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Half-year report 2005

Aarhus United A/S

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Contact persons:

Erik Højsholt, Group CEO
Telephone: +45 8730 6102
Mobile phone: +45 2010 6580

Esben Vibe, Group CFO
Telephone: +45 8730 6215
Mobile phone: +45 4010 4103

The announcement can be found at Aarhus United's website: www.aarhusunited.com.
Requests for a copy can be directed to investor@aarhusunited.com.

This is a translation into English – in case of variations, the original version in Danish will apply.

Management report

First half year 2005

- Consolidated profits amounting to DKK 80 million were at the level attained for the first half of 2004. This, in fact, represents a significant improvement as consolidated profits for the same period last year included non-recurring income from the sale of silos and land and an adjustment for deferred tax in the associated company – approximately DKK 29 million in total.
- The improvement is primarily due to a significantly better result from Aarhus United Denmark – deriving mainly from chocolate confectionery vegetable fats.

The half-year results achieved by the other production companies within the group were as anticipated. Compared with the same period last year, the results of the individual companies were at the same level or marginally below.

- Aarhus United's share of profit, after tax, in United Plantations Berhad, Malaysia, amounted to DKK 23 million for the first half of 2005, which was at the same level as the profit share achieved in the first half of 2004. In comparing the two periods, a positive adjustment of deferred tax of DKK 6 million in the first half of 2004 should be considered.
- The Ceylon Trading group in Sri Lanka did not sustain the result achieved in the first half of 2004.
- The other subsidiaries performed as anticipated.
- Total net margin amounted to DKK 505 million for the first half of 2005, compared with DKK 464 million for the same period last year. The lower exchange rates applied in converting the profits of the foreign subsidiaries exerted a negative effect of DKK 3 million on the total net margin.
- In the strategic focus area – chocolate confectionery vegetable fats – sales volume and net margin improved during the first half of 2005, compared with the same period last year.
- Bulk vegetable oil sales volume and net margin improved during the first half of 2005. The improvement derived mainly from Aarhus United UK and Aarhus United Mexico.
- During the first half of 2005, foodservice sales volume, mainly within Aarhus United UK, continued to improve and total net margin was DKK 4 million above the net margin achieved in the same period last year.
- Operating income amounted to DKK 113 million for the first half of 2005, compared with DKK 118 million for the same period in 2004, which included non-recurring

income in the region of DKK 29 million from the sale of silos and land. The actual improvement in the region of DKK 24 million derives mainly from Aarhus United Denmark.

- The rates of exchange applied in converting the foreign currency results did not exert significant effect on consolidated profits, compared with the first half of 2004 – profit, after tax, was negatively affected by DKK 1 million.
- Return on invested capital amounted to 10.6% for the first half of 2005, compared with 11.0% in the same period in 2004. If the non-recurring income from the sale of silos and land are disregarded, return on invested capital would have amounted to 8.4% for the first half of 2004.
- The holding of treasury shares numbered 111,690 as at 25 August 2005 – equivalent to 2.8% of the share capital. As at 30 June 2005, the market value of the shareholding was DKK 43 million above cost.
- The holding of treasury shares will be exchanged for new shares in BNS Industrier AB in the event that the public offer for the company by BNS Industrier AB is completed.

Outlook for the full year

As a listed company, Aarhus United A/S will have to submit its annual report for 2005 in accordance with international accounting standards. The influence on the future results is expected to be only limited.

The expectations for 2005 are based on the accounting policies applied in the previous year.

The current situation of the contemplated merger with Karlshamns AB is as follows: an offer has been submitted to the shareholders of Aarhus United A/S and Karlshamns AB for exchange of existing shares to shares and/or part cash payment in the new combined parent company BNS Industrier AB. Furthermore, an extraordinary general meeting held in Aarhus United A/S has approved the company's sale of its shares in United Plantations Berhad to United International Enterprises (UIE) on the condition that the share exchange and subsequent merger with Karlshamns AB are completed. Finally, an extraordinary general meeting held in UIE has approved the acquisition of the UP shares and at the same time UIE has announced that Malaysia's Foreign Investment Committee has approved the proposed acquisition.

The expectations for the Aarhus United group are based on the fulfilment of these conditions and the financial consequences have been included, but exclude the anticipated synergy benefits amounting to SEK 100 million, or DKK 80 million, which are expected to accrue directly as a result of the merger with Karlshamns AB.

According to announcement no. 18/2004 dated 21 October 2004, the completion of the sale would result in a financial compensation for a number of key persons within the companies of

the group in return for accepting a longer, mutual term of notice. Based on the existing share price, these costs have increased to a total of DKK 37 million.

In connection with the forthcoming merger with Karlshamns, a number of extraordinary costs for financial and legal advisers of another DKK 5 million will arise.

In the event that the transactions are completed, these extraordinary costs, totalling approximately DKK 42 million, will be included in the profit and loss for 2005, but have not been included in the profit and loss expectations announced so far.

As a result of positive developments during the first half of 2005, due to improved sales of chocolate confectionery vegetable fats in Aarhus United Denmark, the previously announced profit and loss expectations can largely be maintained.

- After taking into account the above extraordinary costs of approximately DKK 42 million in connection with the sales process, operating income is expected to amount to DKK 190-210 million for the full year, compared with the DKK 210-230 million previously announced.
- For the full year, consolidated pre-tax profits are expected to amount to DKK 190-210 million and consolidated profits, after tax, to DKK 120-140 million after taking extraordinary costs of approximately DKK 42 million into account. Both results are equivalent to the previously announced expectations.

The profit and loss expectations include the anticipated profit share from United Plantations Berhad for the first three quarters of 2005. In addition, the expectations now include an accounting profit in the region of DKK 15 million – compared with the book value – from the sale of the company's shares in United Plantations Berhad to United International Enterprises Limited.

- Based on unchanged raw material prices and higher volumes sold, revenue is expected to be marginally higher in 2005 than in 2004 when revenue, expressed in Danish Kroner, amounted to DKK 5.0 billion.

Management's statement on the financial statements

The supervisory board and the executive board have today considered and adopted the interim report for the period from 1 January to 30 June 2005 for Aarhus United A/S.

The interim report is unaudited and has been prepared in accordance with the Danish Financial Statements Act, the accounting provisions of Danish legislation and the Copenhagen Stock Exchange on interim reports submitted by listed companies.

We consider that the accounting policies used are appropriate and that the interim report thus gives a true and fair view of the group's assets, liabilities and financial position as at 30 June 2005 and of the profit/loss on the group's activities and cash flows for the period from 1 January to 30 June 2005.

Aarhus, 25 August 2005

Executive board:

Erik Højsholt
Group CEO

Esben Vibe
Group CFO

Supervisory board:

Kjeld Ranum
Chairman

Brian Bech Nielsen
Deputy Chairman

Carl Bek-Nielsen

Martin Bek-Nielsen

John Goodwin

Lone Hjelmeborn

Ebbe Simonsen

Bjarne Uldall

Henrik Vuholm

Financial statement I January-30 June 2005

Consolidated key figures and ratios

DKK million	First half year		2nd quarter		Full year
	2005	2004	2005	2004	
Revenue	2,423.0	2,305.7	1,241.8	1,184.0	4,971.7
Net margin	504.8	463.6	263.1	235.3	999.9
Operating income before depreciation (EBITDA)	179.2	182.1	92.7	104.4	365.9
Operating income (EBIT)	113.4	118.5	59.5	73.0	233.5
Profits from investments in associates, before tax	31.5	22.7	16.8	12.9	59.1
Net interest expenses	-25.0	-29.9	-10.5	-16.9	-64.2
Profit on ordinary activities, before tax and minority interests	120.0	111.4	65.9	69.0	228.5
Profit for the period	79.8	80.2	43.3	53.5	175.1
Total assets	3,549.8	3,522.8	3,549.8	3,522.8	3,271.0
Capital and reserves, end of period	1,494.8	1,343.2	1,494.8	1,343.2	1,327.1
Capital investments	77.5	64.1	48.9	28.2	132.3
Depreciation	65.8	63.6	33.2	31.5	132.4
Profit margin ratio	4.7%	5.1%	4.8%	6.2%	4.7%
Equity ratio	42.1%	38.1%	42.1%	38.1%	40.6%
Return on invested capital	10.6%	11.0%	10.6%	13.1%	11.6%
Average no. of shares (1,000 shares)	4,000	4,000	4,000	4,000	4,000
End-of-period market price	566	341	566	341	556
Equity value per share	374	336	374	336	332
Earnings per share	19.95	20.04	10.83	13.39	43.77
Movements in capital and reserves:					
Capital and reserves as at 1 January	1,327.1	1,274.2	1,423.6	1,329.2	1,274.2
Profit for the period	79.8	80.2	43.3	53.5	175.1
Dividends paid	-48.0	-48.0	-48.0	-48.0	-48.0
Exchange adjustments in subsidiaries and associates	131.7	32.3	77.4	-3.3	-75.6
Dividend on treasury shares and acquisition/allocation of employee shares	6.7	5.8	6.7	5.8	5.8
Adjustment of financial instruments	-2.5	-1.3	-8.2	6.0	-4.4
Total movements	167.7	69.0	71.2	14.0	52.9
Capital and reserves, end of period	1,494.8	1,343.2	1,494.8	1,343.2	1,327.1

Group income statement

DKK million	I January-30 June		I April-30 June		I Jan-31 Dec	
	2005	2004	2005	2004	2004	2003
Revenue	2,423.0	2,305.7	1,241.8	1,184.0	4,971.7	4,485.1
Raw materials	1,735.2	1,675.6	886.9	868.9	3,603.9	3,200.3
Value added	687.8	630.1	354.9	315.1	1,367.8	1,284.8
Direct production overheads	183.0	166.5	91.8	79.8	367.8	362.1
Net margin	504.8	463.6	263.1	235.3	1,000.0	922.7
Indirect production overheads	259.7	239.4	134.4	120.4	514.3	494.5
Distribution costs	54.9	61.8	28.6	32.5	127.4	126.6
Administrative expenses	78.5	72.6	41.0	38.4	148.9	133.5
Other operating income	1.7	28.7	0.4	29.0	24.1	-15.0
Operating income	113.4	118.5	59.5	73.0	233.5	153.1
Pre-tax profits from investments in subsidiaries and associates	31.6	22.8	16.8	13.0	59.2	53.9
Net interest expenses	25.0	29.9	10.4	17.0	64.2	64.6
Pre-tax profit on ordinary activities	120.0	111.4	65.9	69.0	228.5	142.4
Tax on profit for the year	29.9	26.7	17.0	15.9	36.7	33.8
Tax on profits from investments in subsidiaries and associates	9.1	0.6	4.8	-2.3	11.7	17.4
Profit on ordinary activities	81.0	84.1	44.1	55.4	180.1	91.2
Minority shareholders' share of profit	1.2	3.9	0.8	1.8	5.0	3.4
Profit for the period	79.8	80.2	43.3	53.6	175.1	87.8

The group's strategic companies and business segments

Percentage distribution for the first half of 2005

Net margin	AUDK	AUUK	AUUS	AUMX	Total DKKm
Speciality fats	73%	10%	62%	33%	245
Bulk oils	19%	33%	28%	67%	133
Foodservice		54%		1%	70
Health care	2%	3%	0%		8
Others	6%		10%		21
Total	100%	100%	100%	100%	
Total DKK million	255	129	50	43	477

Percentage distribution for the 2nd quarter of 2005

Net margin	AUDK	AUUK	AUUS	AUMX	Total DKKm
Speciality fats	68%	10%	59%	34%	118
Bulk oils	20%	34%	28%	65%	72
Foodservice		54%		1%	38
Health care	2%	3%	0%		4
Others	10%		14%		16
Total	100%	100%	100%	100%	
Total DKK million	127	70	28	23	248

Group balance sheet

ASSETS	June	March	December	June	March	December
DKK million	2005	2005	2004	2004	2004	2003
Intangible assets	25.5	25.3	24.0	24.7	24.3	22.4
Property, plant and equipment	1,193.4	1,148.8	1,128.2	1,169.2	1,180.7	1,150.6
Investments in associates	459.5	416.8	394.1	423.0	406.1	398.6
Other securities	20.4	20.0	19.4	22.7	22.5	21.7
Tax asset	38.0	43.9	58.6	51.6	48.7	45.6
Investments and other assets	517.9	480.7	472.1	497.3	477.3	465.9
TOTAL NONCURRENT ASSETS	1,736.8	1,654.8	1,624.3	1,691.2	1,682.3	1,638.9
Total inventories	823.9	727.5	695.0	761.2	765.0	723.6
Trade receivables and other receivable:	837.5	828.5	758.6	939.5	866.0	740.2
Listed securities	1.2	14.3	6.8	9.8	13.3	9.6
Cash at bank and in hand	150.4	132.1	186.3	121.1	112.9	145.6
TOTAL CURRENT ASSETS	1,813.0	1,702.4	1,646.7	1,831.6	1,757.2	1,619.0
TOTAL ASSETS	3,549.8	3,357.2	3,271.0	3,522.8	3,439.5	3,257.9

LIABILITIES	June	March	December	June	March	December
DKK million	2005	2005	2004	2004	2004	2003
Capital and reserves	1,494.8	1,423.6	1,327.1	1,343.2	1,329.2	1,274.2
Minority shareholders	35.6	34.4	32.4	41.7	41.3	38.7
Deferred tax and pension obligations	81.1	78.5	87.8	81.9	71.8	62.8
Long-term bank loans and mortgage debt	870.3	861.1	830.7	914.0	925.0	798.4
Short-term bank loans and mortgage debt	623.1	515.2	486.2	600.5	584.4	607.8
Trade payables	444.9	444.4	506.8	541.5	487.8	476.0
Total current liabilities	1,068.0	959.6	993.0	1,142.0	1,072.2	1,083.8
TOTAL LIABILITIES	3,549.8	3,357.2	3,271.0	3,522.8	3,439.5	3,257.9

Cash flow statement as at 30 June 2005

	I Jan-30 June 2005	I Apr-30 June 2005	I Jan-31 March 2005	Full year 2004
DKK million				
Cash flows from operating activities				
Operating income	113	59	54	234
Depreciation	66	33	33	132
Provisions for pension obligations etc.				6
Decrease (Increase) in inventories	-129	-96	-33	29
Decrease (Increase) in receivables	-79	-9	-70	-28
Increase (Decrease) in payables	-62	1	-63	34
Increase (Decrease) in hedging instruments value	-2	-8	6	-6
Interest income (expenses), net	-25	-10	-15	-61
Dividends received	8		8	15
Tax paid	-16	-9	-7	-20
Net cash from operating activities	-126	-39	-87	335
Cash flow from investing activities				
Investments in intangible assets	-2		-2	-2
Investments in property, plant and equipment	-76	-47	-29	-132
Investments in subsidiaries, associates and other financial assets				-1
Net cash used in investing activities	-78	-47	-31	-135
Net cash flows from operating and investing activities	-204	-86	-118	200
Cash flows from financing activities etc.				
Increase (Decrease) in minority shareholders' share	3	1	2	-6
Increase (Decrease) in long-term loans	40	9	31	32
Dividends to shareholders in parent company	-48	-48		-48
Treasury shares	7	7		6
Minority shareholders' share of losses (profits)	-1	-1		-5
Exchange adjustments	25	16	9	-19
Net cash provided by financing activities etc.	26	-16	42	-40
Net increase (decrease) in cash	-178	-102	-76	160
Net cash and cash equivalents at year-start	-293	-369	-293	-453
Net cash and cash equivalents at year-end	-471	-471	-369	-293

Net cash and cash equivalents comprise listed securities and cash at bank and in hand less short-term bank loans and mortgage debt.

Key figures and ratios for the production companies

Aarhus United Denmark

DKK million	First half year		2nd quarter		Full year 2004
	2005	2004	2005	2004	
Revenue	798.6	761.3	396.2	387.2	1,599.1
Net margin	251.4	193.4	126.0	98.1	420.3
Operating income before depreciation (EBITDA)	103.8	75.8	49.2	47.3	142.7
Operating income (EBIT)	72.9	46.0	33.8	32.4	81.9
Pre-tax profit on ordinary activities	65.3	33.8	31.1	25.3	56.9
Profit for the period	44.9	26.8	21.1	20.6	53.0
Capital investments	46.5	29.2	31.3	14.8	62.3
Capital and reserves at year-end	510.7	484.7	510.7	484.7	529.0
Total assets at year-end	1,208.4	1,218.7	1,208.4	1,218.7	1,167.7
Profit margin ratio+A49	9.1%	6.0%	8.5%	8.4%	5.1%
Return on invested capital	15.0%	11.7%	13.2%	11.7%	9.9%
Total business volume (tonnes)	101,782	95,848	52,334	49,545	198,782

The above key figures apply to Aarhus United Denmark Group including subsidiaries. Comparative figures for 2004 have been adjusted.

Aarhus United UK

DKK million	First half year		2nd quarter		Full year 2004
	2005	2004	2005	2004	
Revenue	868.5	825.1	443.6	400.9	1,878.2
Net margin	128.7	131.8	70.3	65.3	303.4
Operating income before depreciation (EBITDA)	47.6	57.5	28.4	32.1	132.6
Operating income (EBIT)	26.6	37.2	17.8	22.6	87.9
Pre-tax profit on ordinary activities	22.2	32.2	15.6	20.2	75.7
Profit for the period	15.7	22.7	11.0	14.2	54.8
Capital investments	12.5	10.8	6.4	6.0	23.3
Capital and reserves at year-end	420.1	416.4	420.1	416.4	383.8
Total assets at year-end	799.2	904.0	799.2	904.0	787.8
Profit margin ratio	3.1%	4.5%	4.0%	5.6%	4.7%
Return on invested capital	9.1%	12.1%	11.9%	15.2%	15.1%
Total business volume (tonnes)	170,671	159,417	88,282	82,770	365,141

Aarhus United USA

DKK million	First half year		2nd quarter		Full year 2004
	2005	2004	2005	2004	
Revenue	327.8	282.6	172.8	163.5	620.2
Net margin	49.7	52.2	27.6	29.8	111.4
Operating income before depreciation (EBITDA)	13.3	20.1	9.0	12.4	42.9
Operating income (EBIT)	8.6	15.2	6.6	9.7	33.3
Pre-tax profit on ordinary activities	7.3	14.2	5.8	9.1	31.4
Profit for the period	4.4	8.5	3.5	5.5	19.3
Capital investments	11.4	18.3	4.7	3.9	27.1
Capital and reserves at year-end	224.2	206.8	224.2	206.8	194.8
Total assets at year-end	423.8	332.1	423.8	332.1	307.8
Profit margin ratio	2.6%	5.4%	3.8%	5.9%	5.4%
Return on invested capital	6.3%	12.4%	8.9%	14.7%	14.0%
Total business volume (tonnes)	62,824	59,268	32,403	30,753	123,398

Aarhus United Mexico

DKK million	First half year		2nd quarter		Full year 2004
	2005	2004	2005	2004	
Revenue	337.2	322.3	177.7	163.3	687.8
Net margin	43.0	47.3	22.6	22.5	99.7
Operating income before depreciation (EBITDA)	21.7	27.4	10.8	12.3	53.5
Operating income (EBIT)	16.3	22.1	8.0	9.6	43.0
Pre-tax profit on ordinary activities	8.6	15.9	4.3	6.4	29.8
Profit for the period, before minorities	5.2	9.5	2.6	3.8	24.7
Aarhus United's proportion of profit	4.8	8.4	2.4	3.4	22.9
Capital investments	3.7	4.3	2.6	2.5	9.0
Capital and reserves at year-end	152.0	127.3	152.0	127.3	125.8
reserves at year-end	142.3	111.9	142.3	111.9	116.6
Total assets at year-end	382.5	358.0	382.5	358.0	374.9
Profit margin ratio	4.8%	6.8%	4.5%	5.9%	6.3%
Return on invested capital	10.9%	16.4%	10.5%	14.4%	15.4%
Total business volume (tonnes)	77,439	73,603	38,831	36,732	155,916