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Announcement of the annual accounts 2004

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

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

Announcement of the annual accounts for 2004

On Monday 7 March 2004, the Supervisory Board of Aarhus United A/S considered and approved the annual accounts for 2004.

I January-31 December 2004

- Consolidated profits, after tax, amounted to DKK 175 million for 2004; this was significantly above the post-tax profit of DKK 88 million for 2003.
- In comparing with the profit for last year, it should be noted that the profit for 2004 includes non-recurring income in the region of DKK 23 million from the sale of silos in Aarhus United Denmark and from the sale of land in Aarhus United UK. It should also be noted that a DKK 25 million loss on Maritex AS was recorded in 2003. In addition, deferred tax adjustments in United Plantations Berhad, Malaysia, and in Aarhus United A/S, together with new tax legislation in Mexico, improved post-tax profits by DKK 23 million.
- The exchange rates applied in converting the results in foreign currencies exerted negative influence on profitability expressed in Danish kroner. If average exchange rates had remained unchanged relative to 2003, operating income would have been DKK 16 million better and net profits DKK 13 million higher.
- The DKK 87 million improvement in profits includes DKK 58 million from exchange rate developments and the above non-recurring income and special costs, whilst the remaining DKK 29 million is due to the increased sales volumes, mainly in the strategic focus area – chocolate and other confectionery vegetable fats.
- All four production companies in Denmark, the UK, the USA and Mexico achieved better results in 2004 than in 2003.
- The four companies all recorded higher sales volumes in 2004 – in particular, Aarhus United Mexico, which recorded an improvement of nearly 26% relative to 2003.
- Total net margin amounted to DKK 1,000 million in 2004, compared with DKK 923 million in 2003 – an increase of 8.3%.
- Chocolate and other confectionery vegetable fats continued to achieve higher sales volumes and consequently higher net margins than the previous year.
- As anticipated, severe price competition continued to affect bulk vegetable oil net margins. Despite higher sales volumes, realised net margins declined, compared with 2003.
- Foodservice, mainly within Aarhus United UK, recorded both improved sales volumes and net margins.

- Operating income (EBIT) amounted to DKK 234 million in 2004 – an improvement of DKK 81 million, compared with 2003. After adjusting for the non-recurring items previously mentioned, operating income improved by DKK 33 million. The improvement derived mainly from Aarhus United Denmark and Aarhus United Mexico.
- Other subsidiaries performed as anticipated.
- In 2004, return on invested capital amounted to 11.6%, compared with 7.2% in 2003.
- The ongoing sales process is progressing according to schedule. According to announcement no. 3/2005 dated 31 January 2005 UIE expects to conclude the sale of its shareholding in Aarhus United A/S by the end of the first quarter 2005.

The past year

The second half of 2004 was to a large extent characterised by the lead-up to the sale of Aarhus United A/S after the main shareholder, United International Enterprises Limited, put its shareholding of 45.9% up for sale.

Overall, 2004 was characterised by the consolidation of the entire organisation in the new group structure, implemented as per 1 January 2004. Whilst the pending sale of the company impacts upon everyday business, to a large extent we have aimed at continuing the positive development that is seen throughout the group.

Events and occurrences contributing to the overall picture of 2004 include:

- With effect as from 1 January 2004, Aarhus United A/S became the parent company of all companies in the group, including the four production companies in Denmark, UK, USA and Mexico.
- Aarhus United Denmark and a partner in Uruguay, Compañía Oleaginosa Uruguay S.A., signed an agreement, which forms part of the group's growth strategy within speciality fats in the South American market. The agreement covers local production of speciality fats, and two Danish employees will be stationed in Uruguay from mid-2005.
- A new video presentation of the group was released. It can be accessed on the group web-site www.aarhusunited.com. It features a general introduction to the company and the consumer products in which our many speciality products are found.
- In 2004, Aarhus United A/S was included in the MidCap+ segment on the Copenhagen Stock Exchange. In the words of the Stock Exchange this segment includes "medium-sized companies that have good liquidity in their shares, provide frequent information to the market and have good investor relations activities".
- After several years of adjusting activities in Sri Lanka, the subsidiaries there are now able to generate a good profit.

- All in all, 2004 was a year when once again we witnessed an increase in the demand of our products. At the same time it was a year when we were not affected by the economic downturn that marked 2003.

Product development

A new product, DeliAir™ was launched by Aarhus United Denmark. DeliAir™ is an airy chocolate filler for the confectionery market and is trans free or has a very low content of trans fatty acids.

The product series EsSence™ was launched by Aarhus United USA Inc. The EsSence™ series comprises trans free shortenings. The fats are non-hydrogenated, do not contain trans fatty acids, and have low levels of saturated fats.

Sustainability

In 2002, Aarhus United A/S began its participation in UN's Global Compact partnership, which focuses on advancing sustainability. As part of this cooperation, in 2004 the company sponsored a project in Burkina Faso that relieves women of some of their physical work and allows them the opportunity to earn their own salary, for example through the collection of shea nuts.

On behalf of the group, Aarhus United UK is playing a major role in the development of Roundtable for Sustainable Palm Oil (RSPO), a world-wide movement that includes retailers, NGOs (in particular the WWF), the food industry, refineries and producers. The RSPO focuses on the sustainable production of palm oil, which is one of Aarhus United's most important raw materials. On the first general assembly in October 2004 in Jakarta, Indonesia, Aarhus United UK was elected to fill one of the seats of the Board for a two-year period.

Aarhus United Denmark A/S

As a result of the new group structure in Aarhus United A/S, Aarhus United Denmark is now an independent subsidiary along with the three other production companies.

2004 has been a satisfying year for Aarhus United Denmark, with continued growth in speciality fats sales. In total, Aarhus United Denmark reached an EBIT of DKK 81.9 million, compared with DKK 62.9 million in 2003.

In Spring 2004, the strategy was adjusted to allow more focus on optimising all parts of the value chain. The changed strategy was a result of the ever-increasing competition in the market.

To improve profitability it was necessary to reduce the number of employees. Further, focus was paid to implementing profitability-driven production investments. In addition, the organisation at large worked with efficiency-building activities, including more effective utilisation of production capacity.

At the same time, Aarhus United Denmark has witnessed continued growth in earnings as well as volume in the sales of speciality fats for the confectionery business, particularly within CBE, and especially in the new markets that are part of the strategic aim. The wish for continued growth has, among other things, lead to the establishment of the above-mentioned subsidiary in Uruguay, Aarhus United Latin America. In cooperation with local competencies, the

production and marketing of speciality fats for the confectionery business in South America will be expanded. Through the new subsidiary, Aarhus United Denmark has a unique opportunity that allows proximity to local customers and the possibility to offer them attractive and competitive solutions.

Based on strong cooperation with customers, a range of new products has been developed that supports the ambitions of continued growth in earnings and the intentions of maintaining and developing the leading position as a supplier to the confectionery business. Among the epoch-making products are Tripplefill™, DeliAir™ and Illexao™ BR NL, which enable customers to create new products with new functionalities.

Similarly, the Health Care business area and cooperation with BSP Pharma A/S are developing well, and we continue to expect good results.

The shift in strategic focus with a better balance between profitability and growth continues to be based on the development of the employees through constant development of competencies and strengthening of the company values: integrity, responsibility and commitment.

Aarhus United UK Ltd.

The year 2004 has been an outstanding year for Aarhus United UK, with the highlight being the realisation of significant returns from Bakery and Foodservice. The investments made in this area during 2002 and 2003 are paying off and the company has been able to operate with exceptional service levels and product quality. This, combined with good results in other areas of the business have led to a record year for Aarhus United UK and a very firm platform on which to build in the coming years. The strategy of focussing on valued-added products and services, rather than trying to compete simply on price, has been a factor in the company's good financial performance.

Also encouraging has been the stabilisation of results from the bulk oils business, where margins appear to have stabilised after several years of decline due to competitor activity. Operational efficiencies throughout the business also improved markedly relative to 2003 as the investment in technology and automation began to generate a return, and OEE (overall equipment efficiency) steadily improved.

Intangible drivers of value excluded from immediate financial returns also showed excellent progress. Brand development has moved forward, and Aarhus United UK is now a very clear market leader in the foodservice sector with its brands Prep™ and Whirl™. Marketing activities have included trade shows in UK, USA, France, Italy and Hong Kong as well as launching an innovative loyalty scheme for users of the Prep™ brand of frying oil.

Retail sales have also continued to be strong, both in the UK and export markets with both Aarhus United UK brands, such as International Collection, and private label sales contributing to the success.

During 2004, the Rowallan property in Scotland was demolished and sold to a housing development company. In financial terms, 2004 was an outstanding year with the company enjoying a record-breaking year boosted by the one-off gain on the sale of the Rowallan property. For 2004 EBIT attained a record GBP 8.2 million, compared with GBP 6.2 million in

2003. It is particularly satisfying to note that gains have occurred in operating profit, which excludes trading gains and exceptional items such as the Rowallan property sale. Operating profit rose to GBP 7.6 million, an excellent 23% increase on 2003. Pre-tax return on capital employed of 15.1% in 2004 represents a sound return, despite heavy investment in the Bakery business over previous years.

All in all, an excellent year built on solid foundations leaving the company in a strong position to compete in the coming years.

Aarhus United USA Inc.

The shape of the business of Aarhus United USA inc. has changed significantly in 2004. It was an extremely rewarding year not just financially but also one evidenced by a high degree of organic growth.

The year 2004 was characterised by the enthusiastic work on developing new products, their vigorous promotion and subsequent, successful placement with the client base interested in replacing existing hydrogenated trans-containing fats with those free of trans fatty acids, hydrogenation and generally with low saturated fat content.

The company's traditional mature lauric and predominantly confectionery business has been augmented with sales of new trans-free, non-hydrogenated products into bakery, cereal and nutritional bar segments of food manufacturing market.

At the International Baking Industry Expo in Las Vegas, Aarhus United USA launched the EsSense™ brand, an advanced line of trans free shortenings produced without hydrogenation and containing low levels of saturated fat but maintaining a high degree of functionality. The success of these endeavours is clearly reflected in the significant revenue contribution originating from the marketing of new products, such as EsSense™, but also including the new Cisao™ brand and the extended line of Cebes™ products.

In its first year, the trans-free, non-hydrogenated products contributed 7% of volume and 9.7% of the net margin to the business of Aarhus United USA in 2004.

After four years of flat volume and net margin growth, the company, in 2004, boasted 9.2% growth in volume and 17.7% growth in net margin.

The company has also invested into a large variety of resources essential to supporting the successful growth of the new business segments and has opened an office in Canada in order to be closer to the client base. Two additional strategically positioned business partners, in southern United States and in Canada, not only added new technologies but also greatly enhanced the service and delivery response and expanded total production capacity.

For Aarhus United USA, 2004 was a year that served as an extremely efficient springboard for building entirely new and successful business and driving significant growth opportunities well into the future.

EBIT for 2004 reached DKK 33 million (USD 5.5 million). Compared with 2003, this represents a DKK 8 million increase, which is primarily due to the sales of the new trans free products.

Aarhus United México, S.A. de C.V.

In 2004, Aarhus United México achieved a very satisfactory result and reinforced its position as the Mexican market leader within the industrial fat and specialty fat segment.

Achieving an outstanding result for the year 2004 is a consequence of various factors. In particular, it is the effort and commitment of the people of Aarhus United México who are responsible for such a successful year.

During the year the company expanded its market in the supplying of the margarine, dairy-like and mid-size frying market segment, in total increasing the sales by 33%, compared with the previous year.

The increased sales were possible through an improvement of the plant's existing refining capacity by nearly 20%, a considerable enhancement of the plant efficiency in general and the significant development of new applications for existing products.

A well-driven financial management, taking advantage of the economic environment, in hedging and raw material negotiation performances sustained the company's competitive position.

This year's result shows that the strategy of focusing on its people, starting with the management leadership program in 2003 and continuing in 2004 including an extensive IT training program, has paid off. The company has been very successful in improving internal communication and the control of the key procedures in different departments; as a result, the Employee Satisfaction Survey showed an outstanding 85% satisfaction, compared with the 79% in the previous year.

An excellent year is reflected not only in the key figures but also in the generation of new opportunities. Aarhus United México is in a good position to undertake future challenges, of which the development of low-trans products, increase of market share, investment to improve production efficiency and the development of a culture of "sustained improvement" will be the key issues on which to build our growth.

In 2004, Aarhus United México realised an EBIT of DKK 43 million (MXN 82 million); an increase of DKK 19 million on 2003. The profit improvement is primarily due to a volume increase of 32,000 tonnes, and with the same exchange rate applied in converting the result into Danish kroner as last year, it would have been DKK 6 million higher.

BSP Pharma A/S (subsidiary of Aarhus United Denmark A/S)

BSP Pharma notified the health authorities in the US (Food and Drug Administration, FDA) about the planned marketing of the dietary supplement BSP 201 against arthritis and muscle pains. The notification did not cause any objections from the FDA, and BSP 201 can now be marketed and sold in the US.

The company participated in leading expositions in the US and Japan with the purpose of identifying potential partners for the launch of BSP 201 in these markets.

Intense negotiations were held with potential partners for the launch of BSP 201 in the North American market. The final decision regarding the strategy for marketing and distribution has been postponed until the new ownership of Aarhus United is in place.

Clinical tests of BSP 103 against psoriasis were initiated, and the result is expected before the end of the first quarter of 2005.

The protocol for the coming clinical test of BSP 110 against herpes simplex has been submitted to the relevant ethical committee, and tests are expected to start in early 2005.

United Plantations Berhad

In 2004 the associated company United Plantations Berhad attained net profits of MYR 129 million (DKK 203 million). With a share of 23%, this gives Aarhus United A/S a profit share of DKK 48 million. The profit share corresponds to that of last year. It should be noted that the development in exchange rates has had a negative translation effect of DKK 4 million.

The sale of Aarhus United A/S

On 30 August 2004, United International Enterprises Limited (UIE) announced that an investigation had been initiated with the purpose of determining whether UIE should maintain its shareholding of 45.9% in Aarhus United A/S. On 21 October 2004, UIE announced that it would now actively seek to divest its shareholding.

With this, a sales process begun, and in the following months a number of management presentations were given to potential buyers, who concurrently carried out their own investigations of the company. These presentations included the following information about the results for the coming years:

	2003	2004	2005E	2006E
Tonnes, 1,000 tonnes	765	843	840-870	850-880
Revenue, DKKb	4,5	5.0	5.1-5.4	5.2-5.5
Net margin, DKKm	923	1,000	1,005-1,035	1,065-1,095
Operating income, DKKm	153	234	210-230	260-280

Net margin per segment

	2003	2004	2005E	2006E
Speciality fats	45%	45%	45%-46%	43%-44%
Bulk oils	30%	27%	25%-26%	23%-24%
Foodservice	15%	16%	15%-16%	16%-17%
Health Care	2%	2%	2%-3%	5%-6%
Other	8%	10%	11%-12%	11%-12%
Total, DKKm	923	1,000	1,005-1,035	1,065-1,095

The information is based on a number of assumptions and expected market developments relative to the group's products:

- As from 2004, marginal increases are expected in sales volumes relative to vegetable speciality fats and foodservice – together with a change in product mix towards more value-added products.
- The increase in speciality fats sales is due to the growing demand that is expected within the EU as a result of the so-called 5% rule and increased applications in other parts of the world.
- BSP Pharma sales of arthritis and eczema products are expected to contribute to the income of Aarhus United Denmark from 2006.
- Consolidated bulk oil sales are expected to continue to be under pressure due to severe competition.
- Aarhus United USA expects sales of trans-free palm-based products to improve.
- The expected revenue expressed in Danish kroner is based on unchanged raw material prices and exchange rates throughout the period.

The ongoing sales process is progressing according to schedule. According to announcement no. 3/2005 dated 31 January 2005 UIE expects to conclude the sale of its shareholding in Aarhus United A/S by the end of the first quarter 2005.

A potential sale would be conditional on UIE maintaining its 23.4% shareholding in United Plantations Berhad, which today is owned by Aarhus United A/S.

Comments on the accounts for the period

The Aarhus United group achieved a very satisfactory result for 2004. Post-tax profits of DKK 175 million were DKK 87 million above profits for 2003 – a 100% improvement. Disregarding the extraordinary tax income of DKK 23 million, post-tax profits would have amounted to DKK 152 million, which is within the DKK 140-160 million result expected in the published report for the third quarter (announcement no. 20 dated 22 November 2004).

The four production companies in Denmark, the UK, the USA and Mexico all achieved better results in 2004 than in 2003. Their operating income improved by DKK 67 million in total. This is considered to be due to favourable economic developments in general, compared with the previous year, but also to be the result of the companies' strategic commitment to efficiency and core business.

The satisfactory result has been achieved despite the negative influence of exchange rates applied in converting the results in foreign currencies into Danish kroner. If exchange rates had remained unchanged relative to 2003, consolidated profits, after tax, would have been DKK 13 million higher.

In comparing with the post-tax profit of DKK 88 million in 2003, it should be noted that

- In 2003, the withdrawal from the company's commitment in Maritex AS in Norway exerted a negative post-tax influence of DKK 25 million.
- In 2004, total post-tax income from the sale of silos and land of DKK 23 million was included.
- In 2004, extraordinary tax income of DKK 23 million was included.

Even if consolidated profits are adjusted for the above non-recurring items, the improvement of DKK 29 million in the result, after tax, is significant.

Consolidated revenue in 2004 was higher than in 2003. This was due to the net effect of the higher volume sales of the group as a whole, the lower exchange rates when converting international results into Danish Kroner and higher raw material prices.

The value-added increase totalled DKK 83 million in 2004, relative to 2003. The increase was due to the general higher sales volumes – in particular, the increased sales of vegetable speciality fats to the chocolate industry.

Net margin, which is the value added, minus direct production costs, was DKK 77 million above the level achieved in 2003.

Consolidated fixed costs increased by DKK 46 million in 2004, compared with the previous year. In addition, the effect of the lower exchange rates applied in converting the results in foreign currencies into Danish Kroner improved costs by DKK 29 million. The actual increase was thus DKK 75 million, or 10%. The increase results from a general rise in costs, increased bonuses due to the higher result – primarily in Aarhus United Mexico – and increased depreciation and maintenance in Aarhus United Denmark. Fixed costs were also influenced by the extraordinary costs incurred in 2004 in connection with the ongoing sales process.

Consolidated operating income increased from DKK 153 in 2003 to DKK 234 million in 2004. The improvement is mainly due to higher sales volumes, but, compared with 2003, it should be noted that the withdrawal from our commitment in Maritex exerted negative influence on operating income in 2003 of DKK 19 million.

Pre-tax profits from investments in associates, at DKK 59 million, increased by DKK 5 million, compared with 2003. In 2003, the investment in Maritex in Norway produced a loss of DKK 12 million up to the sale of the company.

Consolidated interest expenses for 2004 amounted to DKK 64 million – the same level as in 2003.

Pre-tax profits totalled DKK 229 million, compared with DKK 142 million in 2003.

Tax for the year amounted to DKK 48 million, the equivalent of a 21% effective taxation rate. In 2003, tax of DKK 51 million was equivalent to a 36% tax rate. Tax for the year is influenced by the adjustment of the group's tax asset and new tax rules, which have affected the accounting tax by DKK 23 million.

The extraordinary tax income of DKK 23 million comprise various items. In the first six months of 2004, deferred tax in United Plantations Berhad was adjusted due to the final tax effect of United Plantations Berhad's acquisition of United International Enterprises, Malaysia. The tax effect is stated at DKK 6 million in Aarhus United's accounts. Moreover, Mexican tax legislation was amended at the end of 2004, which resulted in a re-evaluation of the Aarhus United Mexico tax asset. Aarhus United's proportion of this tax asset amounts to DKK 8 million. Finally, the tax assessment of the Danish companies, relative to the fiscal years of 2001 and 2002, was concluded at the end of 2004. As a result, tax assets in the jointly taxed companies were re-evaluated, exerting a positive influence of DKK 9 million on the accounts.

Consolidated investments totalled DKK 132 million in 2004, compared with DKK 117 million the previous year.

Capital and reserves

Consolidated capital and reserves increased by DKK 53 million to DKK 1,327 million. The net effect of the annual result, less the dividend distributed, was an increase of DKK 127 million, whereas the currency conversion of foreign subsidiaries' capital and reserves resulted in a decline of DKK 76 million.

Of this, DKK 11 million related to Aarhus United México, S.A. de C.V., DKK 4 million to Aarhus United UK Limited, DKK 32 million to Aarhus (Malaysia) Sdn Bhd (United Plantations Berhad), DKK 18 million to Aarhus United USA Inc., and DKK 11 million to other companies.

Share price development and own shares

In recent years, the company's share price has increased from DKK 180 at the end of 2000 to DKK 556 at the end of 2004 – equivalent to an increase in the market capitalisation of DKK 1.5 billion.

Throughout the year, Aarhus United A/S has been quoted on the MidCap+ segment of the Copenhagen Stock Exchange.

Own shareholdings numbered 121,778 on 31 December 2004 – equivalent to 3.0% of the share capital. These shares are included in capital and reserves at the purchase price, which is DKK 30 million below the year-end market price.

Cash flow

Operating income and depreciation together produced a positive cash flow of DKK 366 million – an increase of DKK 78 million, compared with 2003.

Total cash flow from operating activities totalled DKK 335 million, compared with DKK 228 million the previous year.

Consolidated cash flow from operating and investing activities totalled DKK 199 million in 2004, compared with DKK 151 million in 2003.

Consolidated negative cash flow from financing totalled DKK 40 million. The two main constituents were DKK 32 million in payments on long-term bank and mortgage loans and dividends of DKK 48 million paid out to shareholders.

Outlook for the full year

As a listed company, Aarhus United A/S will submit its annual report in accordance with international accounting standards. As a consequence of the ongoing sales process, we do not expect our financial reporting to be subject to the IFRS.

A potential changeover to the IFRS is estimated to have only limited influence on the future results.

For that reason, the expectations stated below are based on the accounting policies applied in the previous year.

In continuation of the satisfactory result for 2004, we expect to continue this development in 2005, based on the following expectations:

- Relative to 2004, marginal increases are expected in sales volumes – with a change in product mix towards more value-added products within vegetable speciality fats and foodservice.
- Increased sales of vegetable speciality fats are expected due to the growing demand that is expected within the EU as a result of the so-called 5% rule and increased applications in other parts of the world.
- Consolidated bulk oil sales are expected to continue to be under pressure due to severe competition.
- Aarhus United USA expects sales of trans-free palm-based products to improve.

Sales of BSP Pharma products for treatment of arthritis and eczema are not expected to contribute to the income of Aarhus United Denmark until 2006.

For the full year, consolidated operating income is expected to amount to DKK 210-230 million and pre-tax profits to DKK 190-210 million. Consolidated profits, after tax, are expected to amount to DKK 120-140 million.

Based on unchanged raw material prices and higher sales volumes, we expect revenue to be marginally higher in 2005 than in 2004 when revenue, expressed in Danish Kroner, amounted to DKK 5.0 billion.

As the sales process has not yet been concluded, expectations for 2005 include the full proportion of United Plantations Berhad's expected profit for 2005.

Elements of risk

It is group policy to hedge raw material and currency exposures as best possible in order to reduce the effect of changes in raw material and currency prices on consolidated profit.

- A 10 % change in all relevant currencies (GBP, USD, MXN and MYR) against Danish Kroner is estimated to exert a net effect of DKK 9 million per year on consolidated profits and a net effect of DKK 12 million on consolidated capital and reserves.
- For 2005, a 1 % rise in interest rates will increase consolidated interest expenses by approximately DKK 1 million.
- A 10 % change in all relevant raw material prices will increase group working capital requirements by approximately DKK 100 million.

Annual general meeting

Profits, after tax, amounted to DKK 175 million. The allocation is proposed as follows:

- | | |
|---|----------------|
| • 12% dividend | DKK 48 million |
| • Transfer to reserve for net revaluation of investments in subsidiaries and associates | DKK 32 million |
| • Retained profit/free reserves | DKK 95 million |

The annual general meeting will be held on Wednesday 27 April 2005 at 11 am. The annual report will be sent to the Copenhagen Stock Exchange via stockwise on 13 April 2005. From that date the report will be available at the company's website. On the same day, a printed annual report summary will be posted to all registered shareholders, together with the notice of the annual general meeting.

Kjeld Ranum
Chairman

Erik Højsholt
Group CEO

Appendices:

Group key figures

Income statement

Segment information

Balance sheet

Capital and reserves statement

Cash flow statement

Key figures and ratios for the groups' production companies

Consolidated key figures and ratios

App. I

Key figures DKK million	2004	2003	2002	2001	2000
Revenue	4,972	4,485	4,886	4,811	4,565
Value added	1,368	1,285	1,394	1,419	1,312
Net margin	1,000	923	1,035	1,077	-
Operating income (EBIT)	234	153	231	282	209
Operating income before depreciation (EBITDA)	366	287	370	426	344
Net interest expenses	-64	-65	-79	-91	-99
Profit on ordinary activities, before tax and minority interests	229	142	190	208	128
Profit for the year	175	88	144	166	101
Noncurrent assets	1,624	1,639	1,836	1,948	1,922
Current assets	1,647	1,619	1,547	1,935	1,750
Total assets	3,271	3,258	3,383	3,883	3,672
Share capital	400	400	400	400	400
Capital and reserves	1,327	1,274	1,424	1,531	1,355
Provisions	88	63	73	102	66
Long-term debt	831	798	868	1,147	1,179
Current liabilities	993	1,084	966	1,051	1,021
Capital investments	132	117	189	119	139
Depreciation	132	134	139	143	135
Net cash from operating activities	335	228	244	293	162
Net cash used in investing activities	-136	-77	-190	-128	-164
Net cash from financing activities	-40	-148	-337	-85	4
Key ratios					
Average number of employees	1717	1,711	1,743	2,126	2,025
Profit margin ratio	4.7	3.4	4.7	5.9	4.6
Return on assets	8.1	5.3	7.4	8.7	6.6
Net margin (%)	20.1	20.6	21.2	22.4	-
Acid test ratio	1.7	1.5	1.6	1.8	1.7
Equity ratio	40.6	39.1	42.1	39.4	36.9
Return on equity	13.5	6.5	9.8	11.5	7.7
Return on invested capital	11.6	7.2	10.5	10.6	9.7

For changes in accounting policies implemented in 2002, the comparative figures for 2000 have not been adjusted in accordance with the new Danish Financial Statements Act/new Danish accounting standards.

Financial statement I January-31 December

Income statement

App. 2

DKK million	2004	Group 2003	Parent company 2004	2003
Revenue	4971.7	4,485.1	-	1,394.0
Raw materials	3603.9	3,200.3	-	885.9
Value added	1,367.8	1,284.8	-	508.1
Direct production overheads	367.8	362.1	-	137.9
Net margin	1,000.0	922.7	-	370.2
Indirect production overheads	514.3	494.5	-	230.1
Distribution costs	127.4	126.6	-	53.3
Administrative expenses	148.9	133.5	24.2	52.0
Other operating income	24.1	-15.0	-6.6	-18.2
Operating income	233.5	153.1	-30.8	16.6
Pre-tax profits from investments in subsidiaries and associates	59.2	53.9	263.8	149.4
Interest expenses, net	64.2	64.6	6.8	27.1
Pre-tax profit on ordinary activities, before tax	228.5	142.4	226.2	138.9
Tax on profit for the year	36.7	33.8	-10.4	-5.7
Tax on profits from investments in subsidiaries and associates	11.7	17.4	61.5	56.8
Profit on ordinary activities	180.1	91.2	175.1	87.8
Minority shareholders' proportion of the profit	5.0	3.4	-	-
Profit for the year	175.1	87.8	175.1	87.8
Proposed allocation of profits				
Proposed dividends	48.0	48.0	48.0	48.0
Transfer to reserve for net revaluation of investments in subsidiaries and associates	32.3	21.1	157.6	41.0
Retained profit/free reserves	94.8	18.7	-30.5	-1.2
	175.1	87.8	175.1	87.8

The group's strategic companies and business segments

App. 3

Net margin*	Aarhus United Denmark	Aarhus United UK	Aarhus United USA	Aarhus United Mexico	Total DKKm
Speciality fats	73%	11%	66%	33%	445
Bulk oils	18%	33%	26%	66%	271
Foodservice	0%	53%	0%	1%	163
Health care	3%	3%	0%	0%	20
Other	6%		8%		36
Total	100%	100%	100%	100%	
Total DKKm	420	303	112	100	935

*Net margin is revenue minus raw materials and direct production costs.

Balance sheet**App. 4**

DKK million	2004	Group 2003	Parent company 2004	2003
ASSETS				
Intangible assets	24.0	22.4	-	4.6
Property, plant and equipment				
Land and buildings	272.7	288.1	-	73.9
Plant and machinery	718.7	749.8	-	313.3
Other assets	49.7	59.7	0.7	39.0
Plant under construction	87.1	53.0	-	48.4
Total property, plant and equipment	1,128.2	1,150.6	0.7	474.6
Investments and other assets				
Investments in subsidiaries	-	-	1,608.3	1,088.6
Loans to subsidiaries	-	-	73.0	73.0
Investments in associates	394.1	398.6	9.7	9.8
Other securities	19.4	21.7	11.6	17.4
Tax asset	58.6	45.6	14.5	30.5
Total investments and other assets	472.1	465.9	1,717.1	1,219.3
TOTAL NONCURRENT ASSETS	1,624.3	1,638.9	1,717.8	1,698.5
Inventories	695.0	723.6	-	398.3
Receivables				
Trade receivables	629.1	516.0	-	151.0
Subsidiaries	-	-	137.8	36.9
Associates	24.5	-	-	-
Exchange adjustments of contracts	10.4	9.3	-	8.2
Corporation tax	-	9.5	-	-
Other receivables	93.4	203.5	1.1	17.1
Prepayments and deferred charges	1.2	1.9	-	-
Total receivables	758.6	740.2	138.9	213.2
Listed securities	6.8	9.6	6.8	7.1
Cash at bank and in hand	186.3	145.6	0.8	20.6
TOTAL CURRENT ASSETS	1,646.7	1,619.0	146.5	639.2
TOTAL ASSETS	3,271.0	3,257.9	1,864.3	2,337.7

Balance sheet**App. 4**

DKK million	2004	Group 2003	Parent company 2004	2003
LIABILITIES				
Capital and reserves				
Share capital	400.0	400.0	400.0	400.0
Reserve for net revaluation of investments in subsidiaries and associates	218.9	207.6	488.1	360.6
Retained profit/free reserves	660.2	618.6	391.0	465.6
Proposed dividends	48.0	48.0	48.0	48.0
Total capital and reserves	1,327.1	1,274.2	1,327.1	1,274.2
Minority shareholders	32.4	38.7	-	-
Provisions				
Deferred tax	77.6	58.5	-	-
Pension obligations	5.2	4.3	-	-
Other provisions	5.0	-	-	-
Total provisions	87.8	62.8	-	-
Long-term debt				
Bank loans	566.6	465.7	275.0	175.0
Mortgage debt	264.1	332.7	-	250.5
Total long-term debt	830.7	798.4	275.0	425.5
Current liabilities				
Bank loans	425.0	568.0	243.6	410.8
Short-term mortgage debt	61.2	39.8	-	31.7
Trade payables	232.9	128.8	-	57.2
Subsidiaries	-	-	-	53.4
Associates	1.8	8.4	-	8.4
Corporation tax	5.5	8.6	-	-
Exchange adjustments of contracts	44.9	6.6	-	4.5
Other payables	221.7	323.6	18.6	72.0
Total current liabilities	993.0	1,083.8	262.2	638.0
TOTAL LIABILITIES	3,271.0	3,257.9	1,864.3	2,337.7

Capital and reserves

App. 5

GROUP

DKK million	Share capital	Reserve for revaluation of investments	Retained profit/free reserves	Proposed dividends	Total capital & reserves
Capital and reserves as at 1 January 2003	400.0	177.7	799.0	48.0	1,424.7
Exchange adjustments relating to investments in subsidiaries and associates	-	-36.6	-145.3	-	-181.9
Currency hedging of income from subsidiaries and associates	-	-	1.8	-	1.8
Dividends distributed	-	-	-	-48.0	-48.0
Dividends from treasury shares	-	-	1.7	-	1.7
Profit for the year	-	-	87.8	-	87.8
Income from associates	-	36.5	-36.5	-	-
Dividends from associates	-	-15.4	15.4	-	-
Disposals, Maritex AS, Norway	-	60.6	-60.6	-	-
Employee shares, 10,809 shares	-	-	2.0	-	2.0
Price adjustment of treasury shares	-	-	1.6	-	1.6
Adjustment of capital and reserves in associates	-	-15.2	-	-	-15.2
Hedging instruments at year-start, reversed	-	-	6.7	-	6.7
Hedging instruments at year-end	-	-	-7.1	-	-7.1
Hedging instruments, tax	-	-	0.1	-	0.1
Proposed dividends for 2003	-	-	-48.0	48.0	-
Capital and reserves as at 1 December 2003	400.0	207.6	618.6	48.0	1,274.2
Exchange adjustments relating to investments in subsidiaries and associates	-	-21.0	-53.8	-	-74.8
Currency hedging of income from subsidiaries and associates	-	-	-0.8	-	-0.8
Dividends distributed	-	-	-	-48.0	-48.0
Dividends from treasury shares	-	-	1.6	-	1.6
Profit for the year	-	-	175.1	-	175.1
Income from associates	-	47.5	-47.5	-	-
Dividends from associates	-	-15.2	15.2	-	-
Employee shares, 12,195 shares	-	-	2.2	-	2.2
Price adjustment of treasury shares	-	-	2.0	-	2.0
Hedging instruments at year-start, reversed	-	-	7.1	-	7.1
Hedging instruments at year-end	-	-	-13.4	-	-13.4
Hedging instruments, tax	-	-	1.9	-	1.9
Proposed dividends for 2004	-	-	-48.0	48.0	-
Capital and reserves as at 31 December 2004	400.0	218.9	660.2	48.0	1,327.1

Cash flow statement**App. 6**

DKK million	Group		Parent company	
	2004	2003	2004	2003
Cash flow from operating activities				
Operating income	234	153	-31	17
Depreciation	132	134	-	52
Provisions for pension obligations, etc.	6	-	-	-
Decrease (Increase) in inventories	29	-82	-179	-78
Decrease (Increase) in receivables	-28	37	13	42
Increase (Decrease) in trade payables	96	41	-5	23
Increase (Decrease) in other payables	-62	35	-	-3
Increase (Decrease) in hedging instruments value	-6	-	-	-
Interest income (expenses), net	-61	-65	-2	-27
Dividends received	15	16	45	52
Tax paid	-20	-41	-	-
Net cash from operating activities	335	228	-159	78
Cash flows from investing activities				
Investments in intangible assets	-2	-12	-	-3
Investments in property, plant and equipment	-132	-105	-	-72
Investments in subsidiaries, associates and other financial assets	-1	40	-	28
Net cash used in investing activities	-135	-77	-	-47
Net cash flows from operating and investing activities	200	151	-159	31
Cash flows from financing activities etc.				
Increase (Decrease) in minority shareholders's shares	-6	-13	-	-
Increase (Decrease) in long-term loans	32	-70	100	-128
Dividends to shareholders in parent company	-48	-48	-48	-48
Treasure shares	6	5	6	5
Minority shareholders' share of losses (profits)	-5	-3	-	-
Exchange adjustments	-19	-19	-1	2
Net cash provided by financing activities, etc.	-40	-148	57	-169
Net increase (decrease) in cash	160	3	-102	-138
Net cash and cash equivalents at year-start	-453	-456	-415	-277
Transferred to Aarhus United Denmark in connection with the restructuring			281	
Net cash and cash equivalents at year-start	-293	-453	-236	-415

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 production companies

App. 7

Aarhus United Denmark

Million	2004 DKK	2003 DKK	2002 DKK	2001 DKK	2000 DKK
Revenue	1599.1	1564.0	1229.7	1200.2	1441.3
Value added	550.7	532.0	493.6	461.3	436.7
Net margin	420.3	390.2	389.3	380.2	352.9
Operating income (EBIT)	81.9	62.3	71.0	67.6	63.8
Operating income before depreciation (EBITDA)	142.7	115.3	120.1	110.4	110.1
Pre-tax profit on ordinary activities	56.9	45.2	51.6	51.4	40.8
Profit for the year	53.0	31.7	51.6	51.4	40.8
Capital investments	62.3	81.0	50.9	70.5	86.8
Capital and reserves at year-end	529.0	561.0	498.0	446.4	407.8
Total assets at year-end	1167.7	1212.2	1067.3	1286.2	1058.8
Profit margin ratio (%)	5.1	4.0	5.8	5.6	4.4
Return on assets (%)	6.9	5.1	6.6	6.0	6.1
Return on invested capital (%)	9.9	6.8	8.3	9.5	8.4
Total business volume (tonnes)	198,782	176,852	169,006	177,027	178,152
Number of employees	510	517	490	508	532

Aarhus United UK Ltd.

Million	2004 DKK	2004 GBP	2003 GBP	2002 GBP	2001 GBP	2000 GBP
Revenue	1878.2	175.2	165.4	160.3	146.0	136.0
Value added	482.7	45.0	42.3	43.5	46.5	39.3
Net margin	303.4	28.3	26.4	27.3	30.6	-
Operating income (EBIT)	87.9	8.2	6.2	7.2	8.0	7.8
Operating income before depreciation (EBITDA)	132.6	12.4	10.8	11.4	12.7	11.8
Pre-tax profit on ordinary activities	75.7	7.1	5.1	6.3	7.0	7.4
Profit for the year	54.8	5.1	3.5	4.2	4.8	5.5
Capital investments	23.3	2.2	1.8	8.0	4.0	7.9
Capital and reserves at year-end	383.8	36.6	35.5	36.5	32.3	41.9
Total assets at year-end	787.8	75.1	73.8	76.1	70.5	68.4
Profit margin ratio (%)		4.7	3.7	4.5	5.5	5.8
Return on assets (%)		11.0	8.2	9.8	11.5	12.0
Return on invested capital (%)		15.1	10.7	13.0	15.4	15.8
Total business volume (tonnes)		365,141	351,101	366,794	382,313	317,627
Number of employees		308	317	285	369	284

Aarhus United USA Inc.

Million	2004	2004	2003	2002	2001	2000
	DKK	USD	USD	USD	USD	USD
Revenue	620.2	101.7	77.0	75.5	77.1	99.9
Value added	135.9	22.3	18.6	18.6	16.7	19.9
Net margin	111.4	18.3	15.5	15.8	13.8	17.4
Operating income (EBIT)	33.3	5.5	3.7	4.9	3.7	7.5
Operating income before depreciation (EBITDA)	42.9	7.0	5.3	6.7	5.5	9.2
Pre-tax profit on ordinary activities	31.4	5.2	3.5	4.7	3.2	7.2
Profit for the year	19.3	3.2	1.8	2.8	3.0	7.2
Capital investments	27.1	5.0	1.9	4.0	1.9	1.4
Capital and reserves at year-end	194.8	35.6	32.5	30.7	27.9	36.8
Total assets at year-end	307.8	56.3	47.2	45.5	46.3	61.9
Profit margin ratio (%)		5.4	4.8	6.5	4.8	7.5
Return on assets (%)		10.1	7.9	10.8	6.8	12.8
Return on invested capital (%)		14.0	10.1	13.7	8.5	17.9
Total business volume (tonnes)		123,398	113,051	117,296	113,681	116,908
Number of employees		55	49	48	48	48

Aarhus United Mexico, S.A. de C.V.

Million	2004	2004	2003	2002	2001	2000
	DKK	MXN	MXN	MXN	MXN	MXN
Revenue	687.8	1302.7	913.7	788.0	717.6	666.1
Value added	133.4	252.7	171.3	174.6	174.6	170.6
Net margin	99.7	188.9	123.0	127.6	128.3	88.4
Operating income (EBIT)	43.0	81.5	39.5	43.1	52.7	24.6
Operating income before depreciation (EBITDA)	53.5	101.3	57.8	60.6	67.5	37.9
Pre-tax profit on ordinary activities	29.8	56.5	16.1	19.6	22.4	-10.8
Profit for the year	24.7	46.7	9.7	12.1	17.4	-10.8
Aarhus United's proportion of profit	22.9	43.3	8.5	10.6	15.2	-9.6
Capital investments	9.0	18.4	6.4	17.3	55.0	26.5
Capital and reserves at year-end	125.8	258.5	223.1	213.9	202.2	184.8
Aarhus United's proportion of capital and reserves at year-end	116.6	239.6	196.2	187.8	177.5	163.0
Total assets at year-end	374.9	770.2	613.8	543.3	539.3	461.9
Profit margin (%)		6.3	4.3	5.5	7.3	3.7
Return on assets (%)		11.9	6.8	8.0	10.5	5.0
Return on invested capital (%)		15.4	8.6	9.9	13.4	6.0
Total business volume (tonnes)		155,916	123,824	130,695	126,834	101,532
Number of employees		314	300	345	355	310