaard *1) 2) 3) 4)

Appointed: 2003

Member of the boards of:
Agroinvest A/S (Vice-chairman)

Norma og Frode S. Jacobsens Fond

Member of the boards of the following professional bodies:
Danish Bacon and Meat Council (Chairman)

Chairmanship, Danish Agriculture & Food Council (Vice-chairman)

Company Board,
Danish Agriculture & Food Council (Chairman)

Danish Pig Meat Industry,
Danish Agriculture & Food Council (Chairman)

Primary Sector Board,
Danish Agriculture & Food Council

Danish Pig Levy Fund (Chairman)

Vice-chairman

Søren Bach 2) 4)

Appointed: 2010

Member of the boards of:
Peter Justesen Company A/S

Skagenfood A/S (Chairman)

EL:CON Gruppen A/S

Message A/S (Chairman)

Board member

Peder Philipp *1) 2) 4)

Appointed: 1996

Member of the boards of:
Fonden Ribe Vikingecenter

RYK-Fonden til Varetagelse af Registrering og Ydelseskontrol

Member of the boards of the following professional bodies:
Danish Livestock and Meat Board (Vice-chairman)

Company Board,
Danish Agriculture & Food Council

SEGES, Dairy and Cattle Farming (Chairman)

Primary Sector Board,
Danish Agriculture & Food Council

SEGES

Danish Cattle Levy Fund (Chairman)

Board member

Erik Larsen *1) 2) 3)

Appointed: 1996

Member of the boards of:
OK a.m.b.a.

Sparekassen Sjælland

Member of the boards of the following professional bodies:
Primary Sector Board,
Danish Agriculture & Food Council

SEGES, Danish Pig Research Centre (Chairman)

SEGES

Board member

Jeff Olsen Gravenhorst 2) 3)

Group CEO, ISS A/S

Appointed: 2010

Member of the boards of:
ISS Global A/S (Chairman)

ISS World Services A/S (Chairman)

Rambøll Gruppen A/S (Chairman)

Member of the boards of the following professional bodies:
Permanent Committee on Business Policies of Confederation of Danish Industry

* *Independent farmer in privately owned company or corporate form and is also a cooperative member.*

1) *Member of the Board of Directors of Leverandørselskabet Danish Crown AmbA*
2) *Member of the Board of Directors of Danish Crown A/S*
3) *Member of the audit committee.*
4) *Member of the nomination committee.*

Board member

Peter Fallesen Ravn *1) 2) 4)

Appointed: 2008

Board member

Niels Daugaard Buhl *1)

Appointed: 2006

Board member

Cay Wulff Sørensen *1)

Appointed: 2009

Member of the board of the following professional bodies:
Danish Pig Meat Industry,
Danish Agriculture & Food Council

Board member

Majken Schultz 2)

Professor, Ph. D.

Appointed: 2013

Member of the boards of:
REALDANIA

Danske Spil A/S

Bang & Olufsen a/s

Board member

Jesper Teddy Lok 2)

Appointed: 2013

Member of the boards of:

Inchcape Shipping Services

ESVAGT A/S (Chairman)

J. Lauritzen A/S

Danmarks Skibskredit A/S
(Vice-chairman)

Board member

Palle Joest Andersen *1) 2)

Appointed: 2009

Member of the board of:
AKV Langholt AmbA

Member of the boards of the following professional bodies:
SEGES, Danish Pig Research Centre

Danish Pig Meat Industry,
Danish Agriculture & Food Council

Board member

Knud Jørgen Lei *1)

Appointed: 2013

Member of the board of:
Timis Agro ApS

Member of the board of the following professional body:
Danish Pig Levy Fund

Board member

Søren Bonde *1)

Appointed: 2013

Member of the board of:
A/S Det Fynske Landbocenter
Ejendomsselskab

Member of the boards of the following professional bodies:
SEGES, Danish Pig Research Centre

Patriotisk Selskab (Vice-chairman)

Observer

Karsten Willumsen *1)

Appointed: 2013

Member of the boards of the following professional bodies:
Danish Cattle Levy Fund

Danish Livestock and Meat Board

SEGES, Dairy and Cattle Farming

Herning-Ikast Agricultural Association

Board member

Mogens Birch 2)

Appointed: 2011
(elected by the employees)

Board member

Hans Jørgen Frank 2)

Appointed: 2014
(elected by the employees)

Board member

Torben Lyngsø 2)

Appointed: 2009
(elected by the employees)

INCOME STATEMENT

29 September 2014 - 30 September 2015

DKKm	Note	GROUP 2014/15	GROUP 2013/14
Revenue	2	**59,556**	**58,029**
Production costs	3, 4	-51,227	-50,635
Gross profit		**8,329**	**7,394**
Distribution costs	3, 4	-4,254	-3,893
Administrative expenses	3, 4, 5	-1,721	-1,515
Other operating income		32	29
Other operating expenses		-8	-20
Income from equity investments in associates and joint ventures	12	93	183
Operating profit before special items (EBIT)		**2,471**	**2,178**
Special items	6	-68	-16
Operating profit after special items		**2,403**	**2,162**
Financial income	7	82	65
Financial expenses	8	-351	-369
Profit before tax		**2,134**	**1,858**
Tax on profit for the year	9	-313	-202
Net profit for the year		**1,821**	**1,656**
Distribution of net profit for the year			
Cooperative members of the parent		1,774	1,607
Minority interests		47	49
		1,821	**1,656**

STATEMENT OF COMPREHENSIVE INCOME

29 September 2014 - 30 September 2015

Net profit for the year		**1,821**	**1,656**
Items which may subsequently be transferred to the income statement:			
Foreign currency translation adjustment of foreign enterprises		180	133
Fair value adjustments etc. of financial instruments concluded in order to hedge future cash flows		8	7
Transfer to the income statement of fair value adjustments of financial instruments concluded in order to hedge realised cash flows		4	-24
Hedging of net investments in subsidiaries		-62	-32
Tax on other comprehensive income		-7	-1
Transferred to the income statement in connection with step acquisition of subsidiary		0	65
Items which cannot be transferred to the income statement:			
Actuarial gains/losses on defined-benefit plans etc.	17	-7	-41
Tax on other comprehensive income	9	1	8
Other comprehensive income		**117**	**115**
Comprehensive income		**1,938**	**1,771**
Distribution of comprehensive income			
Cooperative members of the parent		1,871	1,714
Minority interests		67	57
		1,938	**1,771**

BALANCE SHEET – ASSETS

30 September 2015

		GROUP	
DKKm	Note	30.09.2015	28.09.2014
Intangible assets	10	2,828	2,782
Property, plant and equipment	11	10,564	10,466
Equity investments in associates and joint ventures	12	347	347
Other securities and equity investments	13	9	8
Other receivables		0	99
Biological assets	14	88	96
Deferred tax assets	18	440	517
Non-current assets		**14,276**	**14,315**
Inventories	15	4,560	4,313
Biological assets	14	274	257
Trade receivables	16	6,435	6,778
Receivables from and prepayments to cooperative members		389	401
Receivables from associates		8	7
Other receivables		454	499
Prepayments		140	116
Other securities and equity investments	13	139	197
Cash		104	132
Current assets		**12,503**	**12,700**
Total assets		**26,779**	**27,015**

BALANCE SHEET – EQUITY AND LIABILITIES

30 September 2015

		GROUP	
DKKm	**Note**	**30.09.2015**	**28.09.2014**
Contributed capital	24	1,572	1,505
Personal subordinated accounts	24	113	0
Other reserves		173	70
Retained earnings		5,112	4,675
Equity owned by cooperative members of the parent		**6,970**	**6,250**
Equity owned by minority interests		202	173
Equity		**7,172**	**6,423**
Pension obligations	17	189	219
Deferred tax liabilities	18	392	384
Other provisions	19	187	205
Loans and borrowings	20	11,017	10,437
Non-current liabilities		**11,785**	**11,245**
Other provisions	19	117	94
Loans and borrowings	20	1,654	3,431
Trade payables		3,718	3,394
Payables to associates		47	46
Income tax payable		170	133
Other payables		2,054	2,134
Deferred income		62	115
Current liabilities		**7,822**	**9,347**
Liabilities		**19,607**	**20,592**
Total equity and liabilities		**26,779**	**27,015**
Operating lease commitments	21		
Contingent liabilities	22		
Security	23		
Rights and liabilities of the cooperative members	24		
Financial risks and financial instruments	27		

STATEMENT OF CHANGES IN EQUITY

30 September 2015

DKKm	Contributed capital	Personal subordinated accounts	Reserve for foreign currency translation adjustments	Reserve for value adjust-ment of hedging instruments	Retained earnings	Total	Equity owned by minority interests	Total equity
Equity as at 29 September 2013	**1,543**	**0**	**-94**	**24**	**4,330**	**5,803**	**159**	**5,962**
Net profit for the year	**0**	**0**	**0**	**0**	**1,607**	**1,607**	**49**	**1,656**
Foreign currency translation adjustment of foreign enterprises	0	0	125	0	0	**125**	8	**133**
Fair value adjustments etc. of financial instruments concluded in order to hedge future cash flows	0	0	0	7	0	**7**	0	**7**
Transfer to the income statement of fair value adjustments of financial instruments concluded in order to hedge realised cash flows	0	0	0	-24	0	**-24**	0	**-24**
Hedging of net investments in subsidiaries	0	0	0	-32	0	**-32**	0	**-32**
Actuarial gains/losses on defined-benefit plans etc.	0	0	0	0	-41	**-41**	0	**-41**
Tax on other comprehensive income	0	0	0	-1	8	**7**	0	**7**
Transferred to the income statement in connection with step acquisition of subsidiary	0	0	66	-1	0	**65**	0	**65**
Total other comprehensive income	**0**	**0**	**191**	**-51**	**-33**	**107**	**8**	**115**
Comprehensive income for the year	**0**	**0**	**191**	**-51**	**1,574**	**1,714**	**57**	**1,771**
Payment of contributed capital, net	-38	0	0	0	0	**-38**	0	**-38**
Supplementary payments disbursed	0	0	0	0	-1,229	**-1,229**	-43	**-1,272**
Equity as at 28 September 2014	**1,505**	**0**	**97**	**-27**	**4,675**	**6,250**	**173**	**6,423**
Net profit for the year	**0**	**113**	**0**	**0**	**1,661**	**1,774**	**47**	**1,821**
Foreign currency translation adjustment of foreign enterprises	0	0	163	0	0	**163**	17	**180**
Fair value adjustments etc. of financial instruments concluded in order to hedge future cash flows	0	0	0	8	0	**8**	0	**8**
Transfer to the income statement of fair value adjustments of financial instruments concluded in order to hedge realised cash flows	0	0	0	4	0	**4**	0	**4**
Hedging of net investments in subsidiaries	0	0	0	-65	0	**-65**	3	**-62**
Actuarial gains/losses on defined-benefit plans etc.	0	0	0	0	-7	**-7**	0	**-7**
Tax on other comprehensive income	0	0	-19	12	1	**-6**	0	**-6**
Total other comprehensive income	**0**	**0**	**144**	**-41**	**-6**	**97**	**20**	**117**
Comprehensive income for the year	**0**	**113**	**144**	**-41**	**1,655**	**1,871**	**67**	**1,938**
Payment of contributed capital, net	67	0	0	0	0	**67**	0	**67**
Supplementary payments disbursed	0	0	0	0	-1,218	**-1,218**	-38	**-1,256**
Equity as at 30 September 2015	**1,572**	**113**	**241**	**-68**	**5,112**	**6,970**	**202**	**7,172**

CASH FLOW STATEMENT

29 September 2014 - 30 September 2015

DKKm	Note	GROUP 2014/15	GROUP 2013/14
Operating profit before special items		**2,471**	**2,178**
Depreciation, amortisation, impairment losses and write-downs	4	1,550	1,372
Income from associates		-93	-183
Change in provisions		-78	-40
Change in net working capital	25	689	-60
Operating cash flows		**4,539**	**3,267**
Financial income received	7	82	65
Financial expenses paid	8	-351	-369
Income tax paid		-224	-200
Cash flows from operating activities		**4,046**	**2,763**
Purchase etc. of intangible assets	10	-45	-68
Sale of intangible assets		0	5
Purchase etc. of property, plant and equipment and biological assets	11,14	-1,518	-1,457
Sale of property, plant and equipment		165	131
Purchase of other securities and equity investments		0	0
Sale of other securities and equity investments		156	161
Acquisition of businesses	26	0	-1,315
Dividend received	12	104	109
Cash flows from investing activities		**-1,138**	**-2,434**
Disbursement of supplementary payments and dividend for minorities		-1,256	-1,272
Proceeds from borrowings		272	1,682
Repayment of borrowings		-2,020	-671
Payment of contributed capital, net		68	-38
Cash flows from financing activities		**-2,936**	**-299**
Change in cash and cash equivalents		**-28**	**30**
Cash and cash equivalents as at 28 September 2014		132	102
Cash and cash equivalents as at 30 September 2015	25	**104**	**132**

GROUP STRUCTURE

Company name		Direct ownership interest in %
Leverandørselskabet Danish Crown AmbA	**Denmark**	
Danish Crown A/S	**Denmark**	**100**
Tulip Food Company A/S	**Denmark**	**100**
Tulip Norge AS	*Norway*	*100*
*Tulip Food Company GmbH **)*	*Germany*	*100*
*Tulip Fleischwaren Oldenburg GmbH **)*	*Germany*	*100*
Tulip Food Company France S.A.	*France*	*100*
Tulip Food Company AB	*Sweden*	*100*
Pölsemannen AB	*Sweden*	*100*
Tulip Food Company Italiana S.r.L.	*Italy*	*100*
Tulip Food Company Japan Co. Ltd	*Japan*	*100*
Majesty Inc.	*US*	*100*
Tulip Food Service Ltd	*UK*	*100*
Danish Deli Ltd	*UK*	*100*
Tulip International (UK) Ltd	**UK**	**100**
Tulip Ltd	*UK*	*100*
Parkam Foods Ltd	*UK*	*100*
Tranfoods Ltd	*UK*	*100*
Trophy Foods Ltd	*UK*	*100*
Freshway Chilled Foods Ltd	*UK*	*100*
ESS-FOOD Holding A/S	**Denmark**	**100**
ESS-FOOD A/S	*Denmark*	*100*
Carnehansen A/S	*Denmark*	*100*
Dansk Svensk Koedexport s.r.o.	*Czech Republic*	*100*
ESS-FOOD Hong Kong Ltd	*Hong Kong*	*100*
ESS-FOOD (Shanghai) Trading Co. Ltd	*China*	*100*
ESS-FOOD Brazil Servicos de Consultoria Ltda	*Brazil*	*100*
Danish Crown Holding GmbH **)	**Germany**	**100**
*Danish Crown GmbH *), **)*	*Germany*	*90*
*Danish Crown Fleisch GmbH **)*	*Germany*	*100*
Danish Crown Sp.z o.o.	*Poland*	*100*
*Danish Crown Schlachtzentrum Nordfriesland GmbH *), **)*	*Germany*	*90*

Company name		Direct ownership interest in %
Friland A/S	**Denmark**	**100**
Friland Udviklingscenter ApS	*Denmark*	*100*
*Udviklingscenter for husdyr på Friland K/S *)*	*Denmark*	*2*
*Udviklingscenter for husdyr på Friland K/S *)*	*Denmark*	*48*
Friland Food AB	*Sweden*	*100*
*Friland J. Hansen GmbH **)*	*Germany*	*100*
Friland Polska Sp. z o.o.	*Poland*	*100*
DAT-Schaub A/S	**Denmark**	**90**
DAT-Schaub (PORTO) S.A.	*Portugal*	*100*
DAT-Schaub USA Inc.	*US*	*100*
DS-France S.A.S.	*France*	*100*
Trissal S.A.	*Portugal*	*50*
Arne B. Corneliussen AS	*Norway*	*100*
Oy DAT-Schaub Finland Ab	*Finland*	*100*
Thomeko Oy	*Finland*	*83*
Thomeko Eesti OÛ	*Estonia*	*100*
DAT-Schaub AB	*Sweden*	*100*
*DAT-Schaub (Deutschland) GmbH **)*	*Germany*	*100*
*Gerhard Küpers GmbH **)*	*Germany*	*100*
*DIF Organveredlung Gerhard Küpers GmbH & Co. KG **)*	*Germany*	*100*
*CKW Pharma-Extrakt Beteiligungs- und Verwaltungs GmbH **)*	*Germany*	*50*
*CKW Pharma-Extrakt GmbH & Co.KG **)*	*Germany*	*100*
DAT-Schaub Holdings USA Inc.	*US*	*100*
Taizhou CAI Food Co.	*China*	*38*
DCW Casing LLC	*US*	*51*
DAT-Schaub Casings (Australia) Pty Ltd	*Australia*	*100*
DAT-Schaub Polska Sp. z o.o.	*Poland*	*100*
DAT-Schaub (UK) Ltd	*UK*	*100*
Trunet Packing Services Ltd	*UK*	*50*
Oriental Sino Limited	*Hong Kong*	*45*
Yancheng Lianyi Casing Products Co. Ltd	*China*	*73*
Jiangsu Chongan Plastic Manufacturing Co. Ltd	*China*	*59*
Yancheng Xinyu Food Products Ltd	*China*	*73*
Yancheng Huawei Food Products Ltd	*China*	*73*
Waikiwi Casings Ltd	*New Zealand*	*100*
DAT-Schaub New Zealand Ltd	*New Zealand*	*100*

Company name		Direct ownership interest in %
Saturn Nordic Holding AB	**Sweden**	**100**
Sokołów S.A.	*Poland*	*100*
Sokołów-Logistyka Sp. Z o.o.	*Poland*	*100*
Agro Sokołów Sp. Z o.o.	*Poland*	*100*
Sokołów-Services Sp. Z o.o.	*Poland*	*100*
Marka Sokołów-Service Sp. Z o.o.	*Poland*	*100*
Agro Sokołów F1 Sp. Z o.o.	*Poland*	*100*
Other subsidiaries in Danish Crown A/S		
Scan-Hide A.m.b.a. *)	Denmark	45
Kontrolhudar International AB	*Sweden*	*100*
KHI Fastighets AB	*Sweden*	*100*
Danish Crown Beef A/S	Denmark	100
Danish Crown Salg og Service A/S	Denmark	100
DC II A/S	Denmark	100
Antonius A/S	*Denmark*	*100*
Steff Food A/S	*Denmark*	*100*
DC Pork Rønne ApS	Denmark	100
Diet4Life ApS	Denmark	57
Danish Crown Insurance A/S	Denmark	100
Plumrose USA Inc.	US	100
Danish Crown USA Inc.	US	100
Danish Crown UK Limited	UK	100
Danish Crown GmbH *), **)	Germany	10
Danish Crown Schlachtzentrum Nordfriesland GmbH *), **)	Germany	10
*Scan-Hide A.m.b.a. *)*	*Denmark*	*12*
Danish Crown S.A.	Switzerland	100
Danish Crown/Beef Division S.A.	Switzerland	100
DAK AO	Russia	100
Danish Crown España S.A.	Spain	100
Danish Crown France S.A.S.	France	100
Danish Crown Division Porc S.A.S.	*France*	*100*
SCI E.F. Immobilier Orléans	France	100
SCI RP Bernay	*France*	*85*
DC Trading Co., Ltd	Japan	100
Danish Crown AmbA, Korean Liaison Office (branch)	Korea	100
Danish Crown K-Pack AB	Sweden	100
KLS Ugglarps AB	Sweden	100
*Scan-Hide A.m.b.a. *)*	*Denmark*	*19*
Svenska Köttföretaget AB	*Sweden*	*22*

Company name		Direct ownership interest in %
Associates		
Daka Denmark A/S	Denmark	43
Agri-Norcold A/S	Denmark	43
Danske Slagterier ◊)	Denmark	97
SPF-Danmark A/S ◊)	Denmark	92
Svineslagteriernes varemærkeselskab ApS ◊)	Denmark	92

*) *Appears several times in the group structure.*

**) *The following enterprises, which are included in the consolidated financial statements, have exercised their right of exemption under Section 264(3) of the German Handelsgesetzbuch (HGB): Danish Crown Holding GmbH, Danish Crown GmbH, Danish Crown Fleisch GmbH, Danish Crown Schlachtzentrum Nordfriesland GmbH, Husum, Tulip Food Company GmbH, Tulip Fleischwaren Oldenburg GmbH, DAT-Schaub (Deutschland) GmbH, Gerhard Küpers GmbH, DIF Organveredlung Gerhard Küpers GmbH & Co. KG, CKW Pharma-Extrakt Beteiligungs- und Verwaltungs GmbH, CWK Pharma Extrakt GmbH & Co. KG, Friland J. Hansen GmbH.*

◊) *Due to changes to the Articles of Association meaning that important decisions have to be unanimous, the group does not have control despite an ownership interest of more than 50 per cent.*

Indentation indicates relation to subsidiary
Bold = parents in subgroups
Italics = sub-subsidiaries etc.

8,020
cooperative
members

23 million
slaughterings

production
sites
76

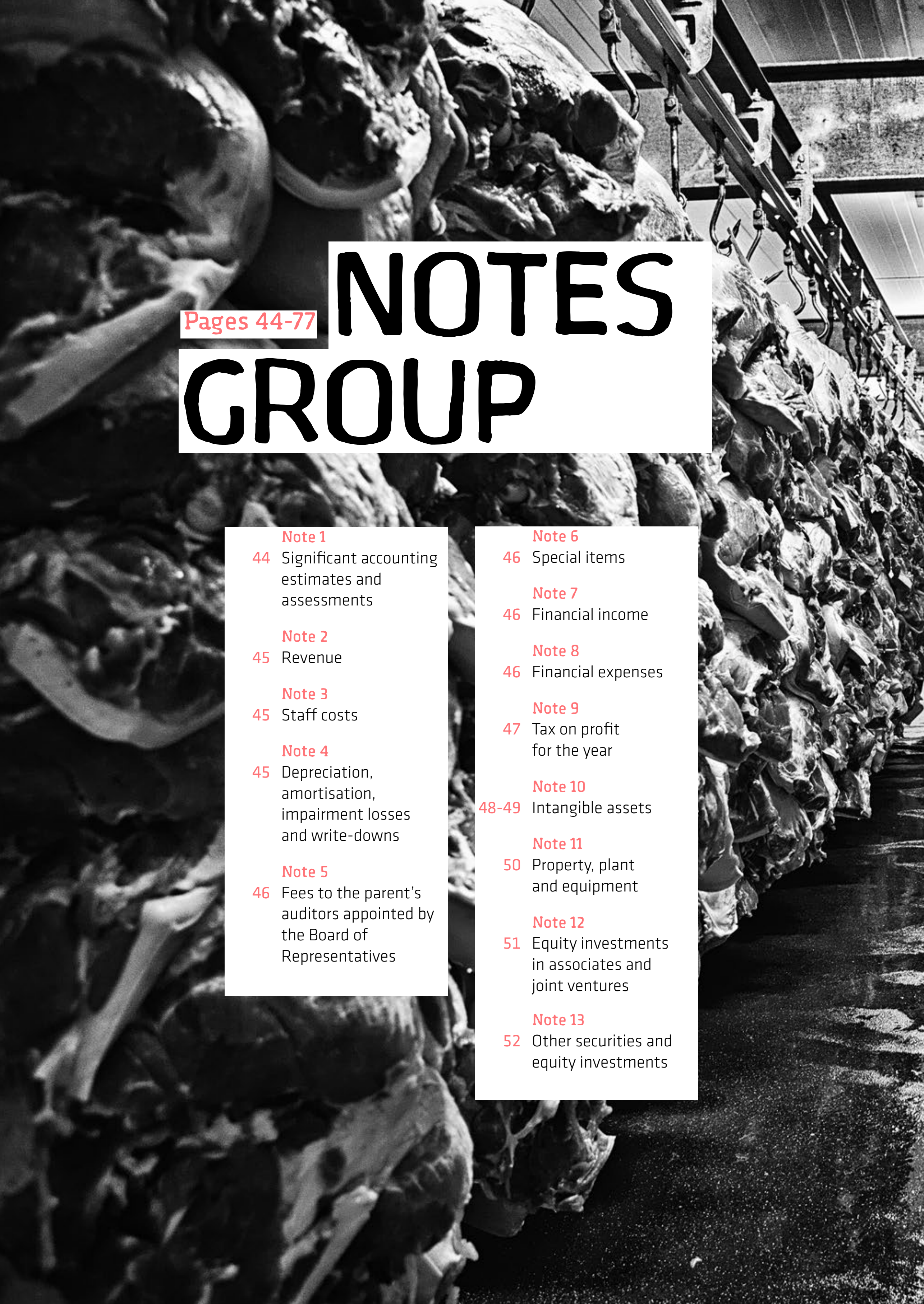
revenue DKK
59,556
million

130 markets
globally

25,792
employees

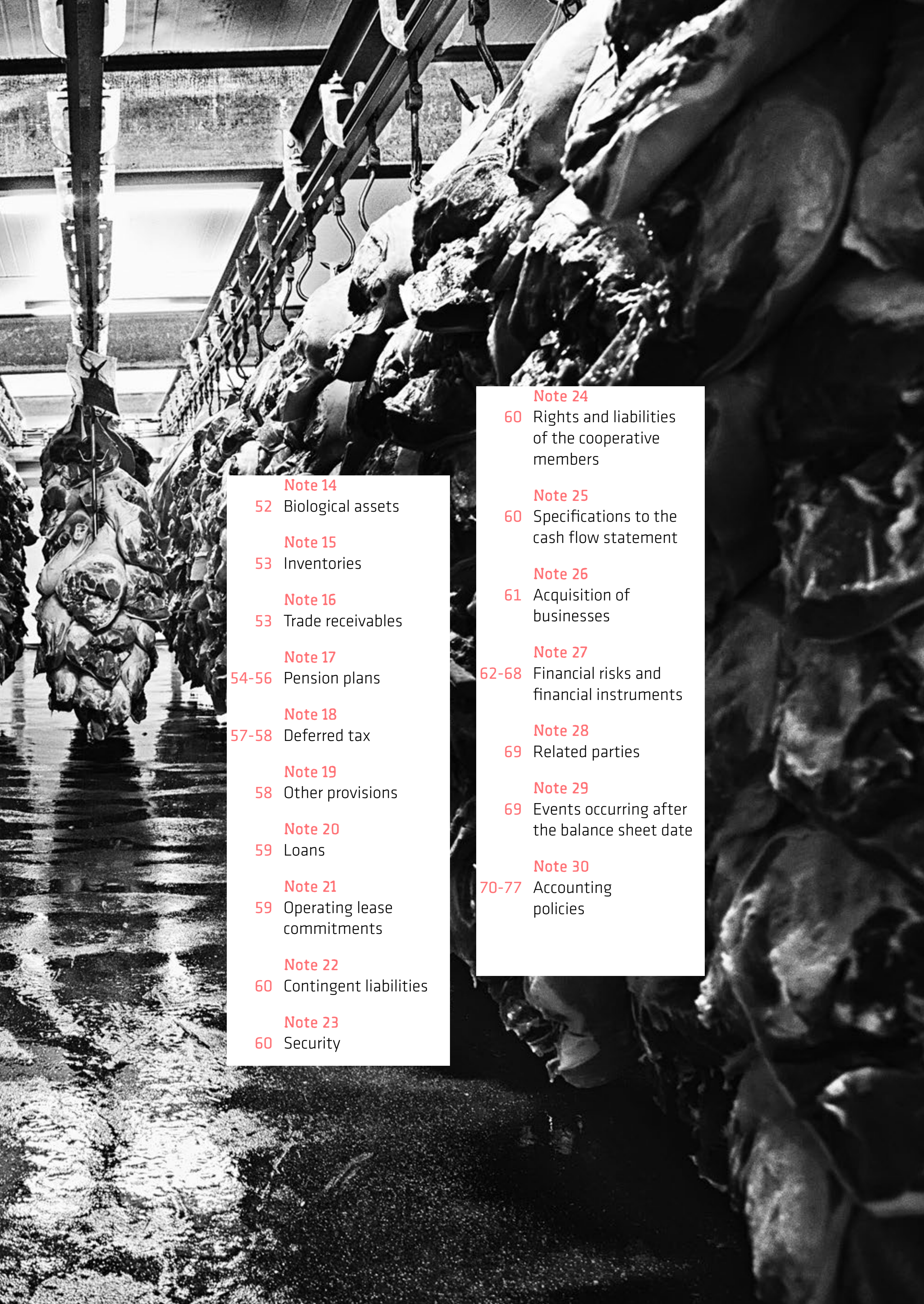
75 million
pig's trotters
to China

3 million tonnes
globally



Pages 44-77

NOTES GROUP



NOTES

1 Significant accounting estimates and assessments

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

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

The management considers the following estimates and assessments significant to the preparation of the consolidated financial statements.

Production costs
Production costs comprise direct and indirect costs incurred to earn revenue. Production costs include costs of raw materials, including purchases from cooperative members, consumables, production staff as well as depreciation of production facilities. The purchase of slaughter animals from cooperative members is recognised at the current pig and cattle prices for the year and, consequently, does not include any share of supplementary payments, which is treated as dividend.

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

In addition, separate assessments are made of the need for impairment in connection with capacity adjustments, closure of facilities or any other situations where there is an indication of a need for impairment as a result of changed production or market conditions.

In 2014/15, the company closed 2 of its slaughterlines due to an expected decline in the supply of animals to the slaughterhouse in Ringsted, Denmark. The slaughterlines and related facilities have been written down by DKK 42 million to the expected selling prices, which are insignificant.

In 2013/14, impairments of DKK 212 million were made in respect of closed facilities due to expected lower market prices as well as increasing demolition and environmental costs in connection with demolition or disposal.

Impairment test
At least once a year, the group tests goodwill and intangible assets with indeterminable useful lives for impairment. A further description of the basis of accounting estimates can be found in note 10.

Inventories
When assessing the net realisable value of inventories of fresh meat and casings, the management makes an estimate of the expected development in market prices. Price developments in the world market may be affected by the group's access to major markets.

For instance, the Russian market has for a long period been closed to imports of fresh meat from the EU, which has led to decreasing fresh meat prices in Europe. However, this situation has not given rise to any significant write-down of inventories, compared to cost.

Deferred tax liabilities and tax assets
Deferred tax assets are recognised if it is likely that future taxable income will be generated which will make it possible to use the timing differences or tax losses to be carried forward. The group's deferred tax assets primarily relate to future depreciation and amortisation for tax purposes of property, plant and equipment and intangible assets, respectively.

In this connection, the management makes an estimate of the coming years' earnings based on budgets and strategy forecasts in the legal entities to which the tax assets relate.

As a result of higher uncertainty as to the future earnings of loss-making units, write-downs have been made of the majority of the tax assets related to tax losses to be carried forward.

NOTES

2 Revenue

DKKm	2014/15	2013/14
Distribution by market:		
Denmark	5,470	5,488
International	54,086	52,541
	59,556	**58,029**
Distribution by sector:		
DC Pork	22,328	24,948
DC Beef	3,552	3,653
DC Ingredients – DAT-Schaub	3,319	2,994
DC Foods	24,290	21,571
Other companies	6,067	4,863
	59,556	**58,029**

3 Staff costs

Salaries and wages	6,527	6,072
Defined-contribution plans	362	313
Defined-benefit plans	8	8
Other social security costs	697	661
	7,594	**7,054**
Staff costs are distributed as follows:		
Production costs	5,924	5,547
Distribution costs	671	596
Administrative expenses	989	883
Special items	10	28
	7,594	**7,054**
Of which:		
Remuneration for the parent's Board of Directors	7	7
Remuneration for the parent's Board of Representatives	3	3
Remuneration for the parent's Executive Board	46	26
	56	**36**
Average no. of employees	**25,873**	**23,764**

4 Depreciation, amortisation, impairment losses and write-downs

Amortisation of intangible assets	69	44
Depreciation of property, plant and equipment and biological assets	1,438	1,343
Impairment of property, plant and equipment	49	212
Foreign currency translation adjustments	0	-17
Gains and losses on the disposal of non-current assets	-6	2
	1,550	**1,584**
Depreciation, amortisation, impairment losses and write-downs are distributed as follows:		
Production costs	1,371	1,265
Distribution costs	61	47
Administrative expenses	73	60
Special items	45	212
	1,550	**1,584**

NOTES

5 Fees to the parent's auditors appointed by the Board of Representatives

DKKm	2014/15	2013/14
Deloitte:		
Statutory audit	8	8
Other assurance engagements	0	1
Tax advice	3	3
Other services	2	1
	13	**13**

6 Special items

Special items, income:		
Income for accounting purposes from changed recognition of Sokołów S.A. (relating to other operating income)	0	224
	0	**224**
Special items, expenses:		
Merger costs (relating to administrative expenses)	13	0
Impairment of plant (relating to production costs)	45	212
Severance payment (relating to production costs)	10	28
	68	**240**
	-68	**-16**

7 Financial income

Interest, cash etc.	53	52
Interest and dividend on other securities and equity investments	1	6
Foreign currency exchange gains and losses, net	28	7
Fair value adjustment of derivative financial instruments concluded in order to hedge the fair value of financial instruments	32	-73
Fair value adjustment of hedged financial instruments	-32	73
	82	**65**

8 Financial expenses

Interest, credit institutions etc.	339	362
Foreign currency exchange gains and losses, net	8	7
Fair value adjustment transferred from equity concerning hedging of future cash flows	4	0
	351	**369**

Finance costs of DKK 0 million have been recognised in the cost of property, plant and equipment under construction in the financial year (2013/14: DKK 6 million).

9 Tax on profit for the year

DKKm	2014/15	2013/14
Current tax	249	237
Change in deferred tax	12	-120
Change in deferred tax resulting from a change in the tax rate	1	0
Adjustment concerning previous years, current tax	-15	-13
Adjustment concerning previous years, deferred tax	10	18
Impairment of tax assets and reversal of previous impairment of tax assets	42	70
	299	**192**
Tax in cooperatively taxed enterprises and tax on other non-income-taxed income	14	10
Tax on profit for the year	**313**	**202**
Tax on profit for the year can be explained as follows:		
Calculated tax at a tax rate of 23.5%	480	410
Effect of differences in tax rates for foreign enterprises	5	-8
Change in deferred tax resulting from a change in the tax rate	1	0
Tax in cooperatively taxed enterprises and tax on other non-income-taxed income	14	10
Tax base of profit in cooperatively taxed enterprises	-239	-269
Tax base of non-taxable income	-20	-62
Tax base of non-deductible costs	35	46
Adjustment concerning previous years, current tax	-15	-13
Adjustment concerning previous years, deferred tax	10	18
Impairment of tax assets and reversal of previous impairment of tax assets	42	70
	313	**202**
Effective tax rate (%)	**14.7**	**10.9**
Foreign currency translation adjustment of foreign enterprises	19	0
Fair value adjustments etc. of financial instruments concluded in order to hedge future cash flows	2	-1
Transfer to the income statement of fair value adjustments of financial instruments concluded in order to hedge realised cash flows	1	0
Hedging of net investments in subsidiaries	-15	2
Actuarial gains/losses on defined-benefit plans etc.	-1	-8
Tax on other comprehensive income	**6**	**-7**

NOTES

10 Intangible assets

DKKm	Goodwill	Software	Acquired trademarks etc.	Total
Cost as at 29 September 2014	2,251	448	882	3,581
Foreign currency translation adjustments	69	1	-2	68
Addition	0	45	0	45
Disposal	0	-8	0	-8
Cost as at 30 September 2015	**2,320**	**486**	**880**	**3,686**
Amortisation and impairment losses as at 29 September 2014	0	349	450	799
Foreign currency translation adjustments	0	0	-1	-1
Amortisation and impairment losses for the year	0	38	31	69
Amortisation of and impairment losses on disposal for the year	0	-9	0	-9
Amortisation and impairment losses as at 30 September 2015	**0**	**378**	**480**	**858**
Carrying amount as at 30 September 2015	**2,320**	**108**	**400**	**2,828**
Cost as at 30 September 2013	1,530	393	470	2,393
Foreign currency translation adjustments	56	0	-1	55
Addition in connection with acquisitions	976	6	409	1,391
Addition	0	64	4	68
Disposal in connection with step acquisition	-305	-13	0	-318
Disposal	-6	-2	0	-8
Cost as at 28 September 2014	**2,251**	**448**	**882**	**3,581**
Amortisation and impairment losses as at 30 September 2013	0	331	436	767
Foreign currency translation adjustments	0	0	0	0
Amortisation and impairment losses for the year	0	30	14	44
Amortisation and impairment losses on disposal in connection with step acquisition	0	-10	0	-10
Amortisation of and impairment losses on disposal for the year	0	-2	0	-2
Amortisation and impairment losses as at 28 September 2014	**0**	**349**	**450**	**799**
Carrying amount as at 28 September 2014	**2,251**	**99**	**432**	**2,782**

Except for goodwill with an indeterminable useful life, all other intangible assets are considered to have determinable useful lives over which the assets are amortised.

10 Intangible assets (continued)

Impairment test of goodwill

Goodwill resulting from business acquisitions etc. is distributed on the date of acquisition on the cash-generating units which are expected to obtain economic benefits from the business combination.

The carrying amount of goodwill before impairment is allocated to the cash-generating units as follows:

DKKm	30.09.2015	28.09.2014
Tulip Ltd	723	682
Sokołów S.A.	515	521
DAT-Schaub A/S	383	347
KLS Ugglarps AB	74	76
Tulip Food Company A/S	171	171
Danish Crown Group	454	454
	2,320	**2,251**

Goodwill is tested for impairment at least once a year or more frequently if there are indications of impairment. The annual impairment test is made at the end of the financial year and has not resulted in any impairment of goodwill in the financial year. The recoverable amount for the individual cash-generating units to which the goodwill amounts have been allocated is calculated on the basis of calculations of the units' value in use.

The cash-generating units' value in use is calculated using the cash flows stated in the companies' budgets and strategy plans for the next 5 financial years. For financial years following the budget and strategy periods (terminal period), cash flows in the most recent strategy period have been extrapolated, adjusted for expected growth rates for the specific markets.

The most important uncertainties in this regard are related to the determination of discount rates and growth rates as well as the uncertainties and risks reflected in the budget and strategy figures.

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

The growth rates used are based on the forecasts and strategy plans of the individual companies as well as on expectations for discount rates, interest and inflation levels. The growth rates used do not exceed the expected average long-term growth rate for the markets in question.

The most important budget assumptions are based on expectations for the organic growth in tonnage in the market(s) in which the companies primarily operate, the possibility of moving up in the value chain (new and more processed products) and the development in raw material prices for the principal products (pork and beef as well as by-products). For Tulip Ltd, Sokołów and KLS Ugglarps, such expectations cover the UK, Polish and Swedish markets, while the assessment for DAT-Schaub and Tulip Food Company covers a number of global primary markets. The estimates of growth and the relationship between selling and raw material prices in the budget and strategy periods are based on historical experience and expectations for future growth and market conditions.

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

	Growth factor in the terminal period (%)		Risk-free interest rate, 10-year swap interest rate (%)		WACC after tax (%)		WACC before tax (%)	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Tulip Ltd	2.0	2.0	2.3	2.8	5.6	6.0	6.2	6.7
Sokołów S.A.	1.7	2.2	2.9	3.5	6.2	6.8	6.7	7.3
DAT-Schaub A/S	2.0	2.0	1.6	1.9	5.0	5.2	5.4	5.7
KLS Ugglarps AB	1.0	1.0	1.7	2.2	5.0	5.5	5.6	6.1
Tulip Food Company A/S	1.0	1.0	1.6	1.9	5.0	5.2	5.4	5.7
Danish Crown Group	0.0	0.0	1.6	1.9	5.0	5.2	5.4	5.7

11 Property, plant and equipment DKKm

	Land and buildings	Plant and machinery	Other plant, fixtures and fittings, tools and equipment	Plant under construction	Total
Cost as at 29 September 2014	12,563	11,341	1,193	555	25,652
Foreign currency translation adjustments	178	215	14	14	421
Completion of plant under construction	257	544	46	-847	0
Addition	148	350	61	889	1,448
Disposal	-540	-621	-149	0	-1,310
Cost as at 30 September 2015	**12,606**	**11,829**	**1,165**	**611**	**26,211**
Depreciation and impairment losses as at 29 September 2014	6,848	7,433	905	0	15,186
Foreign currency translation adjustments	61	136	11	0	208
Depreciation and impairment losses for the year	480	874	118	0	1,472
Depreciation of and impairment losses on disposal for the year	-508	-572	-139	0	-1,219
Depreciation and impairment losses as at 30 September 2015	**6,881**	**7,871**	**895**	**0**	**15,647**
Carrying amount as at 30 September 2015	**5,725**	**3,958**	**270**	**611**	**10,564**
Of which assets held under finance leases	64	10	4	0	78
Of which recognised interest expenses	57	0	0	0	57

	Land and buildings	Plant and machinery	Other plant, fixtures and fittings, tools and equipment	Plant under construction	Total
Cost as at 30 September 2013	11,679	10,693	1,152	920	24,444
Foreign currency translation adjustments	149	198	14	2	363
Completion of plant under construction	538	416	36	-990	0
Addition in connection with acquisitions	457	448	44	71	1,020
Addition	229	394	72	587	1,282
Disposal in connection with step acquisition	-415	-652	-75	-35	-1,177
Disposal	-74	-156	-50	0	-280
Cost as at 28 September 2014	**12,563**	**11,341**	**1,193**	**555**	**25,652**
Depreciation and impairment losses as at 30 September 2013	6,453	7,016	871	0	14,340
Foreign currency translation adjustments	48	109	10	0	167
Depreciation and impairment losses for the year	574	852	117	0	1,543
Depreciation and impairment losses on disposal in connection with step acquisition	-191	-426	-53	0	-670
Depreciation of and impairment losses on disposal for the year	-36	-118	-40	0	-194
Depreciation and impairment losses as at 28 September 2014	**6,848**	**7,433**	**905**	**0**	**15,186**
Carrying amount as at 28 September 2014	**5,715**	**3,908**	**288**	**555**	**10,466**
Of which assets held under finance leases	68	16	5	0	89
Of which recognised interest expenses	60	2	0	0	62

12 Equity investments in associates and joint ventures

DKKm	Associates 30.09.2015	Associates 28.09.2014	Joint ventures 30.09.2015	Joint ventures 28.09.2014
Cost as at 29 September 2014	229	230	0	0
Foreign currency translation adjustments	0	0	0	0
Addition	3	0	3	0
Disposal	0	-1	0	0
Cost as at 30 September 2015	**232**	**229**	**3**	**0**
Value adjustments as at 29 September 2014	118	124	0	0
Foreign currency translation adjustments	6	3	0	0
Share of profit from continuing operations	92	183	1	0
Share of other comprehensive income	0	0	0	0
Distribution during the year	-104	-109	-1	0
Addition	0	0	0	0
Disposal	0	-83	0	0
Value adjustments as at 30 September 2015	**112**	**118**	**0**	**0**
Carrying amount as at 30 September 2015	**344**	**347**	**3**	**0**

Via DAT-Schaub A/S, Danish Crown holds 50 per cent of the shares and 50 per cent of the votes in Trunet Packaging Services Ltd.

Daka Danmark A/S's and Agri-Nordcold A/S's financial year runs from 1 January to 31 December. For the purposes of recognition in Danish Crown's consolidated financial statements, financial statements are prepared in accordance with the Danish Crown Group's accounting policies for periods corresponding to the Danish Crown Group's accounting periods.

NOTES

13 Other securities and equity investments

DKKm	30.09.2015	28.09.2014
Listed bonds	139	197
Unlisted shares	9	8
	148	**205**
Securities are recognised in the balance sheet as follows:		
Non-current assets	9	8
Current assets	139	197
	148	**205**

14 Biological assets

Non-current assets		
Cost as at 29 September 2014	105	89
Foreign currency translation adjustments	6	6
Addition in connection with acquisitions	0	2
Addition	70	76
Disposal	-82	-68
Cost as at 30 September 2015	**99**	**105**
Depreciation and impairment losses as at 29 September 2014	9	8
Foreign currency translation adjustments	1	1
Depreciation for the year	15	12
Depreciation of and impairment losses on disposal for the year	-14	-12
Value adjustments as at 30 September 2015	**11**	**9**
Carrying amount as at 30 September 2015	**88**	**96**
No. of sows and boars as at 30 September 2015	42,291	46,400
Current assets		
Slaughter pigs	267	246
Crops	5	8
Land holdings	2	3
Carrying amount as at 30 September 2015	**274**	**257**
No. of slaughter pigs as at 30 September 2015	395,205	402,344
Kg produced ('000) during the year	71,380	71,177

NOTES

15 Inventories

DKKm	30.09.2015	28.09.2014
Raw materials and consumables	932	773
Work in progress	605	675
Finished goods and goods for resale	3,023	2,865
	4,560	**4,313**

Cost of sales	45,459	45,258
Net write-down for the year of inventories recognised as income (-) or expenses (+) in the income statement	76	207

16 Trade receivables

Trade receivables (gross)	**6,506**	**6,873**

Write-down for bad debts as at 29 September 2014	-95	-90
Foreign currency translation adjustments	0	16
Realised losses for the year	21	13
Addition in connection with acquisitions	0	-30
Reversed provisions	44	31
Provisions for bad debts for the year	-41	-35
Write-down for bad debts as at 30 September 2015	**-71**	**-95**

Trade receivables (net)	**6,435**	**6,778**

Receivables are written down directly if the value, based on an individual assessment of the individual debtors' solvency, is reduced, for example as a result of suspension of payments, bankruptcy and the like. Write-downs are made at the calculated net realisable value.
The carrying amount of receivables written down to the net realisable value based on an individual assessment comes to DKK 58 million (28.09.2014: DKK 77 million).

Trade receivables (gross) can be specified as follows:

Not due	5,566	5,830
Due within 30 days	714	854
Due between 30 and 90 days	117	97
Due after 90 days	109	92
	6,506	**6,873**

Receivables due, but not written down, comprise:

Due within 30 days	689	791
Due between 30 and 90 days	102	84
Due after 90 days	50	17
	841	**892**

During the financial year, no interest income in respect of receivables written down has been recognised as income (2013/14: DKK 0 million).

17 Pension plans

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

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

Under the defined-contribution plans, the group makes regular, defined contributions to independent pension providers. The group is not obliged to make additional contributions.

Under the defined-benefit plans, the company is obliged to pay a defined benefit at retirement, depending on, for example, the employee's seniority. The company thus incurs a risk in relation to the future development in interest rates, inflation, mortality etc. as regards the amount to be paid to the employee. The provision comprises defined-benefit plans in the UK and in Denmark.

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

The defined-benefit plans in the UK are managed by independent pension providers, which invest the contributions made in order to cover the obligations. The plans are closed, which means that no new employees will enter the plans and no new contributions are made. The plans entitle the employees to life-long pension benefits and benefits in the event of death before retirement.

The defined-benefit plan in Denmark is not covered by regular contributions and comprises pensions for retired employees and their surviving relatives.

Defined-contribution plans DKKm	**2014/15**	**2013/14**
Contributions to defined-contribution plans recognised in the income statement	362	313
Defined-benefit plans		
Net interest expenses	7	7
Administrative expenses	1	1
Recognised in the income statement under staff costs	**8**	**8**
Remeasurement of defined-benefit plans		
Return on pension assets	19	-22
Actuarial gains/losses on changes in demographic assumptions	-1	-1
Actuarial gains/losses on changes in financial assumptions	-11	67
Actuarial gains/losses on adjustments based on experience	0	-3
Recognised in other comprehensive income	**7**	**41**
Recognised in comprehensive income	**15**	**49**
The pension obligation recognised in the balance sheet can be specified as follows:		
Present value of hedged pension obligation	1,307	1,251
Present value of unhedged pension obligation	44	46
	1,351	**1,297**
Fair value of the assets underlying the pension plans	-1,162	-1,078
Net obligation recognised in the balance sheet	**189**	**219**

The group expects to contribute a total of DKK 49 million to the plans during the coming financial year.

17 Pension plans (continued)

DKKm	30.09.2015	28.09.2014
Defined-benefit plans (continued)		
Changes in pension obligations for the year can be specified as follows:		
Present value of pension obligations as at 29 September 2014	1,297	1,154
Foreign currency translation adjustments	69	82
Interest on pension obligation	51	49
Actuarial gains and losses:		
Actuarial gains/losses on changes in demographic assumptions	-1	-1
Actuarial gains/losses on changes in financial assumptions	-11	67
Actuarial gains/losses on adjustments based on experience	0	-3
Pension benefits paid	-54	-51
Present value of pension obligations as at 30 September 2015	**1,351**	**1,297**
Changes in the assets underlying the pension plans for the year can be specified as follows:		
Fair value of the assets underlying the pension plans as at 29 September 2014	1,078	951
Foreign currency translation adjustments	64	73
Interest on the assets underlying the pension plans	44	42
Return on the assets underlying the pension plans	-19	22
Employer contributions	45	38
Administrative expenses	-1	-1
Pension benefits paid	-49	-47
Fair value of the assets underlying the pension plans as at 30 September 2015	**1,162**	**1,078**
Accumulated actuarial gains and losses included in other comprehensive income	-321	-315
The UK pension obligations have been calculated on the basis of the following actuarial assumptions:		
Average discount rate	3.73%	3.87%
Average remaining life expectancy at retirement for existing pension recipients:		
Men aged 65 years	22.1 years	22.1 years
Women aged 65 years	24.7 years	24.6 years
Average remaining life expectancy at retirement for current employees:		
Men aged 45 years	23.5 years	23.5 years
Women aged 45 years	26.3 years	26.1 years
Future pension increases	1.70%	1.90%
Inflation, consumer index	1.80%	2.00%
The Danish pension obligations have been calculated on the basis of the following actuarial assumptions:		
Average discount rate	2.30%	2.30%
Future pension increases	2.00%	2.00%

The most recent actuarial statements of the UK pension obligations were calculated on 30 September 2015 by Scottish Widows Plc, Buck Consultants Ltd and Aviva Group.

17 Pension plans (continued)

Defined-benefit plans (continued)

DKKm	30.09.2015	28.09.2014
The assets underlying the pension plans measured at fair value comprise:		
Cash and cash equivalents	13	14
Shares		
UK shares	415	411
Other shares	272	249
Bonds		
UK government bonds	218	165
UK government-indexed bonds	208	194
Other	16	5
Real property	6	26
Insurance policy	14	14
	1,162	**1,078**

None of the assets underlying the pension plans are related to the consolidated enterprises in the form of, e.g., treasury shares, rental properties or loans.

The pension plans are exposed to a number of actuarial risks, such as investment risks, interest rate risks, inflation risks and longevity risks.

Investment risks
The present value of the UK plans is calculated using a discount rate corresponding to the interest rate on investment grade corporate bonds. If the return on the assets underlying the plan is below this level, the plan will yield a loss. Due to the long-term nature of the obligation, a relatively large share of the pension assets is invested in shares (59 per cent).

Interest rate risks
A decline in the interest rate on UK corporate bonds or Danish government bonds, respectively, will reduce the discount rate and thus increase the pension obligation. For the UK plans, however, this will partially be offset by an increase in the return on the plans' bond investments.

Inflation risks
A significant part of the pension benefits paid under the plans in the UK and Denmark is indexed. An increase in inflation rates will entail an increase in the pension obligation.

Longevity risks
The present value of the pension plans' obligations is calculated on the basis of a best estimate of the participants' mortality during and after their employment. An increase in the participants' life expectancy will increase the plans' obligations.

Sensitivity analyses
Considerable actuarial assumptions for determining the pension obligation comprise the discount rate and expected inflation. The sensitivity analysis below is calculated based on probable changes in the respective assumptions existing at the end of the financial year, while maintaining all other variables.

- If the discount rate was 0.25 percentage points higher, the pension obligation would decrease by DKK 50 million.
- If inflation was 0.25 percentage points higher, the pension obligation would increase by DKK 44 million.

The present value in the above sensitivity analysis is calculated using the project unit credit method at the end of the financial period in the same way as the calculation of the pension obligation recognised in the balance sheet. The sensitivity analysis does not necessarily reflect the actual changes in the obligation as it is unlikely that changes in one assumption will occur separately from changes in other assumptions.

Trustees in the UK plans continuously assess and adjust the plans' expected pension payments, investment returns and investment policy and ensure that the plans' funding complies with UK legislation and the plans' articles of association and conditions.

The average duration of the pension obligation as at 30 September 2015 is 17 years for the plans in the UK and 10 years for the plans in Denmark.

18 Deferred tax

DKKm	30.09.2015	28.09.2014
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	440	517
Deferred tax liabilities	-392	-384
	48	**133**

2014/15 DKKm	Deferred tax 29.09.2014	Exchange rate adjustment	Changes in respect of previous years	Recognised in net profit for the year	Recognised in other comprehensive income	Change in tax rate	Deferred tax 30.09.2015
Intangible assets	98	-2	0	-17	0	0	79
Property, plant and equipment	-4	-30	9	30	0	-3	2
Financial assets	1	0	0	1	0	0	2
Current assets	82	0	-30	3	0	0	55
Non-current liabilities	75	2	0	-13	-2	0	62
Current liabilities	-79	-1	28	-11	0	0	-63
Tax losses to be carried forward	206	12	-17	-5	0	2	198
Retaxation balance in respect of losses in foreign subsidiaries under Danish joint taxation	-6	0	0	0	0	0	-6
	373	**-19**	**-10**	**-12**	**-2**	**-1**	**329**
Adjustment concerning utilisation of tax asset not previously recognised	13	0	-1	0	0	0	12
Impairment of tax assets and reversal of previous impairment of tax assets	-253	1	31	-72	0	0	-293
	133	**-18**	**20**	**-84**	**-2**	**-1**	**48**

2013/14 DKKm	Deferred tax 30.09.2013	Exchange rate adjustment	Changes in respect of previous years	Recognised in net profit for the year	Recognised in other comprehensive income	Addition in connection with acquisition	Deferred tax 28.09.2014
Intangible assets	194	-1	0	-18	0	-77	98
Property, plant and equipment	-40	-34	-57	121	0	6	-4
Financial assets	-2	0	0	3	0	0	1
Current assets	25	1	0	52	1	3	82
Non-current liabilities	74	3	1	-13	8	2	75
Current liabilities	-54	-7	-10	-21	0	13	-79
Tax losses to be carried forward	159	3	48	-4	0	0	206
Retaxation balance in respect of losses in foreign subsidiaries under Danish joint taxation	-6	0	0	0	0	0	-6
	350	**-35**	**-18**	**120**	**9**	**-53**	**373**
Adjustment concerning utilisation of tax asset not previously recognised	-1	0	0	11	0	3	13
Impairment of tax assets and reversal of previous impairment of tax assets	-169	0	10	-91	0	-3	-253
	180	**-35**	**-8**	**40**	**9**	**-53**	**133**

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

18 Deferred tax (continued)

DKKm	30.09.2015	28.09.2014
Tax value of non-recognised deferred tax assets	**293**	**253**

The expiry dates of tax losses to be carried forward can be specified as follows:		
No expiry date	449	500
2015	0	0
2016	1	0
2017	0	1
After 2020	232	222
	682	**723**

The tax base of tax losses amounting to DKK 112 million (2013/14: DKK 120 million) has not been recognised as it has not been deemed sufficiently probable that the losses will be utilised within a foreseeable future.

19 Other provisions

DKKm	Insurance provisions	Restructuring costs	Other provisions	Total
Other provisions as at 29 September 2014	97	33	169	299
Foreign currency translation adjustments	0	0	4	4
Utilised during the year	-13	-11	-22	-46
Reversal of unutilised provision	-13	-1	-15	-29
Discounting (reduction of term to maturity)	1	0	0	1
Provisions for the year	13	9	53	75
Other provisions as at 30 September 2015	**85**	**30**	**189**	**304**
Other provisions as at 30 September 2013	102	4	136	242
Foreign currency translation adjustments	0	0	-1	-1
Utilised during the year	-9	-2	-16	-27
Reversal of unutilised provision	-13	-2	-1	-16
Discounting (reduction of term to maturity)	6	0	0	6
Provisions for the year	11	33	51	95
Other provisions as at 28 September 2014	**97**	**33**	**169**	**299**

DKKm	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Other provisions can be specified by maturity as follows:				
30.09.2015	**117**	**132**	**55**	**304**
28.09.2014	**94**	**153**	**52**	**299**

Insurance provisions amount to DKK 85 million (28.09.2014: DKK 97 million) and primarily comprise provisions for occupational injuries as well as general public and product liability.

Insurance provisions are associated with uncertainty and estimates. The provisions are assessed on the basis of actuarial methods based on historical experience on, for example, the number of injuries and the associated costs.

Restructuring provisions and other provisions total DKK 219 million (28.09.2014: DKK 202 million) and comprise provisions for severance payments for dismissed employees, foreign tax claims and costs incurred in connection with a court case and complaints. The provisions have been made based on the latest information available. The group believes that the risk in the individual areas has been fully provided for and that it will not require additional provisions.

NOTES

20 Loans

Loans can be specified by maturity as follows:

30.09.2015 DKKm	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Subordinate loans	2	0	54	56
Mortgage debt	116	410	3,242	3,768
Other debt, issued bonds	0	750	799	1,549
Other credit institutions	448	1,284	215	1,947
Bank debt	1,075	4,204	0	5,279
Finance lease commitments	13	32	27	72
	1,654	**6,680**	**4,337**	**12,671**
28.09.2014				
Subordinate loans	0	0	54	54
Mortgage debt	182	491	3,822	4,495
Other debt, issued bonds	712	750	702	2,164
Other credit institutions	1,067	1,184	308	2,559
Bank debt	1,457	3,057	0	4,514
Finance lease commitments	13	37	32	82
	3,431	**5,519**	**4,918**	**13,868**

One subsidiary has arranged a subordinate loan totalling DKK 54 million, excluding borrowing costs, which falls due in 2020. Up until the next repricing date in December 2016, the loan carries an interest rate of 5.456 per cent. The subordinate loan ranks after other creditors.

Other debt, issued bonds includes bond loans of DKK 750 million issued on First North in Denmark and private placement loans in the US (USPP loans) of DKK 799 million.

	2014/15		2013/14	
Lease commitments DKKm	**Minimum lease payments**	**Carrying amount**	**Minimum lease payments**	**Carrying amount**
Finance lease commitments	72	72	82	82
Amortisation premiums for future expensing	4		5	
	76		**87**	

21 Operating lease commitments

DKKm	30.09.2015	28.09.2014
Total future minimum lease payments in respect of non-cancellable leases (operating equipment and rent) comprise:		
Within 1 year of the balance sheet date	139	154
Between 1 and 5 years of the balance sheet date	238	297
After 5 years of the balance sheet date	17	20
	394	**471**
Minimum lease payments recognised in net profit for the year	194	186

NOTES

22 Contingent liabilities

DKKm	30.09.2015	28.09.2014
Other guarantees	30	46
Contractual obligations in respect of property, plant and equipment	77	205
Guarantee commitments to the EU directorate	0	0

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

23 Security

The following assets have been provided as security for mortgage debt and other long-term debt:

Nominal mortgage secured on land, buildings and production facilities etc.	3,761	5,152
Carrying amount of the above-mentioned assets	3,129	3,812

24 Rights and liabilities of the cooperative members

The rights of the cooperative members of Leverandørselskabet Danish Crown AmbA are set out in the company's Articles of Association. The individual cooperative members elect representatives to the company's supreme governing body, the Board of Representatives. Among the members of the Board of Representatives, members are elected to the company's Board of Directors. It is the Board of Representatives which, in due consideration of the company's Articles of Association, decides on the Board of Directors' recommendation for the annual supplementary payments out of the net profit for the year. In accordance with the Articles of Association, the individual cooperative member accumulates a balance in a member's account which corresponds to the company's contributed capital. In addition, equity in the form of personal subordinated accounts is accumulated as part of the Board of Representatives' distribution of the net profit for the year. Disbursements from member's accounts and personal subordinated accounts are made in accordance with the relevant provisions of the Articles of Association and are adopted annually by the Board of Representatives in connection with the approval of the annual report and the adoption of appropriation. According to the Articles of Association, disbursements from member's accounts and personal subordinated accounts can only be made if deemed proper with regard to the company's creditors.

The cooperative members are personally, jointly and severally liable for the liabilities of the parent. The liability of each cooperative member is calculated on the basis of the supplies made by such member and cannot exceed DKK 25,000.

No. of cooperative members	**30.09.2015**	**28.09.2014**
No. of cooperative members as at 29 September 2014	8,278	8,552
Net disposal	-258	-274
No. of cooperative members as at 30 September 2015	**8,020**	**8,278**

DKKm		
Total liability	201	207
Proposed supplementary payments for the cooperative members	1,425	1,218

25 Specifications to the cash flow statement

	2014/15	**2013/14**
Change in net working capital:		
Change in inventories	-101	32
Change in receivables	439	-144
Change in other provisions	-15	29
Change in trade payables and other payables	366	23
	689	**-60**
Cash and cash equivalents		
Cash and bank deposits, see balance sheet	104	132
	104	**132**

NOTES

26 Acquisition of businesses

The group did not acquire any businesses.

In the 2014/15 financial year, the group signed an agreement on the acquisition of a business, which has been carried out after the end of the financial year. As the acquisition has taken place after the end of the financial year, it has not been possible to assess the acquired assets and liabilities at fair values at the time of acquisition. Therefore, the figures shown below cover the acquired business' assets and liabilities as at 30 September 2015, as calculated in accordance with the business' accounting policies at that time.

On 26 May 2015, the group concluded an agreement to acquire 65 per cent of the shares in the Swedish slaughterhouse company Dalsjöfors at a price of SEK 101 million. The purpose of the acquisition is to ensure a better market coverage for both pigs and cattle in the southern and middle part of Sweden.

The acquisition was subject to the approval of the competition authorities, which was received in September 2015. As per agreement, the transfer took place on 1 October 2015.

Transaction costs of DKK 2.2 million were incurred by the group, which have been included under administrative expenses.

DKKm	Dalsjöfors Kött Holding AB
Non-current assets	
Intangible assets	4
Property, plant and equipment	115
Deferred tax assets	0
Other non-current assets	1
Current assets	
Inventories	34
Trade receivables (written down by DKK 1 million)	71
Other receivables	15
Cash	17
Non-current and current liabilities	
Deferred tax liabilities and other provisions	-13
Loans and borrowings	-34
Trade payables and other payables	-123
Acquired net assets	**87**

27 Financial risks and financial instruments

DKKm	30.09.2015	28.09.2014
Categories of financial instruments in accordance with IAS 39		
Derivative financial instruments included in the trading portfolio	0	0
Other securities and equity investments	148	205
Financial assets measured at fair value via the net profit for the year	**148**	**205**
Derivative financial instruments concluded in order to hedge the fair value of recognised assets and liabilities	38	18
Derivative financial instruments concluded in order to hedge future cash flows	1	2
Financial assets used as hedging instruments	**39**	**20**
Trade receivables	6,435	6,778
Receivables from and prepayments to cooperative members	389	401
Receivables from associates	8	7
Other receivables	415	578
Cash	104	132
Loans and receivables	**7,351**	**7,896**
Derivative financial instruments included in the trading portfolio	4	1
Other liabilities	74	71
Financial liabilities measured at fair value via the net profit for the year	**78**	**72**
Derivative financial instruments concluded in order to hedge the fair value of recognised assets and liabilities	2	99
Derivative financial instruments concluded in order to hedge future cash flows	23	34
Financial liabilities used as hedging instruments	**25**	**133**
Subordinate loans	56	54
Mortgage debt	3,768	4,495
Other debt, issued bonds	1,549	2,164
Other credit institutions	1,947	2,559
Bank debt	5,279	4,514
Finance lease commitments	72	82
Trade payables	3,718	3,394
Payables to associates	47	46
Other payables	2,025	2,000
Financial liabilities measured at amortised cost	**18,461**	**19,308**

27 Financial risks and financial instruments (continued)

Currency risks in respect of assets and liabilities and future cash flows
The currency policy of the group is to hedge the group's net currency exposure on an ongoing basis. The company has a general risk in respect of currency cash flows due to the uncertainty associated with the DKK value of the future cash flow. The commercial risk is therefore calculated as follows:

Commercial risk = cash and cash equivalents and securities + receivables and expected sales + trade payables and other payables

Expected sales are calculated as follows:

Expected sales = sales orders concluded + specific expected sales in the short term

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

As at the balance sheet date, the fair value of the group's derivative financial instruments concluded in order to hedge recognised financial assets and liabilities amounted to DKK 36 million (28.09.2014: DKK -96 million). The fair value of the derivative financial instruments has been recognised under other payables/other receivables and has been set off against the foreign currency translation adjustments of the hedged assets and liabilities in the statement of comprehensive income.

DKKm	Cash and cash equivalents and securities	Receivables and expected sales	Trade payables and other payables	Commercial risk	Of which hedged by forward exchange contracts	Of which hedged by loans and overdraft facilities	Unhedged net position
EUR	2	1,677	-746	933	-48	-1,432	-547
GBP	5	752	-63	694	-1,028	511	177
JPY	0	1,151	-1	1,150	-950	-192	8
SEK	0	129	-5	124	7	-125	6
USD	3	2,385	-767	1,621	-1,114	-468	39
Other currencies	10	447	-77	380	36	-369	47
30.09.2015	**20**	**6,541**	**-1,659**	**4,902**	**-3,097**	**-2,075**	**-270**
EUR	45	1,532	-690	887	-57	-611	219
GBP	0	1,068	-56	1,012	-1,763	751	0
JPY	0	680	-1	679	-566	-133	-20
SEK	0	117	-11	106	-78	-21	7
USD	5	2,346	-761	1,590	-1,281	-284	25
Other currencies	4	519	-49	474	-13	-425	36
28.09.2014	**54**	**6,262**	**-1,568**	**4,748**	**-3,758**	**-723**	**267**

The hedging of expected future cash flows is treated as a cash flow hedge, meaning that the fair value adjustment of the hedging instruments used is recognised in other comprehensive income. The value adjustment of hedging instruments used for the specific expected sales in the short term is calculated on the basis of the value of such sales.

The hedging of sales orders concluded is treated as a fair value hedge, meaning that the fair value adjustment of the hedged orders and the hedging instruments used is recognised in the income statement.

If the group has concluded foreign currency hedging agreements which do not fulfil the criteria for hedge accounting, such agreements are treated as trading portfolios, recognising fair value adjustments continuously in the income statement.

Open forward exchange contracts as at the balance sheet date have a time to maturity of up to 12 months and can be specified as described on page 64 where agreements on the sale of currency are stated with a positive contractual value.

27 Financial risks and financial instruments (continued)

DKKm	HEDGING OF FUTURE CASH FLOWS: Contractual value	HEDGING OF FUTURE CASH FLOWS: Fair value adjustment recognised in equity	FAIR VALUE HEDGING: Contractual value	FAIR VALUE HEDGING: Fair value	NON-FULFILMENT OF HEDGING CRITERIA: Contractual value	NON-FULFILMENT OF HEDGING CRITERIA: Fair value
Forward exchange contracts EUR	0	0	0	0	47	0
Forward exchange contracts GBP	215	4	802	20	11	0
Forward exchange contracts JPY	104	-1	755	3	90	-1
Forward exchange contracts SEK	0	0	0	0	-7	0
Forward exchange contracts USD	255	5	846	13	24	8
Forward exchange contracts, other	0	0	-3	0	-28	-2
30.09.2015	**574**	**8**	**2,400**	**36**	**137**	**5**
Forward exchange contracts EUR	0	0	63	0	-7	0
Forward exchange contracts GBP	386	-5	1,366	-28	11	0
Forward exchange contracts JPY	39	2	523	-5	3	0
Forward exchange contracts SEK	0	0	85	2	-7	0
Forward exchange contracts USD	104	-1	1,150	-65	6	0
Forward exchange contracts, other	3	0	44	0	-37	0
28.09.2014	**532**	**-4**	**3,231**	**-96**	**-31**	**0**

Hedging of net investments in foreign subsidiaries

The Danish Crown Group has a number of investments in foreign subsidiaries where the conversion of equity to DKK is exposed to currency risks. The group hedges some of this currency risk by raising loans in the relevant currency. This applies to net investments in EUR, USD and GBP.

The change in the fair value of these financial instruments (debt instruments) used to hedge the currency risk concerning investments in foreign currency is recognised in other comprehensive income.

To the extent that the fair value adjustment does not exceed the value adjustment of the investment, adjustments of these financial instruments are recognised in other comprehensive income; otherwise the fair value adjustment is recognised in the income statement. As at the balance sheet date, DKK -62 million (28.09.2014: DKK -32 million) has been recognised in other comprehensive income concerning the fair value adjustment of instruments for hedging of net investments and loans classified as additions to net investments. There have been no inefficiencies in the present or previous financial year.

As at the balance sheet date, the fair value of the accumulating foreign currency translation adjustments of instruments for hedging net investments amounts to DKK -62 million (28.09.2014: DKK -11 million).

Currency sensitivity analysis

The group's most important currency exposure with regard to sales concerns GBP, JPY, EUR and USD. Exchange rate fluctuations in respect of these currencies will not impact the group's results significantly as commercial currency positions are hedged in accordance with the group's risk policy, meaning that sales and net positions in the balance sheet are hedged. The table below shows the effect it would have had on equity as regards equity investments if the exchange rate of the most important currencies carrying a risk of significant exchange rate fluctuations had been 10 per cent lower than the exchange rate actually applied. The stated effect includes the effect of concluded foreign currency hedging transactions. If the exchange rate had been 10 per cent higher than the actual exchange rate, this would have had an equally positive effect on equity.

Equity's sensitivity to exchange rate fluctuations DKKm	30.09.2015	28.09.2014
Effect if USD exchange rate was 10 per cent lower than actual exchange rate	-7	-16
Effect if GBP exchange rate was 10 per cent lower than actual exchange rate	-124	-106
Effect if SEK exchange rate was 10 per cent lower than actual exchange rate	-57	-34
Effect if PLN exchange rate was 10 per cent lower than actual exchange rate	-213	-218

NOTES

27 Financial risks and financial instruments (continued)

Embedded derivative financial instruments

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

Interest rate risks

The Danish Crown Group has, to a wide extent, interest-bearing financial assets and liabilities and is as such exposed to interest rate risks. As regards the group's financial assets and liabilities, the following contractual repricing or expiry dates can be stated, whichever date is earlier, as interest-bearing assets and liabilities falling due after 1 year are considered to carry a fixed interest rate:

Repricing or expiry date DKKm	Within 1 year	Between 1 and 5 years	After 5 years	Total	Fair value
Bonds	0	0	-139	-139	-139
Bank deposits	-104	0	0	-104	-104
Subordinate loans	2	54	0	56	57
Mortgage debt	1,821	1,194	753	3,768	3,902
Other debt, issued bonds	750	0	799	1,549	1,549
Other credit institutions	1,878	69	0	1,947	1,947
Bank debt	5,279	0	0	5,279	5,279
Finance lease commitments	71	1	0	72	72
Interest rate swaps, fixed interest rate	-585	585	0	0	23
30.09.2015	**9,112**	**1,903**	**1,413**	**12,428**	**12,586**
Bonds	0	0	-196	-196	-196
Bank deposits	-119	0	0	-119	-119
Subordinate loans	2	54	0	56	59
Mortgage debt	2,274	1,350	871	4,495	4,745
Other debt, issued bonds	1,462	0	702	2,164	2,172
Other credit institutions	2,104	455	0	2,559	2,559
Bank debt	4,514	0	0	4,514	4,514
Finance lease commitments	70	12	0	82	82
Interest rate swaps, fixed interest rate	-591	513	78	0	28
28.09.2014	**9,716**	**2,384**	**1,455**	**13,555**	**13,844**

The fair value of mortgage debt, debt to other credit institutions and bank debt has been calculated at the present value of future instalments and interest payments by using the current interest rate curve derived from current market rates (level 2).

The fair value of the interest rate swaps outstanding at the balance sheet date which have been concluded in order to hedge interest rate risks on floating-rate loans amounts to DKK -23 million (28.09.2014: DKK -28 million) (level 2).

Other debt, issued bonds, includes bond loans of DKK 750 million. The fair value of these loans is determined on the basis of the latest trading price prior to the closing of the financial year (level 1).

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

Interest rate fluctuations affect the group's bond portfolios. An increase in interest rate levels of 1 percentage point per year relative to the interest rate level at the balance sheet date would have had a negative effect of DKK 2 million (28.09.2014: negative effect of DKK 1 million) on the group's equity related to capital losses on the group's bond portfolio.

As regards the group's floating-rate bank deposits, mortgage debt and other payables, an increase of 1 percentage point per year relative to the interest rate level at the balance sheet date would have resulted in an increase in the group's interest expenses of DKK 91 million (2013/14: DKK 97 million). A corresponding decrease in interest rate levels would have resulted in a similar reduction in the group's interest expenses.

NOTES

27 Financial risks and financial instruments (continued)

Liquidity risks

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

Non-derivative financial liabilities: DKKm	Within 1 year	Between 1 and 5 years	After 5 years	Total
Subordinate loans	3	12	57	72
Mortgage debt	103	283	5,867	6,253
Other debt, issued bonds	802	172	902	1,876
Other credit institutions	467	1,524	9	2,000
Bank debt	1,112	4,182	0	5,294
Finance lease commitments	13	32	27	72
Trade payables	3,718	0	0	3,718
Other payables	2,026	0	0	2,026
	8,244	**6,205**	**6,862**	**21,311**
Derivative financial instruments:				
Derivative financial instruments included in the trading portfolio	4	0	0	4
Derivative financial instruments concluded in order to hedge the fair value of recognised assets and liabilities	2	0	0	2
Derivative financial instruments concluded in order to hedge future cash flows	10	13	0	23
30.09.2015	**8,260**	**6,218**	**6,862**	**21,340**
Non-derivative financial liabilities:				
Subordinate loans	3	12	60	75
Mortgage debt	254	849	6,673	7,776
Other debt, issued bonds	770	920	828	2,518
Other credit institutions	1,110	1,192	360	2,662
Bank debt	1,588	2,933	0	4,521
Finance lease commitments	14	40	33	87
Trade payables	3,241	0	0	3,241
Other payables	1,909	0	0	1,909
	8,889	**5,946**	**7,954**	**22,789**
Derivative financial instruments:				
Derivative financial instruments included in the trading portfolio	1	0	0	1
Derivative financial instruments concluded in order to hedge the fair value of recognised assets and liabilities	99	0	0	99
Derivative financial instruments concluded in order to hedge future cash flows	28	6	0	34
28.09.2014	**9,017**	**5,952**	**7,954**	**22,923**

Cash resources: DKKm	30.09.2015	28.09.2014
Cash resources comprise:		
Cash	104	132
Unutilised credit facilities	6,872	6,662
	6,976	**6,794**

27 Financial risks and financial instruments (continued)

Credit risks
Credit risks are described in note 16 and in the section on risk management in the management's review, to which reference is made.

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

The group's capital structure includes debt, comprising financial liabilities in the form of convertible debt certificates, mortgage debt, bank debt, finance lease commitments, receivables from cooperative members, cash and equity, including contributed capital, other reserves, retained earnings and subordinate loans.

Financial gearing
The group aims to have a financial gearing in the order of 3.5, calculated as the relationship between net interest-bearing debt and total EBITDA for the year. The financial gearing as at the balance sheet date is 3.0 (28.09.2014: 3.7).

The financial gearing as at the balance sheet date can be calculated as follows: DKKm	30.09.2015	28.09.2014
Subordinate loans	56	54
Mortgage debt	3,768	4,495
Other debt, issued bonds	1,549	2,164
Other credit institutions	1,947	2,559
Bank debt	5,279	4,514
Finance lease commitments	72	82
Receivables from and prepayments to cooperative members	-389	-401
Cash and short-term securities	-243	-329
Net interest-bearing debt	**12,039**	**13,138**
Operating profit before special items (EBIT)	2,471	2,178
Depreciation, amortisation, impairment losses and write-downs	1,505	1,372
EBITDA	**3,976**	**3,550**
Financial gearing	**3.0**	**3.7**

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

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

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

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

27 Financial risks and financial instruments (continued)

Fair value hierarchy for financial instruments measured at fair value in the balance sheet
The table below shows the classification of financial instruments measured at fair value, distributed according to the fair value hierarchy:
- Quoted prices in an active market for the same type of instrument (level 1).
- Quoted prices in an active market for similar assets or liabilities or other valuation methods according to which all important inputs are based on observable market data (level 2).
- Valuation methods according to which any important inputs are not based on observable market data (level 3).

30.09.2015 DKKm	Level 1	Level 2	Level 3	Total
Derivative financial instruments included in the trading portfolio	0	0	0	0
Listed bonds	139	0	0	139
Unlisted shares	1	0	8	9
Financial assets measured at fair value via the net profit for the year	**140**	**0**	**8**	**148**
Financial assets used as hedging instruments	**0**	**39**	**0**	**39**
Derivative financial instruments included in the trading portfolio	0	0	0	0
Other liabilities	0	4	70	74
Financial liabilities measured at fair value via the net profit for the year	**0**	**4**	**70**	**74**
Financial liabilities used as hedging instruments	**0**	**25**	**0**	**25**
28.09.2014				
Derivative financial instruments included in the trading portfolio	0	0	0	0
Listed bonds	196	0	0	196
Unlisted shares	0	0	9	9
Financial assets measured at fair value via the net profit for the year	**196**	**0**	**9**	**205**
Financial assets used as hedging instruments	**0**	**20**	**0**	**20**
Derivative financial instruments included in the trading portfolio	0	1	0	1
Other liabilities	0	0	71	71
Financial liabilities measured at fair value via the net profit for the year	**0**	**1**	**71**	**72**
Financial liabilities used as hedging instruments	**0**	**133**	**0**	**133**

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

DKKm	30.09.2015	28.09.2014
Financial instruments measured at fair value in the balance sheet on the basis of valuation methods according to which any important inputs are not based on observable market data (level 3):		
Carrying amount as at 29 September 2014	9	24
Market value adjustment	0	0
Gain/loss included in net profit for the year	1	4
Purchase	2	1
Sale	-3	-20
Carrying amount as at 30 September 2015	**9**	**9**
Gain/loss included in the net profit for the year for assets held as at 30 September 2015	0	0

NOTES

28 Related parties

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

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

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

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

2014/15 DKKm	Associates and joint ventures	Board of Directors of the parent	Executive Board of the parent	Total
Sale of goods	43	0	0	43
Purchase of goods	30	103	0	133
Sale of services	2	0	0	2
Purchase of services	268	0	0	268
Salaries and other remuneration	0	7	46	53
Interest income (net)	0	0	0	0
Trade receivables	2	1	0	3
Trade payables	37	2	0	39
Dividend received/supplementary payments	26	11	0	37
Contributed capital	0	13	0	13
2013/14				
Sale of goods	294	0	0	294
Purchase of goods	323	114	0	437
Sale of services	40	0	0	40
Purchase of services	243	0	0	243
Salaries and other remuneration	0	6	26	32
Interest income (net)	0	0	0	0
Trade receivables	12	1	0	13
Trade payables	39	2	0	41
Dividend received/supplementary payments	172	9	0	181
Contributed capital	0	11	0	11

Transactions have been conducted at arm's length.

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

29 Events occurring after the balance sheet date

No material events have occurred after the balance sheet date, apart from the events described in the management's review, financial review and note 26.

30 Accounting policies

The 2014/15 consolidated financial statements of Leverandørselskabet Danish Crown AmbA are presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the financial statements of class C enterprises, see the Danish Executive Order on IFRS issued in accordance with the Danish Financial Statements Act (årsregnskabsloven). Leverandørselskabet Danish Crown AmbA is a cooperative domiciled in Denmark.

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

The consolidated financial statements are presented on the basis of historical cost, except for derivative financial instruments and financial assets which are recognised at fair value in the income statement and biological assets which are also measured at fair value.

Compared with last year, the accounting policies have been changed in the following area:

Income from equity investments in associates is presented as part of the operating profit. This is deemed to give the most true and fair view as the activities of all the group's associates are comprised by the group's primary activities. The comparative figures in the income statement and the 5-year summary have been restated in accordance with the changed presentation.

In addition, IFRS 10, 11 and 12 have been implemented. The most important change is the recognition of equity investments in jointly controlled enterprises according to the equity method through the disclosure of income statement and balance sheet figures in one line rather than using pro-rata consolidation.

As the group in the course of 2013/14 acquired the remaining 50 per cent of the shares in the only significant jointly controlled company, Sokołów, the change does not affect the balance sheet for the 2 years of comparison and therefore does not affect equity either. In the income statement for 2013/14, revenue would have been DKK 1.8 billion lower. Net profit would have remained unchanged. This change is deemed to be insignificant. Overall, changing the comparative figures is considered to give a less true and fair view and to reduce comparability, for which reason no changes have been made.

Incorporation of other changes in existing standards does not affect the annual report.

Standards and interpretations which have not yet come into effect

At the time of the release of the 2014/15 consolidated financial statements of Leverandørselskabet Danish Crown AmbA, there are a number of new or changed standards and interpretations which have not yet come into effect and which therefore have not been incorporated into the consolidated financial statements. The management estimates that none of these standards etc. will have any significant impact on the consolidated financial statements for the coming financial years.

Consolidated financial statements

The consolidated financial statements comprise Leverandørselskabet Danish Crown AmbA (the parent) and the enterprises (subsidiaries) in which the parent is deemed to have control. The parent is considered to have control in an enterprise in which it has invested if the parent is exposed or entitled to variable returns and is able to affect such returns based on its investment in the enterprise.

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

Enterprises in which the group directly or indirectly has joint control are regarded as joint ventures.

Basis of consolidation

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

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

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

Minority interests

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

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

30 Accounting policies (continued)

Any liabilities relating to put options allocated to minority shareholders in subsidiaries are recognised as payables at the present value of the amount falling due upon exercise of the option if the group has an obligation to transfer cash and cash equivalents or other assets. The payable is deducted from equity owned by minority interests, and shares of profit or loss are subsequently not transferred to minority interests. On subsequent balance sheet dates, the financial liability is measured again, and any value adjustments are recognised in net financials in the income statement.

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

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

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

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

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

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

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

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

In connection with the divestment of ownership interests in associates and jointly controlled enterprises which are fully or partly paid for by ownership interests in the acquiring company, meaning that significant influence still exists after the transaction, a specific assessment is made of the transaction. If the transaction has commercial substance, i.e. if the divestment significantly affects the future cash flows from the ownership interests in terms of risks, timing and size, the gain or loss is recognised without proportionate elimination.

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

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

30 Accounting policies (continued)

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

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

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

Derivative financial instruments

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

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

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

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

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

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

Income tax

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

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

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

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

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

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

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

Non-current assets held for sale

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

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

30 Accounting policies (continued)

Income statement and statement of comprehensive income

Revenue

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

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

Production costs

Production costs comprise costs incurred to earn revenue. In production costs, the trading companies include cost of sales and the manufacturing companies include costs relating to raw materials, including purchases from cooperative members, consumables, production staff as well as maintenance, depreciation and amortisation of and impairment losses on the property, plant and equipment and intangible assets used in the production process. The purchase of slaughter animals from cooperative members is recognised at the current pig and cattle prices for the year and, consequently, does not include any share of supplementary payments, which is treated as dividend.

Distribution costs

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

Administrative expenses

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

Other operating income and expenses

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

Government grants

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

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

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

Special items

Special items include significant income and expenses of a special nature in relation to the group's activities, such as basic structural adjustments as well as any related gains and losses on disposals. Special items also include other significant non-recurring amounts, for example accounting profit in connection with the achievement of a controlling influence in a group company.

Net financials

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

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

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

Balance sheet

Goodwill

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

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

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

Other intangible assets

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

30 Accounting policies (continued)

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

Software
5 years

Acquired trademarks
10-20 years

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

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

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

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

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

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

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

Land
Is not depreciated

Buildings
20-40 years

Special installations
10-20 years

Plant and machinery
10 years

Technical plant
5-10 years

Other plant, tools and equipment
3-5 years

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

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

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

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

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

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

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

Impairment is recognised in results. In any subsequent reversals of impairment resulting from changes in the conditions for the calculated recoverable amount, the carrying amount of the asset and the cash-generating unit is raised to the corrected recoverable amount, but not to more than the carrying amount which the asset or the cash-generating unit would

30 Accounting policies (continued)

have had, had there been no impairment. Impairment of goodwill is not reversed.

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

The proportionate share of the enterprises' net profit or loss and elimination of unrealised proportionate internal gains and losses and less any impairment of goodwill is recognised in the income statement. The proportionate share of all transactions and events that are recognised in other comprehensive income in the associate is recognised in the other comprehensive income of the group.

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

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

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

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

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

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

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

Receivables
Receivables comprise trade receivables and other receivables.

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

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

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

Supplementary payments
Supplementary payments are recognised as a payable at the time of adoption at the meeting of the Board of Representatives.

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

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

Under the defined-benefit plans, an actuarial specification is made of the value in use of the future benefits to which the employees have become entitled by way of their previous employment in the group, and which will have to be paid under the plan. The projected unit credit method is used to determine the value in use. The value in use is calculated on the basis of market assumptions of the future development in pay levels, interest rates, inflation, mortality and disability, among other things.

30 Accounting policies (continued)

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

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

If the pension plan constitutes a net asset, the asset is recognised only if it equals the present value of any repayments from the plan or reductions in future contributions to the plan.

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

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

Provisions are measured as the best estimate of the costs necessary to settle the liabilities at the balance sheet date. Provisions falling due more than 1 year after the balance sheet date are measured at present value.

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

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

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

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

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

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

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

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

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

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

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

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

NOTES

30 Accounting policies (continued)

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

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

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

In note 2, information is provided on revenue in Denmark and internationally and by business sector. However, this does not represent segment information in accordance with IFRS 8.

Definition of key figures

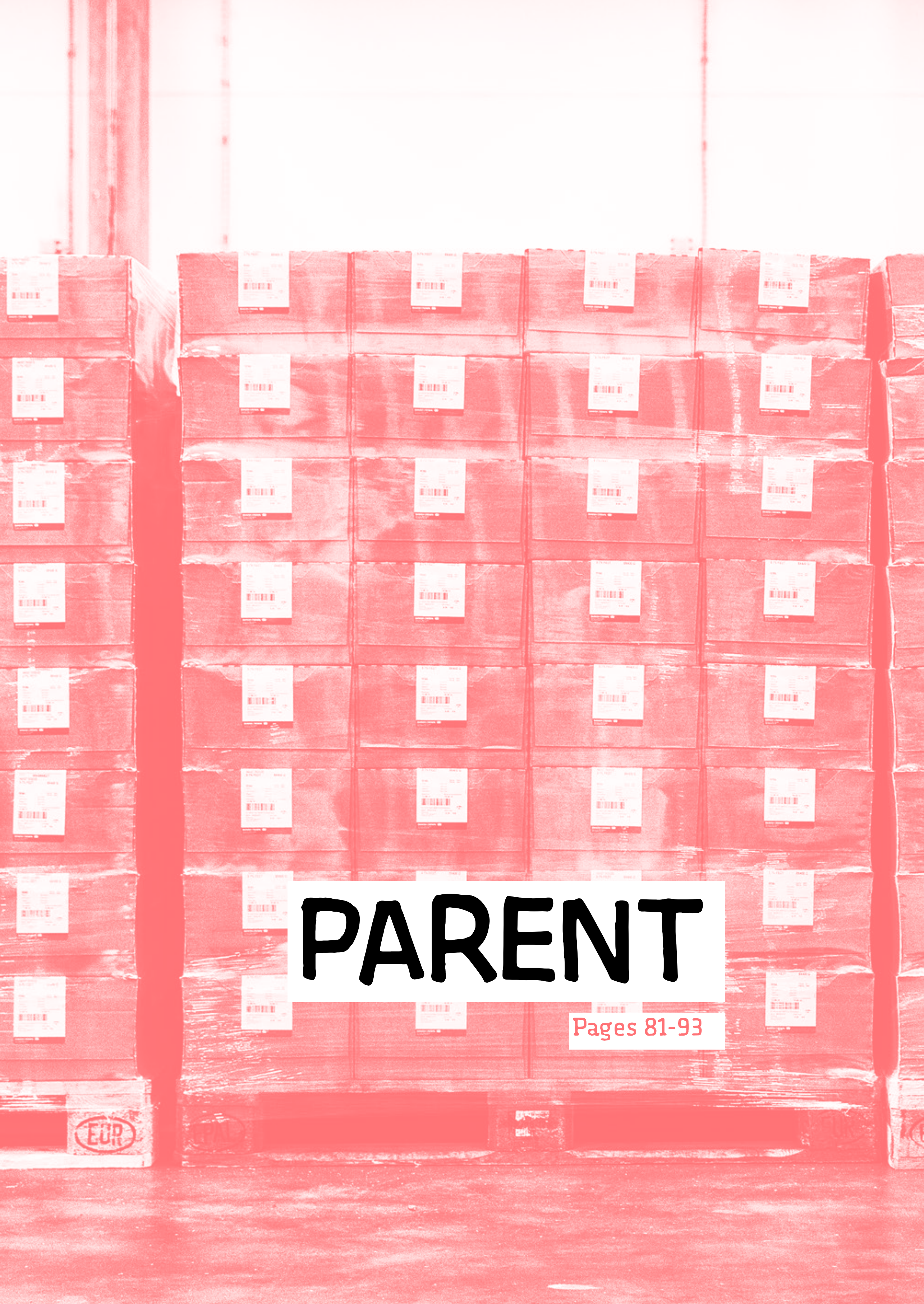
$$\text{EBIT} = \frac{\text{Operating profit before special items}}{\text{Revenue}}$$

$$\text{Solvency ratio} = \frac{\text{Equity}}{\text{Total assets}}$$

$$\text{Financial gearing} = \frac{\text{Net interest-bearing debt}}{\text{Profit before depreciation, amortisation, impairment losses, write-downs, interest, tax and special items (EBITDA)}}$$

$$\text{Interest cover} = \frac{\text{EBITDA + interest income}}{\text{Interest expenses}}$$

PARENT



PARENT

Pages 81-93

INCOME STATEMENT

29 September 2014 - 30 September 2015

DKKm	Note	PARENT 2014/15	PARENT 2013/14
Revenue	1	**13,787**	**15,729**
Production costs		-13,079	-14,915
Gross profit		**708**	**814**
Administrative expenses	2	-52	-43
Operating profit (EBIT)		**656**	**771**
Income from equity investments in subsidiaries	5	707	168
Income from equity investments in associates	5	5	29
Financial income	3	320	322
Financial expenses		-2	-20
Profit before tax		**1,686**	**1,270**
Tax on profit for the year	4	-14	-10
Net profit for the year		**1,672**	**1,260**

Proposed distribution of profit	
For distribution	
Net profit for the year	1,672
Total amount available for distribution	**1,672**
To be distributed as follows:	
Transferred to proposed supplementary payments for the year	
Pig suppliers 1,200,731,569 kg of DKK 1.05	1,261
Sow suppliers 55,888,282 kg of DKK 0.90	50
Cattle suppliers 73,576,750 kg of DKK 1.55	114
Total proposed supplementary payments	**1,425**
Transferred to equity	
Transferred to personal subordinated accounts	113
Transferred to net revaluation reserve	0
Transferred to other reserves	134
Transferred to equity, total	**247**
Available for distribution, total	**1,672**

BALANCE SHEET – ASSETS

30 September 2015

		PARENT	
DKKm	**Note**	**30.09.2015**	**28.09.2014**
Non-current assets			
Financial assets			
Equity investments in subsidiaries		2,535	1,744
Receivables from subsidiaries		3,096	3,096
Equity investments in associates		19	14
Total financial assets	5	**5,650**	**4,854**
Total non-current assets		**5,650**	**4,854**
Current assets			
Receivables			
Receivables from and prepayments to cooperative members		389	406
Receivables from subsidiaries		283	85
Total receivables		**672**	**491**
Cash		**0**	**0**
Total current assets		**672**	**491**
Total assets		**6,322**	**5,345**

BALANCE SHEET – EQUITY AND LIABILITIES

30 September 2015

		PARENT	
DKKm	**Note**	**30.09.2015**	**28.09.2014**
Equity			
Contributed capital		1,572	1,505
Personal subordinated accounts		113	0
Reserve for net revaluation of equity investments		0	0
Other reserves		2,699	2,481
Proposed supplementary payments for the year		1,425	1,218
Total equity		**5,809**	**5,204**
Provisions			
Other provisions	6	31	13
Total provisions		**31**	**13**
Liabilities			
Non-current liabilities			
Credit institutions		150	59
Total non-current liabilities	7	**150**	**59**
Current liabilities			
Credit institutions		53	0
Trade payables		256	41
Payables to subsidiaries		7	20
Income tax payable		11	8
Other payables		5	0
Total current liabilities		**332**	**69**
Total liabilities		**482**	**128**
Total equity and liabilities		**6,322**	**5,345**
Contingent liabilities etc.	8		
Cooperative members' liability	9		
Related parties	10		

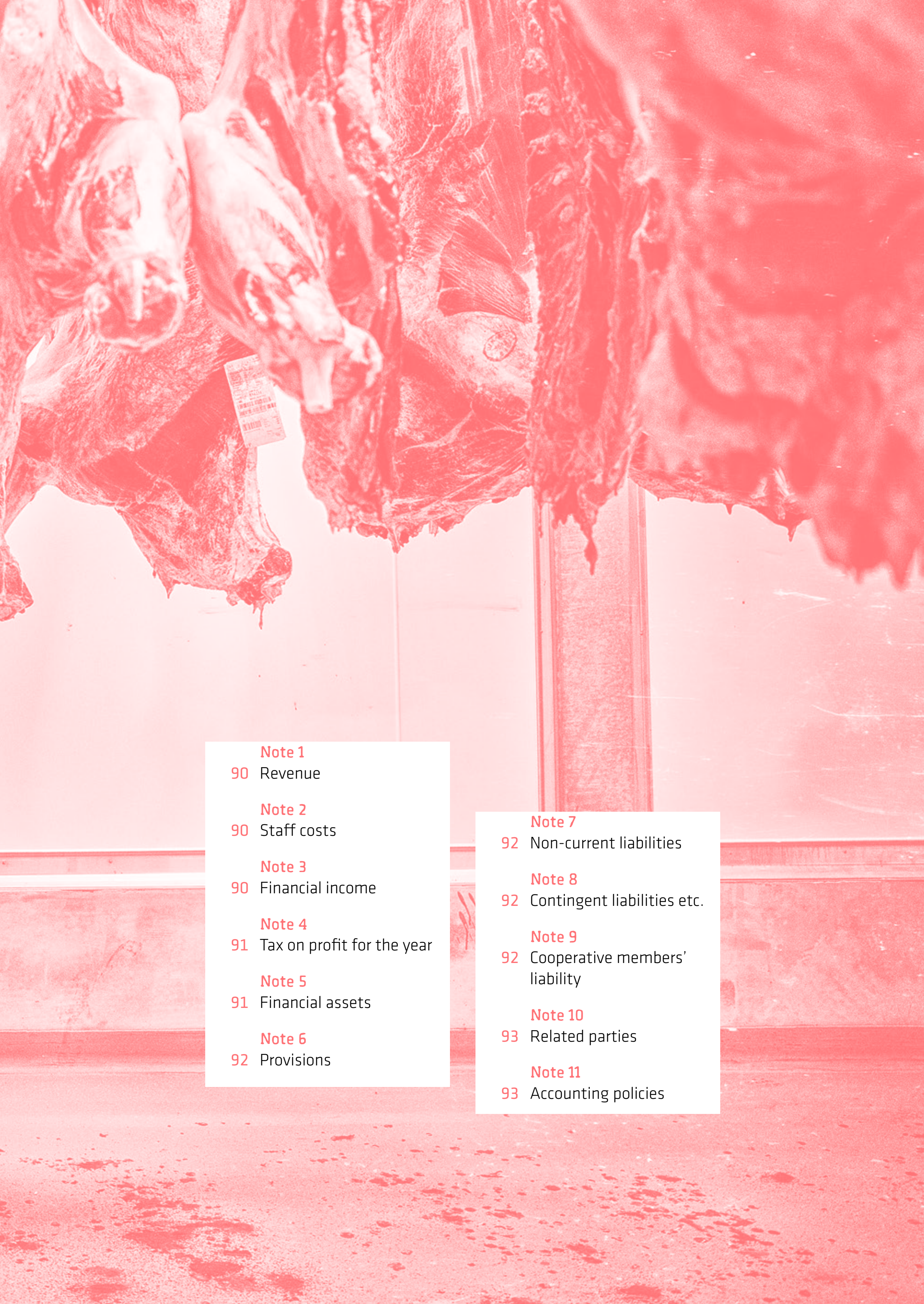
STATEMENT OF CHANGES IN EQUITY

30 September 2015

	PARENT					
DKKm	Contributed capital	Personal subordinated accounts	Reserve for net revaluation of equity invest-ments	Other reserves	Proposed supplementary payments for the year	Total
Equity as at 29 September 2013	**1,543**	**0**	**0**	**2,378**	**1,229**	**5,150**
Payments and disbursements for the year	-38	0	0	0	-1,229	-1,267
Foreign currency translation adjustment, foreign enterprises	0	0	51	0	0	51
Other adjustments	0	0	10	0	0	10
Net profit for the year	0	0	0	42	1,218	1,260
Transfer	0	0	-61	61	0	0
Equity as at 28 September 2014	**1,505**	**0**	**0**	**2,481**	**1,218**	**5,204**
Payments and disbursements for the year	67	0	0	0	-1,218	-1,151
Foreign currency translation adjustment, foreign enterprises	0	0	128	0	0	128
Other adjustments	0	0	-44	0	0	-44
Net profit for the year	0	113	0	134	1,425	1,672
Transfer	0	0	-84	84	0	0
Equity as at 30 September 2015	**1,572**	**113**	**0**	**2,699**	**1,425**	**5,809**

NOTES PARENT

Pages 88-93



NOTES

1 Revenue

DKKm	2014/15	2013/14
Distribution by market:		
Denmark	13,787	15,729
International	0	0
	13,787	**15,729**
Distribution by sector:		
DC Pork	12,179	14,047
DC Beef	1,608	1,682
	13,787	**15,729**

2 Staff costs

Salaries and wages	21	20
Pensions	1	1
Other social security costs	0	0
	22	**21**
Staff costs are distributed as follows:	22	21
Administrative expenses	**22**	**21**
Of which:		
Remuneration for the parent's Board of Directors	2	2
Remuneration for the parent's Board of Representatives	1	4
Remuneration for the parent's Executive Board	0	0
	3	**6**
Average no. of employees	34	33

3 Financial income

Subsidiaries	312	313
Other interest	8	9
	320	**322**

NOTES

4 Tax on profit for the year

DKKm	2014/15	2013/14
Calculated tax on profit for the year	13	12
Adjustment concerning previous years	1	-2
	14	**10**

Tax on profit for the year is calculated on the basis of the cooperative taxation, which is based on the company's assets and not its income.

Most of the company's profit is paid to the cooperative members in the form of supplementary payments, on which the individual cooperative member must pay tax.

5 Financial assets

DKKm	Equity investments in subsidiaries	Receivables from subsidiaries	Equity investments in associates	Total financial assets
Cost as at 29 September 2014	4,758	3,096	0	7,854
Foreign currency translation adjustments	0	0	0	0
Addition	0	0	0	0
Disposal	0	0	0	0
Cost as at 30 September 2015	**4,758**	**3,096**	**0**	**7,854**
Value adjustments as at 29 September 2014	-3,014	0	14	-3,000
Foreign currency translation adjustments	128	0	0	128
Share of net profit	707	0	5	712
Distribution during the year	0	0	0	0
Disposal	0	0	0	0
Other adjustments	-44	0	0	-44
Value adjustments as at 30 September 2015	**-2,223**	**0**	**19**	**-2,204**
Carrying amount as at 30 September 2015	**2,535**	**3,096**	**19**	**5,650**
Cost as at 30 September 2013	4,408	3,096	48	7,552
Foreign currency translation adjustments	0	0	0	0
Addition	350	0	0	350
Disposal	0	0	-48	-48
Cost as at 28 September 2014	**4,758**	**3,096**	**0**	**7,854**
Value adjustments as at 30 September 2013	-2,328	0	6	-2,322
Foreign currency translation adjustments	51	0	0	51
Share of net profit	168	0	29	197
Distribution during the year	-915	0	0	-915
Disposal	0	0	-21	-21
Other adjustments	10	0	0	10
Value adjustments as at 28 September 2014	**-3,014**	**0**	**14**	**-3,000**
Carrying amount as at 28 September 2014	**1,744**	**3,096**	**14**	**4,854**

NOTES

6 Other provisions

DKKm	30.09.2015	28.09.2014
Other provisions as at 29 September 2014	13	7
Utilised during the year	0	0
Provisions for the year	18	6
Other provisions as at 30 September 2015	**31**	**13**

Other provisions include a provision made in connection with a court case. The provision is deemed to cover the company's risk and is expected to be settled within 1-2 years.

7 Non-current liabilities

The loans can be specified by maturity as follows:

30 September 2015 DKKm	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Bank debt	53	150	0	203
	53	**150**	**0**	**203**
28 September 2014				
Bank debt	0	59	0	59
	0	**59**	**0**	**59**

8 Contingent liabilities etc.

DKKm	30.09.2015	28.09.2014
Guarantees to subsidiaries, maximum	15,844	15,857
Guarantees to subsidiaries, utilised	10,331	10,362

9 Cooperative members' liability

The cooperative members are personally, jointly and severally liable for the liabilities of the parent. The liability of each cooperative member is calculated on the basis of the supplies made by such member and cannot exceed DKK 25,000.

No. of cooperative members	8,020	8,278
Total liability	201	207

NOTES

10 Related parties

Associates and members of the Board of Directors and the Executive Board of Leverandørselskabet Danish Crown AmbA are regarded as related parties.

Since the company is a cooperative, supplies have been received from cooperative members, including members of the Board of Directors.

11 Accounting policies

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

The financial statements have been presented in accordance with the accounting policies applied last year.

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

Intra-group company transfers
In connection with intra-group company transfers, the pooling-of-interest method is used, according to which assets and liabilities are transferred to carrying amounts at the beginning of the financial year. The difference between the price paid and the carrying amount of the transferred assets and liabilities is recognised in the equity of the acquiring enterprise.

The comparative figures have been restated to show the enterprises as if they had been combined for the entire period during which they have been under joint control.

Income tax
Tax for the year is calculated on the basis of the cooperative taxation, which is based on the company's assets.

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

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

Intangible assets
Goodwill/consolidated goodwill is generally amortised over a period of 5 to 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 period of amortisation is considered to better reflect the benefit from the relevant resources. Goodwill is not amortised in the consolidated financial statements in accordance with IFRS.

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

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

Equity investments in group enterprises and associates
Equity investments in group enterprises and associates are measured according to the equity method.

The parent's share of the profits or losses of the enterprises is recognised in the income statement after elimination of unrealised intra-group profits and losses minus or plus amortisation of positive, or negative, consolidated goodwill.

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

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

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

MANAGEMENT'S STATEMENT AND AUDITOR'S REPORT

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

Today, the Board of Directors and the Executive Board have considered and adopted the annual report of Leverandørselskabet Danish Crown AmbA for the financial year 29 September 2014 - 30 September 2015.

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

In our opinion, the consolidated financial statements and the financial statements give a true and fair view of the group's and the company's assets, liabilities and financial position as at 30 September 2015 and of the results of the group's and the company's activities and the group's cash flows for the financial year 29 September 2014 - 30 September 2015.

We believe that the management's review contains a fair review of the development in the group's and the company's activities and financial affairs, net profit for the year, the company's financial position and the financial position as a whole for the enterprises included in the consolidated financial statements as well as a description of the most important risks and uncertainty factors facing the group and the company.

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

Randers, 24 November 2015

EXECUTIVE BOARD

President and Group CEO
Kjeld Johannesen

Group Executive Vice President
Flemming N. Enevoldsen

Group CFO
Preben Sunke

BOARD OF DIRECTORS

Chairman
Erik Bredholt

Cay Wulff Sørensen

Palle Joest Andersen

Vice-chairman
Asger Krogsgaard

Erik Larsen

Peder Philipp

Knud Jørgen Lei

Peter Fallesen Ravn

Niels Daugaard Buhl

Søren Bonde

Independent auditor's report

To the cooperative members of Leverandørselskabet Danish Crown AmbA

Report on the consolidated financial statements and the financial statements
We have audited the consolidated financial statements and the financial statements of Leverandørselskabet Danish Crown AmbA for the financial year 29 September 2014 - 30 September 2015, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the group and for the company. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and the disclosure requirements contained in the Danish Financial Statements Act, and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the financial statements
The management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the disclosure requirements contained in the Danish Financial Statements Act and for the preparation and fair presentation of financial statements in accordance with the Danish Financial Statements Act. The management is also responsible for the internal control which it deems necessary for the preparation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our audit has not resulted in any qualifications.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the group's assets, liabilities and financial position as at 30 September 2015 and of the results of the group's activities and cash flows for the financial year 29 September 2014 - 30 September 2015 in accordance with International Financial Reporting Standards as adopted by the EU and the disclosure requirements contained in the Danish Financial Statements Act.

We also believe that the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 30 September 2015 and of the results of the company's activities for the financial year 29 September 2014 - 30 September 2015 in accordance with the Danish Financial Statements Act.

Statement on the management's review
We have read the management's review as required by the Danish Financial Statements Act. We have not performed any additional procedures other than the audit of the consolidated financial statements and the financial statements.

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

Aarhus, 24 November 2015

Deloitte
Statsautoriseret Revisionspartnerselskab

Anders Dons
State-Authorised Public Accountant

Thomas Rosquist Andersen
State-Authorised Public Accountant

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