ANNUAL REPORT
Royal Greenland A/S - 2010/11
October 1st 2010 – September 30th 2011

BY APPOINTMENT TO THE ROYAL DANISH COURT

Royal Greenland®

ANNUAL REPORT

Royal Greenland A/S - 2010/11

October 1st 2010 – September 30th 2011

Reg.no. 184.991

The annual report has been prepared and approved
by the ordinary Annual General Meeting on January 23rd 2012

Gedion Jeremiassen
Chairman of the Annual General Meeting

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Statement by the Management on the annual report

The Supervisory and Executive Boards have today considered and adopted the annual report of Royal Greenland A/S for the financial year October 1st 2010 – September 30th 2011.

The annual report has been presented in accordance with the Danish Financial Statements Act. We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Group's and the Parent's assets, equity and liabilities, financial position, financial performance, results and the consolidated cash flow.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, December 14th 2011

Executive Board
Mikael Thinghuus
Nils Duus Kinnerup

Supervisory Board
Niels Harald de Coninck-Smith
Sven Lyse
Otto Eliassen
Marie Fleischer
Sara Heilmann
Svend Bang Christiansen
Lars Berthelsen
Peter Korsbæk
Niels Ole Møller

Independent auditors' report

To the shareholder of Royal Greenland A/S
We have audited the annual report of Royal Greenland A/S for the financial year 1 October 2010 – 30 September 2011, comprising the statement by the Executive Board and the Supervisory Board, Management's review, accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the parent company and consolidated cash flow statement. The annual report is prepared in accordance with the Danish Financial Statements Act and Danish Accounting Standards.

Management's responsibility
Management is responsible for the preparation and presentation of an annual report that gives a true and fair view in accordance with the Danish Financial Statements Act and Danish Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of an annual report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility and basis of opinion
Our responsibility is to express an opinion on the annual report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of annual report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the annual report.

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 qualification.

Opinion
In our opinion, the annual report gives a true and fair view of the Group's and the parent company's financial position at 30 September 2011 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 October 2010 – 30 September 2011 in accordance with the Danish Financial Statements Act and Danish Accounting Standards.

Copenhagen, December 14th 2011

KPMG Grønland - Statsautoriseret Revisionsanpartsselskab

Claus Hammer-Pedersen - State Authorised Public Accountant

Jens Weiersøe Jakobsen - State Authorised Public Accountant

ANNUAL REVIEW

COMPANY DETAILS

Royal Greenland A/S
Qasapi 4
P.O. Box 1073
3900 Nuuk

Telephone: +299 32 44 22
Telefax: +299 32 33 49
www.royalgreenland.com

Reg.no. 184.991

FINANCIAL YEAR: October 1st – September 30th
REGISTERED IN: Kommuneqarfik Sermersooq

The Government of Greenland owns all shares in the Company.

AUDITORS: KPMG Grønland
Statsautoriseret Revisionsanpartsselskab

GROUP CHART

ROYAL GREENLAND A/S

Royal Greenland Seafood A/S - 100%

- Royal Greenland Seafood GmbH - 100%
- Royal Greenland Seafood Sp. zoo - 100%
- Eastern Quebec Seafoods Ltd. - 100%
- Royal Greenland Norway AS - 100%
- Royal Greenland Sweden AB - 100%
- Royal Greenland UK Ltd. - 100%
- Royal Greenland France S.A.S. - 100%
- Royal Greenland Japan Ltd. - 100%
- Royal Greenland Inc. - 100%
  - Iquique U.S. LLC - 18,63% associated
- Royal Greenland GmbH - 100%
- Royal Greenland Italy Spa. - 100%
- Fishinsea Denmark A/S - 47,5%, associated

Nuussuaq Fish ApS - 100%

Sandgreen ApS - 100%

7170629 Canada Inc. - 100%

Ittu A/S - 100%

Kuunnaat Trawl A/S - 100%

Gaia Fish A/S - 50%

Ice Trawl Greenland A/S - 50%

- Qaleralik A/S - 50%, associated
- Gaia Fish A/S - 50%

Associated companies

- Upernavik Seafood A/S - 50%
- Agama Royal Greenland LLC - 50%
- Angunnguaq A/S - 49,4%
- Frans Peter ApS - 43,6%
- Polar Raajat A/S - 43%
- Lennert og Sønner ApS - 40%
- Savik ApS - 35%
- Ejendomsselskabet Suliffik A/S - 30,3%
- Sisimiut Fish ApS - 30%
- Akia Sisimiut A/S - 17,5%

SUPERVISORY BOARD

NIELS HARALD DE CONINCK-SMITH

Chairman

SVEN LYSE

Deputy Chairman

SVEND BANG CHRISTIANSEN

Boardmember

MARIE FLEISCHER

Boardmember

SARA HEILMANN

Boardmember

OTTO ELIASSEN

Boardmember

LARS BERTHELSEN *)

Boardmember

PETER KORSBÆK *)

Boardmember

NIELS OLE MØLLER *)

Boardmember

EXECUTIVE BOARD

MIKAEL THINGHUUS

CEO

NILS DUUS KINNERUP

CFO

*) employee representatives

The managerial positions held by members of the Supervisory Board and Executive Board are shown in note 28

THE ROYAL GREENLAND FLEET

Royal Greenland's fleet consists of three ocean-going prawn production trawlers, an ocean-going trawler for catches of halibut, cod, redfish, etc., and a number of vessels for coastal fishing.

The ocean-going trawlers are floating factories, equipped to catch and process prawn, cod, halibut, haddock, redfish and coalfish. The prawns are boiled and frozen on board, and the fish are filleted and frozen as high-quality frozen-at-sea products, or cleaned for further processing on shore. The ocean-going trawlers mainly operate off the coast of Greenland and in the Barents Sea.

Royal Greenland's trawler division is responsible for operating a modern, hi-tech fleet. We continually work to reduce fuel consumption and promote the use of gentle catch methods. All trawls used in our own fishing are equipped with Nordmore grates and panels in order to reduce unwanted bycatch as much as possible.

The smaller, coastal vessels supply raw materials such as prawn and halibut directly to our land-based factories along the west coast of Greenland. In addition to our own fleet, we also work closely with local craft and independent fishermen who land their catches at Royal Greenland.

AKAMALIK - 2001

Length/width: 75,8 x 14,5 m
Production capacity: 110 tons/day
Catch capacity: 7-10,000 tons/year
Hold capacity: 450-750 tons
Crew: 22-26
Trawler type: Ocean-going prawn trawler
Ownership: RG 100%

QAQQATSIAQ - 2002

Length/width: 70 x 14,6 m
Production capacity: 110 tons/day
Catch capacity: 7-10,000 tons/year
Hold capacity: 450-750 tons
Crew: 22-26
Trawler type: Ocean-going prawn trawler
Ownership: RG 100%

SISIMIUT - 1992

Length/width: 66 x 14 m
Production capacity: 25-30 tons/day
Catch capacity: 5-6,000 tons/year
Hold capacity: 750 tons
Crew: 24-34
Trawler type: Ocean-going fish trawler
Ownership: RG 100%

NATAARNAQ - 2001

Length/width: 67,5 x 14,5 m
Production capacity: 110 tons/day
Catch capacity: 7-10,000 tons/year
Hold capacity: 600 tons
Crew: 22-24
Trawler type: Ocean-going prawn trawler
Ownership: RG 50%

LOMUR - 1988

Length/width: 43,2 x 9,6 m
Production capacity: 60 tons/day
Catch capacity: 6,000 tons/year
Hold capacity: 130 tons
Crew: 11
Trawler type: Coastal prawn trawler
Ownership: RG 50%

SERMILIK - 1986

Length/width: 26 x 8 m
Production capacity: 20 tons/day
Catch capacity: 2,500 tons/year
Hold capacity: 45 tons
Crew: 6-9
Trawler type: Coastal prawn trawler, iced prawns
Ownership: RG 100%

ITTUT - 1988

Length/width: 22,2 x 9,2 m
Production capacity: 20 tons/day
Catch capacity: 1,600 tons/year
Hold capacity: 40 tons
Crew: 6-9
Trawler type: Coastal prawn trawler, iced prawns
Ownership: RG 100%

NIELS - 2002

Length/width: 14,3 x 4,52 m
Production capacity: 3 tons/day
Catch capacity: 150-300 tons/year
Hold capacity: 14 tons
Crew: 3-5
Trawler type: Coastal halibut vessel
Ownership: RG 100%

ABIDTLERAQ - 1993

Length/width: 19,4 x 5,2 m
Production capacity: 3 tons/day
Catch capacity: 150-300 tons/year
Hold capacity: 30 tons
Crew: 3-5
Trawler type: Coastal halibut vessel
Ownership: RG 100%

LAILA S - 2004

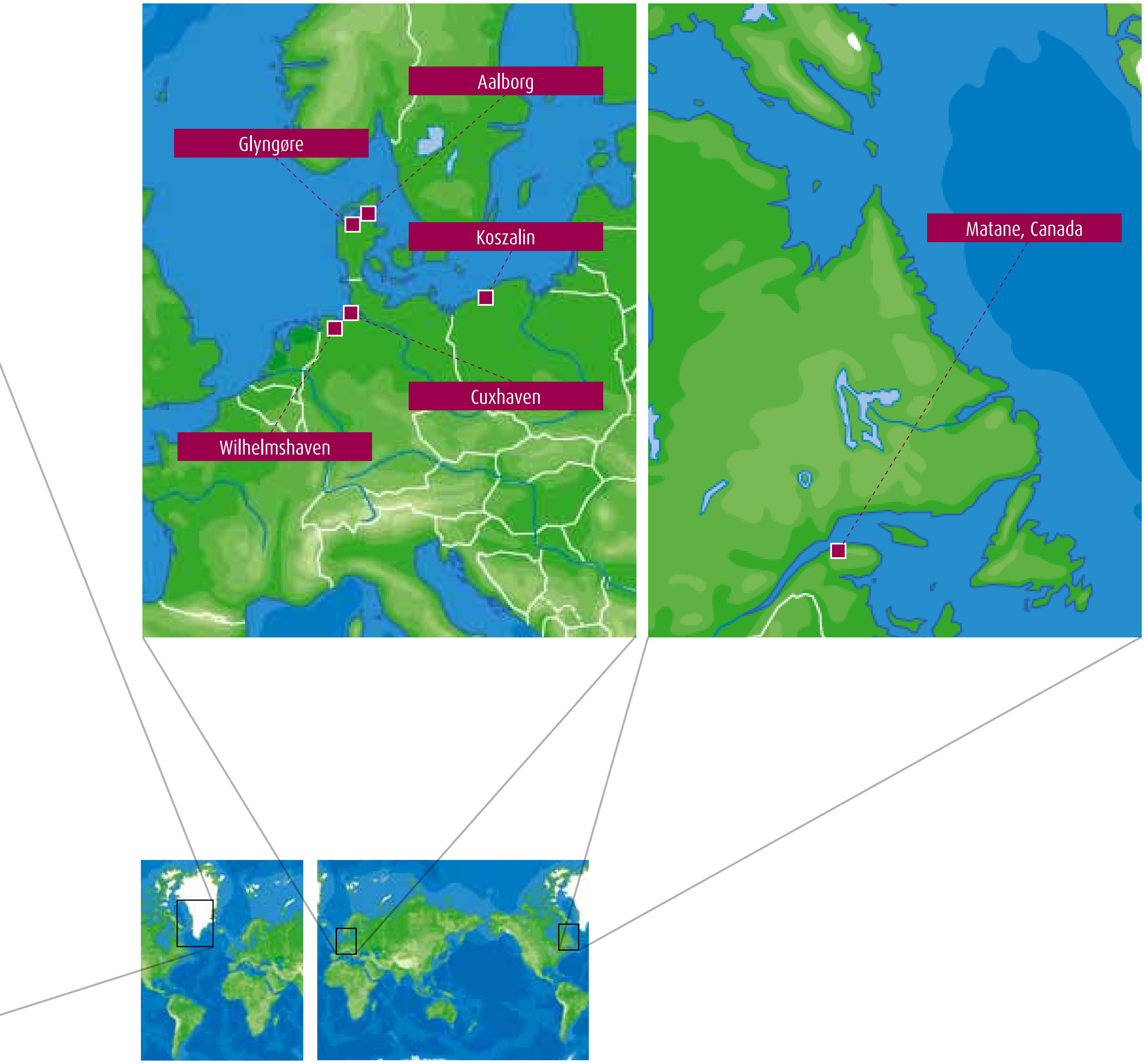
Length/width: 14,4 x 5,2 m
Production capacity: 3 tons/day
Catch capacity: 1,600 tons/year
Hold capacity: 15 tons
Crew: 3-5
Trawler type: Coastal halibut vessel
Ownership: RG 100%

PRODUCTION UNITS, GREENLAND

Production units, Greenland
Royal Greenland's 21 factories and first sales plants in Greenland are scattered along the west coast of the country from Uummannaq in the north to Narsaq in the south.

Our Greenlandic production is based on local species, the most important of which are prawn, cod, halibut, snowcrab and lumpfish roe. The production units in Greenland produce both finished products, such as prawns and natural fillets, and semi-processed products for further processing at our other production sites.

OTHER PRODUCTION UNITS



Other production units
Royal Greenland's production units outside Greenland work both with further processing and packing of the Greenlandic raw materials, as well as processing of external raw materials. In Denmark, Royal Greenland owns and operates two production units: the central prawn packing plant in Aalborg, and the MAP and brine products factory in Glyngøre.

In Germany and Poland, the company operates three production units. The factories in Wilhelmshaven in Germany and Koszalin in Poland are the focal point for the production and processing of highly competitive products in which efficiency, price and low margins are key concepts. Through the acquisition of the roe factory in Cuxhaven, Royal Greenland has achieved significant synergies between this production and the supply of lumpfish roe in Greenland.

In Canada, a prawn processing plant is operated in Matane, producing MSC-certified boiled and peeled prawns.

PRODUCTION UNITS, GREENLAND


UUMMANNAQ - 1949

Factory Manager: Abia Thorsteinsen
Main species: Halibut
Finished products: Whole halibut, heads, tails, fillets
Capacity: 40 tons/day
Cold store capacity: 1,100 tons
Number of employees: 10 low- / 50 high season

The current location dates from 1966, but the plant has been expanded in several stages, most recently in 2003.


NUUGAATSIAQ - 1990

Factory Manager: Job Mikaelsen
Main species: Halibut
Finished products: J-cut, heads, tails, whole fish. In winter, drying of halibut strips
Capacity: 4,5 tons/day
Cold store capacity: 100 tons
Number of employees: 1 low- / 10 high season


UKKUSISSAT - 1989

Factory Manager: Johanne Knudsen
Main species: Halibut
Finished products: J-cut, heads, tails, whole fish
Capacity: 4,5 tons/day
Cold store capacity: 100 tons
Number of employees: 1 low- / 10 high season


SAATTUT - 1986

Factory Manager: Marie Knudsen
Main species: Halibut
Finished products: J-cut, heads, tails, whole fish
Capacity: 7 tons/day
Cold store capacity: 400 tons
Number of employees: 1 low- / 15 high season

The current plant was rebuilt in 1998, when the large cold store also came into use.


IKERASAK - 1990

Factory Manager: Elisabeth Filemonsen
Main species: Halibut
Finished products: Whole fish, fillets, with/without skin
Capacity: 20 tons/day
Cold store capacity: 80 tons
Number of employees: 2 low- / 25 high season

The plant has been rebuilt to a lesser degree since its establishment.


QAARSUT - 1995

Factory Manager: Managed from Uummannaq
Main species: Roe in season
Finished products: Roe in barrels
Capacity: 5 tons/day
Cold store capacity: No cold store
Number of employees: 0 low- / 6 in the roe season


QEQERTARSUAQ - 1934

Factory Manager: Knud Mølgård
Main species: Crab, cod, roe
Finished products: Crab sections, fish blocks, roe in barrels
Capacity: 10 tons/day crab, 1 ton/day fish
Cold store capacity: 100 tons
Number of employees: 3 low- / 30 high season

The plant has previously produced prawn, meat and frell, and now produces crabs and fish.


ILULISSAT - 1920s

Factory Manager: Niels Ole Møller
Main species: Prawn, halibut
Finished products: IQF prawns, shrimpmeal, whole halibut, cod
Capacity: 120 tons/day prawns, 20 tons/day fish
Cold store capacity: 1600 tons
Number of employees: 100 low- / high season

The current factory was established in 1961 and rebuilt several times. New halibut factory opened 1998, closed 2009. Prawn factory renovated in 2010.


SAQQAQ - 1983

Factory Manager: Nielsine Hansen
Main species: Halibut, other fish
Finished products: Whole halibut in blocks
Capacity: 8 tons/day
Cold store capacity: 80 tons
Number of employees: 2 low- / 10 high season

The plant burned down in 2003, and the current plant opened in 2005.


QASIGIANNGUIT - 1940s

Factory Manager: Ole Vestergård
Main species: Halibut, other fish, roe
Finished products: Halibut fillet, frell, heads, IQF fillets, loins
Capacity: 25 tons/day halibut
Cold store capacity: 1,800 tons
Number of employees: 130 low- / high season

Rebuilt to prawn factory in 1952, rebuilt in 1960 and several more times until closure in 1997. Current new factory opened 2000.


KANGAATSIAQ - 1950erne

Factory Manager: Olina Themothæussen
Main species: Cod, roe
Finished products: Cod in blocks, roe in barrels
Capacity: 15 tons/day freezing
Cold store capacity: 100 tons
Number of employees: 2 low- / 25 high season

The factory was refurbished/rebuilt in 1986 to its current form, for cod production. Today, cod and other fish are frozen, and roe is processed in season.


NIAQORNAARSUK - 1948

Factory Manager: Rune Berthelsen
Main species: Cod, roe
Finished products: Salt fish
Capacity: 5 tons/day
Cold store capacity: No cold store
Number of employees: 1 low- / 10 high season

Rebuilt and renovated in 1995.


IKERASAARSUK - 1950

Factory Manager: Lars Karlsen
Main species: Cod, roe
Finished products: Salt fish
Capacity: 5 tons/day
Cold store capacity: No cold store
Number of employees: 1 low- / 10 high season

Renovated in 1995.


SISIMIUT - 1914

Factory Manager: Vivi Høj Labansen
Main species: Prawn, crab
Finished products: C&P prawns, crab sections
Capacity: 120 tons prawns, 15 tons crabs/day
Cold store capacity: 1600 tons
Number of employees: 100 low- / high season

The current factory was built in 1969 for the production of cod and prawn, and renovated in 1992 and 2011 to a modern prawn factory.

PRODUCTION UNITS, GREENLAND


NUUK - 1959

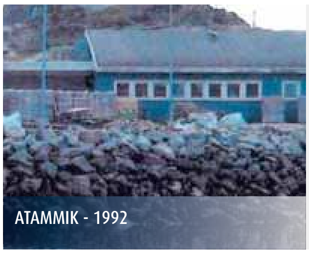
Factory Manager: Theo Didriksen
Main species: Cod, halibut, redfish, catfish, roe
Finished products: Roe, fish for export, domestic market products
Capacity: 18-20 tons/day
Cold store capacity: 200 tons
Number of employees: 12 low- / 40 high season

Godthåb Fiskeindustri taken over in 1990, prawn production ceased in 2002.


KANGAAMIUT - 1944

Factory Manager: Peter Kreutzmann
Main species: Cod, catfish, halibut, roe
Finished products: Whole fish, winter-dried cod, catfish strips, roe in barrels
Capacity: 5 tons/day
Cold store capacity: 30 tons
Number of employees: 4 low- / 16 high season

Renovated in 1994/5.


ATAMMIK - 1992

Factory Manager: Mikael Poulsen
Main species: Cod, catfish, roe
Finished products: Whole fish, salt fish, roe in barrels
Capacity: 3 tons freezing, 4 tons salting/day
Cold store capacity: 8 tons
Number of employees: 4 low- / 20 in the roe season

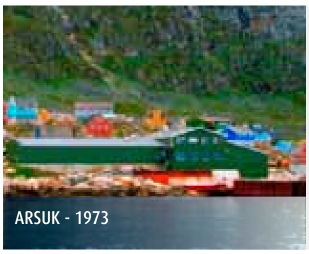

QEQERTARSUATSIAAT - 1983

Factory Manager: Konrad Boye
Main species: Cod, roe
Finished products: Salt fish, IQF cod, roe in barrels
Capacity: 8 tons/day
Cold store capacity: 80 tons
Number of employees: 6 low- / 16 high season


PAAMIUT - 1920

Factory Manager: Pele Nathansen
Main species: Crab, cod, roe, other fish
Finished products: Crab sections, fish blocks
Capacity: 10 tons/day crab
Cold store capacity: 500 tons
Number of employees: 10 low- / 50 high season

Converted from cod production to smokehouse in 1997. Closed 2003. Prawn and crab production established in 2004.


ARSUK - 1973

Factory Manager: Niels Peter Mikaelsen
Main species: Cod, roe
Finished products: IQF cod, roe in barrels
Capacity: 5 tons/day
Cold store capacity: 80 tons
Number of employees: 1 low- / 6 high season


NARSAQ - 1951

Factory Manager: Niels Sakariassen
Main species: Roe, cod, halibut
Finished products: Roe, whole fish
Capacity: Fish freezing, 20 tons/day
Cold store capacity: 600 tons
Number of employees: 1 low- / 15 high season

Built as lamb slaughterhouse and for cod production in 1951. Slaughterhouse sold in 1995. Converted to prawn production in 2003, transferred to seasonal production in 2009.

OTHER PRODUCTION UNITS


LANGERAK - 1988

Factory Manager: Jack Møller
Main species: Prawn
Finished products: Retail and food service shellfish packing
Capacity: 15-18,000 tons/year
Number of employees: 50-70 low- / high season


GLYNGØRE - 1982

Factory Manager: Jack Møller
Main species: Prawn, crayfish tails, surimi
Finished products: Brine and MAP products
Capacity: Brine products 7-8 tons/day, MAP 25 tons/day
Number of employees: 70-80 low- / high season


WILHELMSHAVEN - 1996

Factory Manager: Allan Jensen
Main species: Alaska pollack, cod, hake, hoki
Finished products: Fish fingers, natural fillets, gourmet fillets, Fish 'n' Chips
Capacity: 80,000 ton/year
Number of employees: 420 low- / high season


CUXHAVEN - 2010

Factory Manager: Helgi Helgason
Main species: Lumpfish roe
Finished products: Lumpfish roe in jars
Capacity: 125,000 jars/day
Number of employees: 19 low- / 60 high season


KOSZALIN - 2006

Factory Manager: Meinhard Jacobsen
Main species: Plaice, flounder, cod
Finished products: Breaded flatfish with filling, natural fillet, salmon sides with topping
Capacity: 20,000 tons/year
Number of employees: 425 low- / high season


MATANE - 2006

Factory Manager: Lars Juul Petersen
Main species: Prawn
Finished products: Cooked and peeled prawns
Capacity: 30 tons/day
Number of employees: 120 low- / high season

FINANCIAL HIGHLIGHTS AND KEY RATIOS

PROFIT/LOSS

KEY FIGURES - DKK mill.	2010/11	2009/10	2008/09	2007/08	2006/07
Net revenue	4,724	4,249	4,741	5,173	5,130
Profit from ordinary operating activities (EBIT)	171	73	(86)	50	98
Net financials	(40)	(88)	(124)	(99)	(34)
Net profit before tax	131	(15)	(210)	(49)	63
Net profit for the year	79	(43)	(196)	(78)	52

BALANCE SHEET

KEY FIGURES - DKK mill.	2010/11	2009/10	2008/09	2007/08	2006/07
Fixed assets	1,303	1,334	1,365	1,452	1,431
Net working capital	1,480	1,545	1,411	1,814	1,826
Equity	882	803	831	816	894
Net interest-bearing debt	1,773	1,976	1,859	2,340	2,233
Balance sheet total	3,934	3,652	3,704	3,867	3,951
Investments in property, plant and equipment	130	98	168	221	236

RATIOS IN %

	2010/11	2009/10	2008/09	2007/08	2006/07
EBIT-margin	3.6	1.7	(1.8)	1.0	1.9
EBT-margin	2.8	(0.4)	(4.4)	(0.9)	1.2
ROIC including goodwill	6.8	2.9	(3.0)	1.7	3.4
Return on equity (ROE)	10.2	(4.3)	(23.4)	(8.8)	6.7
Equity ratio	22.4	22.0	22.4	21.1	22.6
Net interest-bearing debt / EBITDA	4.9	8.0	18.8	10.5	9.0

NUMBER OF EMPLOYEES

	2010/11	2009/10	2008/09	2007/08	2006/07
Greenland	793	826	855	1,015	1,003
Denmark	236	251	297	386	418
Other locations	859	857	928	812	621
Total	**1,888**	**1,934**	**2,080**	**2,213**	**2,042**

Naleraq 2013 – a new agenda

In the wake of the turnaround achieved in the last financial year, the new management team has laid down a new agenda and drawn up a new strategy for Royal Greenland.

The Naleraq 2013 strategy is based on dividing Royal Greenland into two business areas, each with its own agenda. The North Atlantic business area relies on the species of fish that are native to the North Atlantic, and encompasses the Company's activities in Greenland, Denmark and Canada. The European business area is based on products from the factories in Germany and Poland.

The main task of the North Atlantic business is the optimisation of value on the basis of a limited resource, while the key words for the European business are continued growth in a market with low margins.

The strategy process has defined seven overall projects

- Structure and reporting
- Sales-promoting activities
- Optimisation of purchasing
- Production optimisation
- Factory structure
- Administrative structure
- Working capital

The projects are defined within each business area, with different content, in accordance with the two different agendas.

The strategy process sharpens the Company's market-oriented focus and the process of change that the organisation has undergone in the past few years.

The aim is to double operating profit in three years, and thereby create an attractive company on the basis of the two business areas, to the benefit of Royal Greenland's owners, the government of Greenland.

However, it will also be necessary to reduce Royal Greenland's interest-bearing debt from present DKK 1.8 billion to a level of around DKK 1 billion, so that the Company can achieve sufficient financial freedom to pursue its strategic objectives.

The financial year 2010/11 has confirmed the value of the policy laid down by Naleraq 2013. Net profit for the year amounted to DKK 79 million, corresponding to a profit improvement of DKK 122 million. Operating profit was DKK 171 million, corresponding to a margin of 3.6%, as against 1.7% last year.

At the same time, interest-bearing debt has been reduced by DKK 203 million.

The Company's financial performance has lived up to expectations and is thus satisfactory.

With its natural starting-point in Greenland, Royal Greenland's overall objective is to be the leading supplier of North Atlantic seafood and related products.

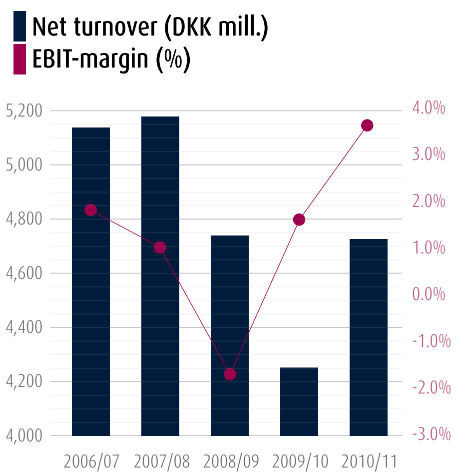
This focus is capable of making Royal Greenland one of the most profitable companies in the industry, while at the same time allowing Royal Greenland to act responsibly in Greenlandic society, where the Company plays a very important role.

We wish to have a strong presence in the awareness of the Greenlandic population, and we wish to be an attractive employer, both inside and outside the country.

Our strategic focus is simple and attractive. Our behaviour must in all ways correspond to the high quality of our products.

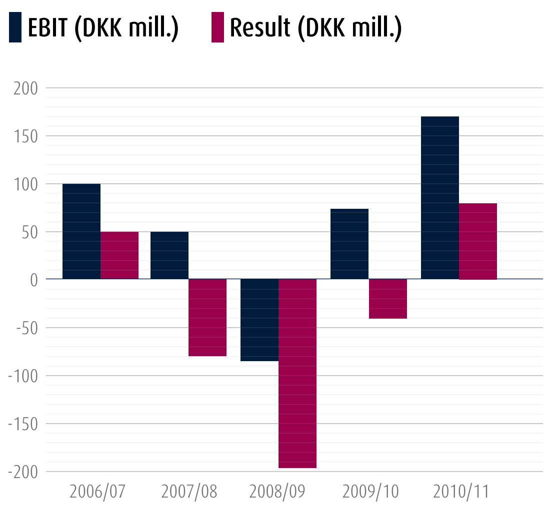
Accounts

The profit improvement in 2010/11 is based on an 11% growth in turnover and significantly improved operating earnings.



Growth has been realised in both volume and prices. Growth was achieved in all major markets, with Asia and Scandinavia showing particular improvement.

The increase in turnover has at the same time been favoured by the market situation, especially in prawns and halibut, resulting in significant price rises.

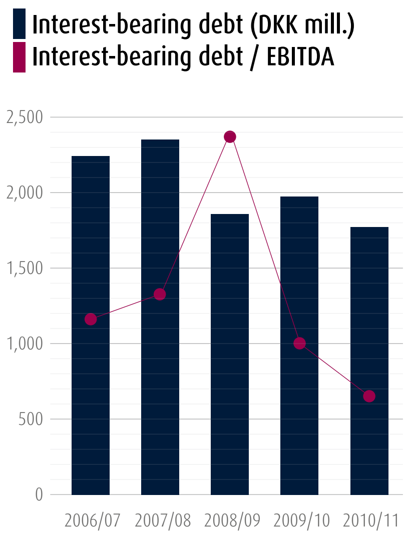


The increased revenues are attributable to the North Atlantic products, with very positive trends in shell-on prawns, boiled and shelled prawns, lumpfish roe and crab, in particular. It is particularly gratifying to note that the expansion of the lumpfish roe business through the purchase of the factory in Cuxhaven in 2010 has been an economic asset.

European operations have experienced a decline due to lower earnings in the range from Wilhelmshaven, despite higher volumes. In this context it should however be noted that the financial year 2009/10 was a very good year for Wilhelmshaven. Activities in Koszalin, Poland, have continued to show a positive trend in both volume and earnings.

Financial items have fallen by DKK 39 million, which is attributable to favourable currency hedges for USD and GBP relative to the current exchange rate.

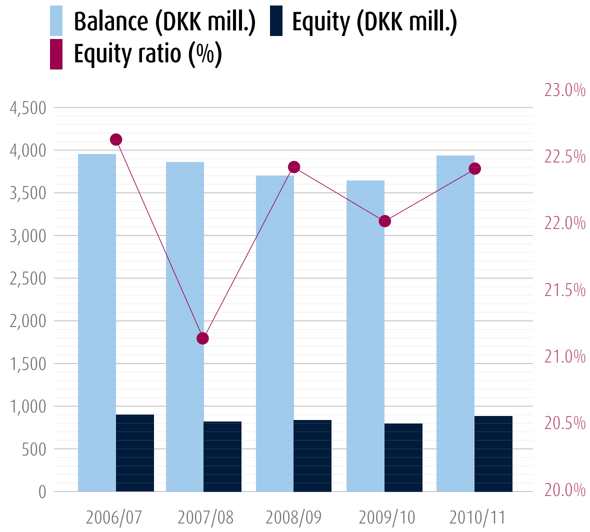
Conversely, provisions of DKK 25 million more have been set aside for tax due to the positive trends in the Greenlandic products. The effective tax rate is now 31%. Pre-tax profit amounts to DKK 131 million, as against DKK (15) million last year.



Interest-bearing debt has been reduced by DKK 203 million, and comprises a factor of 4.9 in relation to EBITDA, as opposed to 8.0 last year. In 2008/09, the interest-bearing debt was 18.8 times EBITDA.

This trend is driven by a reduction in working capital, as well as by positive trends in financial performance.

Working capital has fallen from DKK 1,545 million to DKK 1,480 million, but has been influenced by rising inventories due to rising prices in raw materials. At the same price levels as last year, inventories, and thereby working capital, would have been DKK 350 million lower. Working capital remains high, and as part of the Naleraq 2013 strategy, work is being done on a series of initiatives to further reduce this.



The Company's equity has risen from DKK 803 million to DKK 882 million. The Company's equity ratio is 22.4%, down from 22.0% last year. Including the subordinated loan from the Company's owner, the Company's equity ratio now comprises 26.6%. Under the loan agreement, DKK 50 million has been repaid of the subordinated loan in 2010/11, after which it amounts to DKK 200 million.

Sales/Market

After a number of years of falling revenue as a consequence of difficult market conditions and structural adjustments, Royal Greenland is now once again a company in growth.

In 2010/11, revenue amounted to DKK 4.7 billion, as against DKK 4.2 billion in 2009/10.

The increased revenue has been generated through greater focus on the growth markets in Asia and healthy growth in sales of processed products in the competitive European markets.

The goal of profitable growth has primarily been met by the North Atlantic raw materials. Demand for prawn, halibut, snowcrab and lumpfish roe has exceeded supply, resulting in good price rises. In the European business area, products from Poland have made a particular contribution to increased revenue and earnings.

In the sales organisation, the past year has seen the initiation of comprehensive category work to ensure organisational understanding of the goals of the individual products and categories. As a result, cooperation and coordination between the various markets has increased significantly, and an improved ability to respond to changes in the market has been generated.

Fish Day at City Hall Square in Copenhagen

Exhibition stand at ESE – the European Seafood Exposition

In the individual markets, the following may be highlighted:

International
The most important markets in the International sales area are China, Russia, Taiwan, Spain and the USA. Common to all of these markets is that the vast majority of the products sold are based on raw materials from the North Atlantic. Demand from all markets has been strong, but the availability of raw materials has limited the level of sales. The favourable market situation has created very positive developments in the value of the products sold.

It is important to have a strong position in the future growth markets of China and Russia, and Royal Greenland has thus strengthened its position in the course of the year.

Germany
The German organisation has focused on establishing and strengthening strong customer relations on the basis of a high level of professional skill. This has made Royal Greenland a valued partner and soundingboard for our customers.

The financial year saw significant growth in those markets served by the German organisation, which has made a positive contribution to improved capacity utilisation in the factories in Poland and Germany.

The German market is characterised by significant competition for processed products, which has placed pressure on earnings on the range from Wilhelmshaven.

France
Turnover on the French market has remained stable, at last year's high levels. Sales of lumpfish roe have contributed to improved earnings. In the financial year 2010/11, Royal Greenland has extended this range with the successful launch of retail-packaged lumpfish roe.

For the rest of the range, the market in France is still dominated by the financial crisis and a consequent significant focus on price. There is an overcapacity in the market for breaded products, with all parties struggling to achieve satisfactory capacity utilisation.

In this difficult market, Royal Greenland has been able to manoeuvre satisfactorily and achieve its stated goals.

Scandinavia
The Scandinavian market has developed very positively. All of the markets are in positive development, and are delivering both sales and earnings results that have exceeded the set targets.

In Sweden and Norway, the rising sales have primarily been in shell-on prawns. In Sweden, the positive trend is also continuing in processed products from the European factories.

Denmark has seen a particularly strong increase in sales of breaded products from the factory in Poland.

Over the past few years, the Danish sales organisation has focused on improving the distribution of Royal Greenland products. This has now succeeded to a degree which has created a foundation for implementing more extensive consumer marketing than previously. This will commence at the start of the new financial year.

UK
The UK has traditionally been the biggest market for frozen boiled and peeled prawns. The lower supply of prawn to the factories has had a negative impact on turnover in Britain. This is due to the fact that, overall, it has been more attractive to sell prawns in other markets, where it has been possible to achieve higher prices than in the UK.

As a result of improved market prices, however, the British sales organisation has been able to maintain earnings at last year's level.

Targeted work has been performed to establish stable sales of breaded products on the UK market, and an interesting contract has been won at year-end in this product group.

Japan
Sales of North Atlantic products on the Japanese market have been stable in relation to last year. The major earthquake which unfortunately hit the country in spring 2011 has however presented great challenges to our Japanese organisation. To begin with it was a question of simply getting everyday life to function again, and this was followed by changes in the demand for various products.

All of the challenges have now been resolved, and the organisation in Japan has once again this year demonstrated the great importance of the company for Royal Greenland's overall earnings.

Royal Greenland markets a wide range of products under its own brand name

Sample tasting of own and competing products in Wilhelmshaven

Italy/Poland
For Royal Greenland, both Poland and Italy are relatively new markets. Both have enjoyed healthy growth in relation to the previous year, and the decision to establish subsidiaries in the two markets is beginning to show its value.

Product development

Product development and innovation in Royal Greenland must underpin the strategy adopted with respect to growth, value creation and the optimisation of business activities in the North Atlantic and European business areas, respectively.

The vision for Royal Greenland is to be seen as a strong supplier that is able to interpret and create trends in the market and develop saleable products that are in demand among consumers.

There has been a satisfactorily high level of activity in the department, both in its own projects and in partnerships with customers.

In the course of the year, a turnover of DKK 250 million in new products has been realised, corresponding to 5% of overall turnover. The objective is that at least 5% of turnover each year will derive from new products.

During the year, a new process for control and idea generation was also developed and implemented, ensuring that the best projects are prioritised and allocated the right resources.

There has been particular focus on supporting growth in the European business area, which has generated significant additional revenue.

The product development costs incurred during the financial year derive mainly from new products and flavours in the existing product range. These costs have been included in the profit and loss account on the basis of a caution principle, inasmuch as it is difficult to attribute them to individual products.

Operations – North Atlantic

Raw materials
Access to raw materials is crucial for Royal Greenland. During the year, the Group's vessels fished 28,700 tons, and Royal Greenland additionally purchased 40,000 tons of Greenlandic raw materials for the factories.

The total volume of raw materials purchased in first sales in Greenland has been on the same level as last year, but with shifts in the mix of materials, and higher prices

Species (tons)	2010/11	2009/10
Prawn	27,008	23,359
Halibut	7,069	9,535
Crab	1,237	1,733
Lumpfish roe	1,061	777
Cod	3,264	3,867
Other	709	1,168
	40,565	**40,449**

In general, the year has been marked by major increases in raw materials prices for some species. This reflects the growing demand for Greenlandic products on world markets, which has had a knock-on effect on the price of the primary species in Greenland.

Overall, prices have risen by DKK 1.24 per kg or 19% compared to last year, with the greatest increases in halibut by 44%, crab by almost 27%, lumpfish roe 23%, prawn 13% and cod 10%.

The price rises in the various species, together with an altered mix in the fishing, have in all brought about increased payments of more than DKK 50 million to the coastal fishermen who supply Royal Greenland.

Prawn
After two years of declining volumes, Royal Greenland has experienced rising supplies of iced prawns in Greenland. The level is higher than it has been for the past three years. This development is due to higher quotas and transfers of quotas from deep-sea to coastal fishing.

The overall TAC (total allowable catch) for prawn in West Greenland was raised to 124,000 tons, of which 4,000 tons is reserved for EU vessels. The TAC for East Greenland remained unchanged at 12,400 tons, of which 7,000 tons is allocated to EU vessels.

The distribution between coastal and ocean-going fishing remains unchanged, with 57% for ocean-going fishing, with a 25% landing requirement, and 43% for coastal fishing. The picture from the previous year, when the prawn fishing moved northwards, has been reinforced, and the coastal prawn fishing now mainly takes place in Disko Bay and further north.

The favourable market conditions on world markets have meant that first sales have occurred at higher prices. First sales prices, including mix alterations, rose on average by 13% in 2010/11.

In 2010/11, as a supplement to the Greenlandic prawn, Royal Greenland purchased 2,500 tons of prawn from Canada. The Canadian market has been characterised by a very high level of demand in relation to supply, resulting in rising prices. The Canadian prawn was purchased under a duty-free quota of 20,000 tons to the EU. It is expected that the EU and Canada will conclude a free trade agreement in 2012, which will further exacerbate the price situation.

Halibut
The TAC for Disko Bay was unchanged at 8,000 tons, while for the Uummannaq and Upernavik areas it was increased to 6,000 tons and 6,500 tons, respectively. The quotas in Disko Bay and Uummannaq are based on the biological advice, while such advice is still lacking for the area around Upernavik.

Royal Greenland's first sales purchases of iced halibut fell by 26% in 2010/11 as a consequence of the tougher competition. The increased competition and changes in world market prices for finished halibut products has meant price increases in first sales by as much as 44%. Royal Greenland is the only operator in Greenland processing halibut that is subject to landing requirements.

Crab
First sales purchases of crab fell by 28%, reflecting the negative trend in the fishing. As a result, first sales prices rose by 27%.

Cod
In 2011 the TAC for cod remained at 15,000 tons, divided between 5,000 tons for coastal fishing (trial quota) and 10,000 tons for deep-sea fishing, in which the EU has a considerable share. Supplies to Royal Greenland's landbased factories fell by 15% in relation to 2009/10. This was due to a reduced TAC for near-shore fishing, the presence of first sales ships in particular areas, and the prioritisation of fishing for lumpfish roe, due to the record-high first sales prices for roe. First sales prices for cod rose however by 10%.

External purchases of cod amounted to 9,600 tons. Most of the cod is sent for processing in China, and onwards to the European factories in Koszalin and Wilhelmshaven, as well as for direct sales to customers

Lumpfish roe
With a rise of 37%, supplies of roe were at a record level in 2010/11, and have laid the foundation for interesting sales activities in 2011/12.

First sales prices for roe rose by 22%. In contrast to previously, whole fish were also traded in first sales and sold on the world market. This has given both the fishermen and Royal Greenland higher earnings on lumpfish than before.

Salmon
Salmon is the second-largest source of raw materials for Royal Greenland, with total purchases of DKK 550 million. This corresponds to 21,500 tons of salmon, of which Atlantic salmon comprises two-thirds. Fresh iced salmon was mainly purchased from Norwegian fish farms. Purchase prices for salmon have fallen by 40% since the beginning of 2011. Commercial fishing of salmon is not permitted in Greenland.

Trawlers

Royal Greenland's current fleet consists of three prawn trawlers, a trawler for halibut, cod, etc., and a number of vessels for coastal fishing. The Company also participates in other trawlers via co-ownership.

The trawler department employs a total of 156 persons. Greater investments in near-shore fishing, especially for prawn and halibut, are strategically important in order to safeguard the supply of raw materials. Despite the lower catch rates in recent months, deepsea prawn fishing was 5% greater than last year. The surplus trawler Labrador Storm remains chartered out for prawn fishing in Canada.

Catches of halibut, cod, haddock, coalfish and redfish with the trawler Sisimiut are at the same level as last year. Unfortunately, Royal Greenland was not granted the expected quota of redfish in East Greenland. If this has been the case, catches would have risen. Two shipyard visits were carried out in 2010/11, corresponding to an investment of DKK 31 million. Royal Greenland paid DKK 6 million this year in prawn and quota charges.

Production

Greenland
Royal Greenland operates 21 factories of varying size in Greenland, of which five are operated under a service contract with the government of Greenland.

The prawn processing plant in Ilulissat achieved a number of improvements this year as a consequence of major investments in the factory last year. Significant improvements were achieved in profits, as well as savings in payroll costs and energy. (The factory set an unofficial world record in May with a monthly production of 1,000 tons of finished goods, on the basis of 2,500 tons of raw materials.) The good operations at the plant also resulted in an increase in the number of regular suppliers.

The plant in Sisimiut was closed from Christmas until after Easter for a comprehensive modernisation process of the same magnitude as that of Ilulissat. This has brought about lower activity than in previous years, but at the start of 2011/12, Royal Greenland will have the most modern and efficient prawn processing plants in the world.

Activity at the three crab processing factories has been lower than the previous year. All three crab factories have been operating throughout the year. A major project has been completed with the aim of standardising the products and processes between the factories, which has improved the value of the crab activity.

Royal Greenland's production of iced halibut takes place in Qasigiannguit and Uummannaq, as well as in four village plants that are operated as satellites of the factory in Uummannaq.

The factory in Qasigiannguit was rebuilt in the spring with the aim of increasing the degree of processing of the halibut. Expectations have been met, and retail products are now being produced for customers in Europe, while at the same time, finished products and intermediate products for further processing in Asia are also being produced. Qasigiannguit is an important source of intermediate products for Royal Greenland's production of sushi/sashimi products in China for the Japanese market. In terms of employment, Qasigiannguit is now Royal Greenland's largest factory in Greenland, with over 130 year-round employees.

Activity in the Uummannaq area has been high. During 2011, the government of Greenland introduced quarterly quotas, together with a higher TAC, in order to spread the fishing over a longer period. This initiative has resulted in peak loads at the factory, as fishing activity has been high at the beginning of each quarter. The production pattern in the Uummannaq area has therefore been to freeze the raw materials in the high season due to the lack of manpower, and carry out processing in peripheral periods when there are lower supplies of fish and sufficient manpower.

The factory in Uummannaq and the satellite facility in Ikerasak have been rebuilt throughout the year, so that they, like Qasigiannguit, can process halibut with a full focus on the use of by-products.

Denmark

Royal Greenland's production of prawns in brine and MAP products takes place in Glyngøre. The market for prawns in brine is characterised by stiff competition due to overcapacity in the production segment, and the price of raw materials is also rising sharply. The latter is especially due to the reduced prawn quotas in Canada, as a significant proportion of the purchased raw materials for prawns in brine are Canadian prawns.

The level of activity has remained unchanged for prawns in brine during 2010/11, while it has been increasing for MAP products. A number of projects have been carried out to improve efficiency and competitiveness through cost savings and profit improvements. Over the summer, an increase was achieved in orders for delivery in the coming year.

Activity at the prawn packing plant in Aalborg has fallen due to fewer shell-on prawns for packing, as well as the relocation of packing tasks to the new joint venture packing plant in Russia.

All smoked products are currently being produced by a Danish subcontractor. Royal Greenland focuses on high-quality products, and thereby avoids the most highly competitive areas – which in Northern Europe are typically retail products. Against the background of the many quality issues that have been raised concerning the cheaper smoked goods producers in both Denmark and Poland over the past year, Royal Greenland experienced significant progress in its own smoked products. Of the total production of smoked products, around 25% is based on halibut from Greenland.

Russia

In co-operation with a Russian partner, Royal Greenland has constructed a prawn packing plant in Moscow. The plant began operations in December 2010. The project has encountered a number of problems in connection with the running-in of the packing plant, together with revised rules for the glazing of seafood in Russia, and not least, lower demand for shell-on prawns in Russia due to rising retail prices. The activity cost Royal Greenland DKK 5 million in 2010/11, but has now stabilised, so Royal Greenland can in the future expect to achieve a significant position in one of the world's most important markets for shell-on prawns.

Canada

Production at the Royal Greenland factory in Matane in Quebec has been operationally satisfactory, but supplies have fallen by 10%. Competition has been sharp, driven by the high level of demand for Canadian prawns in Europe. Demand for Canadian prawns in the most important markets in Europe has in turn been driven by the customers' demands for MSC-marked products.

Cuxhaven

Through the purchase of the roe factory in Cuxhaven, Royal Greenland has achieved a significant position in the market for lumpfish roe in jars. Royal Greenland is to a large extent self-sufficient in roe, so great synergies have been achieved through this purchase.

It is expected that first sales in Greenland will remain high in the coming years, and given the anticipated slowdown in Iceland, and virtually no first sales in Canada and Norway, Greenland's share of world production is likely to increase and thereby consolidate Royal Greenland's market position.

The production capacity of 10,000 barrels per year has been more or less met. In production terms, the large increase in activity has brought about significant operational advantages. Production costs per unit have fallen in parallel with the increase in capacity utilisation.

Operations in Europe

Raw materials
The raw materials for our European business area, primarily Alaska pollock, cod, hake, plaice and flounder, have been characterised by major fluctuations in both supply and prices. This has been due to the large quota changes in, amongst others, Alaska pollock and cod, and growing demand from Asia. Through various strategic initiatives, Royal Greenland has been able to handle the volatility of the market in its favour.

Alaska Pollack
This raw material constitutes a purchase of DKK 0.7 billion – the largest single item in the overall purchase portfolio of DKK 2.3 billion. Once again this year, Royal Greenland has occupied a strategic position in the Alaska pollock market on the basis of back-to-back sales contracts. In price terms, the pattern has been the same as in previous years, with prices peaking toward the end of the year.

Alaska Pollack MSC
The US quota rose from 813,000 tons in 2010 to 1,240,000 tons in 2011. The market has largely been able to absorb the increased volume, but with slightly lower prices for fillets as a result. In sales terms, we continue to see a shift toward MSC-certified products.

Alaska Pollack Russia
Russian MSC approval is still pending, and is not now expected before some time in 2013. Consequently, prices for Russian Alaska pollock are lower than those of the US. The Russian quota is stable at around 1,650,000 tons, and the price level is also stable.

Flatfish
Plaice and flounder comprise the principal flatfish in Royal Greenland's product range. Plaice is mainly bought at auctions in Denmark, while flounder is purchased in Poland.

Supplies of plaice from the Danish auctions have been steady for a long time, but with increasing competition during the summer and the early autumn. Royal Greenland is also experiencing increased competition from the Netherlands, amongst other things in MSC-certified plaice, resulting in rising prices.

Royal Greenland purchased 6,200 tons of flatfish for the factory in Koszalin, most of which were flounder. The price of flounder has remained relatively stable throughout the period.

Production

Wilhelmshaven
The factory in Wilhelmshaven produced nearly 60,000 tons of finished products, which is a record. The growth was driven by fish fingers, natural fillets, gourmet fillets and not least fish 'n' chips, the level of which tripled in relation to the previous year. Overall, the growth was 4,000 tons.

In parallel with the increasing demand, investments have been made to convert the production lines to natural fillets and fish 'n' chips. There have also been a number of reorganisations of production to eliminate bottlenecks. The capacity is now present to handle future growth. The competitive situation will be sharpened in the coming year following the purchase by Pacific Andes of the competing Pickenpack companies.

Koszalin
The factory in Koszalin continues to make progress.

Volume increased by 25%, and now comprises 11,000 tons. There is growth within all areas of activity. After a difficult start and running-in period, the factory is now developing into an important element of the European business area.

The factory in Wilhelmshaven produced almost 60,000 tons of finished products, consisting mainly of fish fingers, natural fillets, gourmet fillets and fish 'n' chips

Production costs are now at a level corresponding to initial expectations. In terms of both quality and delivery performance, the factory fully lives up to the standard of Royal Greenland's other factories.

Continued growth is expected in the coming years in both volume and operations.

China / Vietnam
Activities in China are based on the processing of own raw materials and purchases of intermediate products, both of these with a view to further processing in Poland and Germany.

Royal Greenland has chosen to continue to buy Alaska pollock in Russia for further processing in China, and only to a lesser extent to buy blocks of Alaska pollock directly from Chinese producers.

A number of factories are also engaged in filleting cod, haddock and salmon.

Besides supplying factories in Europe, Royal Greenland also has a significant production of highly-processed sushi and sashimi products for Japan, primarily based on Greenlandic species such as halibut, prawn and crab.

There are challenges in obtaining sufficient labour for the fish factories in China. As a consequence of this, Royal Greenland has an increasing level of activity in Vietnam, primarily focusing on products for Japan. Production is gradually being transferred from China to Vietnam, and attempts are made to locate new products in Vietnam.

HR

Despite the increased activity, the workforce has fallen by 2.4%. This reduction has been achieved through efficiency improvements at the factories. There has been a general adaptation of the organisation, both to achieve efficiency improvements and in order to add new skills.

Skills have been particularly upgraded in the areas of purchasing, logistics, category, marketing and administrative support functions.

There has been a focus on the strengthening of management skills in order to create job satisfaction and better results. Performance, goals and following-up are a natural hub of daily life.

Fancy dress party for the families of the Staff club in Nuuk

Due to the geographical dispersion, differences in level of skill, and cultural differences within the Group, HR activities are prioritised and adapted to match the current needs in the Group's various parts. A development and performance interview system has been implemented, in order to focus on performance and development.

In Greenland, where the training needs have extra importance, the training initiatives cover technical courses, semiskilled worker training, management training, personal development and talent development. As an element in this, the Royal Greenland Academy is being revived, with the focus not just on the hourly-waged workers, but also on the primary management level in the factories. The families of employees will moreover be involved on a voluntary basis, by which means Royal Greenland will help to enhance the level of education in Greenland. The ambition is to make Royal Greenland the most attractive workplace in Greenland.

When recruiting new employees, it is in general the Group's policy to prioritise skills. It is necessary that employees possess the right skills, in order for Royal Greenland to maintain a reputation as a credible, competent, efficient and professional organisation.

External recruitment is an especially difficult task in Greenland, for which reason efforts are made to fill positions internally or by persons residing in Greenland. The focus is on filling positions with qualified persons from Greenland.

The Group's rate of staff turnover has been decreasing. The number of new recruitments fell by 10% in the past year. However, it remains difficult to find and attract job candidates, for which reason some of the vacancies have remained unfilled for long periods. It is encouraging to note that we continue to experience great stability among the employees in Greenland.

Royal Greenland and Greenlandic society

In 2010/11, Royal Greenland commissioned an image analysis of leading companies in Greenland. The analysis revealed that Royal Greenland has a negative image in Greenland, and that the level of knowledge of the Company is surprisingly low, given its size and history in the country. Royal Greenland's poor position in the consciousness of the population is largely due to the fact that the major media stories about Royal Greenland for many years have dealt with repeated losses, capital injections received from the government, frequent replacement of members of the Supervisory Board and golden parachutes, low first sales prices, lay-offs of employees etc. Royal Greenland has not been good at communicating the many positive things that the Company also does.

The popular perception of Royal Greenland's participation in Greenlandic society is largely based on negative factors. It is not an image that Royal Greenland deserves.

Royal Greenland generates a not inconsiderable share of the total employment, production, turnover and capital of Greenland. Globally, with an export share of close to 100%, the Group is an important international ambassador for Greenland.

Royal Greenland's total consumption in Greenlandic society amounted to more than DKK 1.1 billion in 2010/11, and thereby comprised a significant portion of Greenland's total GDP. Besides the 793 staff members employed in Royal Greenland itself, the Company also employs around 1,000 agents in the fishery trade, and many employees of subcontractors. Directly and indirectly, Royal Greenland employs a significant proportion of the total workforce of 40,000 people in Greenland.

Behind Royal Greenland stand skilled and committed employees. When a company like Royal Greenland, from a country with such a small population, gains an international position, it deserves a better reputation in Greenlandic society.

It is our ambition that Royal Greenland will no longer appear to be a mysterious giant. The demystification must occur by highlighting the realities of the Group, namely that Royal Greenland is fundamentally a responsible and commercially skilled company.

Royal Greenland wishes to be Greenland's most attractive employer. As an integral part of Greenlandic society, Royal Greenland aims to build bridges between the Company, suppliers and interest groups, and, both directly and through our trade association, represent the fishing industry in the best way.

Royal Greenland participates in CSR Greenland, the purpose of which is to create a better and more visible social anchoring for its member companies in Greenland. This context also includes the previously-mentioned activities in connection with the Royal Greenland Academy, through which the Company takes on a responsibility for educational tasks in Greenland. As a part of its policy of social responsibility, Royal Greenland sponsors a number of activities in Greenland, including the Sports Confederation of Greenland, the Arctic Circle Race, the Greenland Cancer Society, and other activities within the fields of culture, sports and education.

Royal Greenland wishes to have a more visible and open image in Greenland, and to be a company that Greenlanders can feel proud of. This will require clear and open communication, active participation in society, and in particular, better and more stable economic performance.

Sustainability, the environment and quality

On the basis of an analysis carried out among Royal Greenland's customers in the spring of 2011, the key CSR topics are:

- Sustainable fishing
- Social conditions
- Energy consumption
- Materials consumption, especially packaging

The first two issues are the most important for our customers. Northern European customers prioritise sustainable fishing, while southern European customers tend to stress social conditions. Similarly, there is an increasing awareness of the issue of sustainable fishing in Japan, while customers in Eastern Europe and China are less aware of CSR issues.

Royal Greenland's focus areas within CSR may be divided into:

- Environment and climate
  - Fish stock sustainability
  - Environmental factors relating to the production apparatus
- Employee and supplier conditions
- Local commitment, especially in Greenland
- Good business ethics
  - Openness
  - Co-operation with stakeholders

Sustainable fishing and environmental issues have a high profile within the seafood industry.

Sustainable fishing

Royal Greenland works with 54 different stocks of fish and shellfish. The vast majority derives from fishing, and only a small part from fish farming. The main raw materials in terms of quantity are cold-water prawns from Greenland and Canada, Alaska pollock from Russia and the USA, and halibut from Greenland. On the farming side, salmon is the main raw material.

Royal Greenland has divided up the species according to their sustainability. For this evaluation, publicly-available sources have been utilised, such as biological advice and NGO assessments. The assessment is designed to focus on critical fish stocks and the establishment of a better data foundation.

MSC-certification of cold-water Greenland prawns is a key element in this work. As a member of Sustainable Fisheries Greenland, Royal Greenland is an important partner in achieving MSC certification. Several significant improvements occurred in 2010/11:

- Formulation of management plan
- Closure of areas where the presence of corals has been demonstrated
- Adaptation of legislation governing fishing gear and bycatch registration
- Seabed photography

Cold-water prawns from Royal Greenland's factory in China are already MSC-certified.

Alaska pollock originates from the Bering Strait between Russia and Alaska. Around a third of the raw materials are MSC-certified, while the remainder is under certification. Royal Greenland actively supports this process.

With the certification of fishing for Greenland cold-water prawns and Russian Alaska pollock, the vast majority of Royal Greenland's resources will be MSC-certified, and thereby approved as sustainable. The goal for 2012/2013 is to achieve this certification.

In relation to salmon farming in 2011, we have demanded certification from our primary suppliers. This means that most of the salmon supplied to Royal Greenland will be Global GAP certified by the end of 2011. Royal Greenland supports the ASC (the Aquaculture Stewardship Council), but the standard for salmon has not yet been issued in its final version, for which reason Global GAP represents an important step in the direction of sustainability.

The environment

The focus areas within environmental matters in the seafood industry are:

- Energy consumption and emissions
- Fresh water consumption and wastewater
- Transport
- Organic byproducts/waste
- Chemical waste

During the year, several energy efficiency projects were carried out. In connection with the rebuilding of the factory in Sisimiut, investments were made in modern boiling equipment and heat recovery from refrigeration equipment, and diesel motors were replaced with electric motors. Overall, this has brought about a reduction in oil consumption by 40%, and in electricity consumption by 12%.

An energy project was also carried out in Qasigiannguit, with the focus on general energy savings, control of condenser pressure and optimisation of air separators. In total, this has provided a reduction in electricity consumption by 15%.

In Glyngøre and Aalborg electricity consumption is expected to be reduced by 8% and 13%, respectively, as a result of general energy savings and control of condenser operations.


SVAL

Social conditions

In the supply chain, we utilise the British ETI (Ethical Trading Initiative) base code and the German BSCI (Business Social Compliance Initiative). The factory in Wilhelmshaven has been audited according to the ETI base code. Similarly, Royal Greenland's suppliers have confirmed that they work with approved working and environmental conditions. Several subcontractors have been audited in accordance with the ETI base code.

Quality

All of Royal Greenland's factories, as well as the smoked products factory in Hirtshals, have a quality management system to ensure that quality levels and food safety are maintained and the legislation adhered to, so that consumers can feel secure in buying our products.

The following factories are certified by an external agency (Det Norske Veritas, DNV) in accordance with the following standards: IFS (the International Food Standard), BRC (the British Retail Consortium), and MSC (the Marine Stewardship Council):

✓ **IFS Higher Level**
6 Sites (Wilhelmshaven, Koszalin, Glyngøre, Aalborg, Cuxhaven og Hirthals)

✓ **BRC, Grade A**
7 Sites (Wilhelmshaven, Koszalin, Ilulissat, Sisimiut, Aalborg, Matane og Cuxhaven)

✓ **MSC COC**
7 Sites (Wilhelmshaven, Koszalin, Glyngøre, Sisimiut, Ilulissat, Aalborg og Matane)

All of these factories achieved the highest score in the certification.

The other factories follow the same concept in relation to the internal quality management system.

Our Greenlandic prawn processing plants in Sisimiut and Ilulissat were MSC approved in 2011.

Corporate Governance

Royal Greenland is led by a Supervisory Board and a Executive Board. The Supervisory Board consists of nine persons, of whom three are staff representatives elected for periods of four years, and six are elected every two years according to a rotation scheme. Three board members are thus elected by the general assembly each year at the Company's AGM. The six elected board members are independent (in accordance with the definition in the recommendation of the "Committee on Corporate Governance").

The Supervisory Board is led by the chairman of the board, Niels de Coninck-Smith. The chairman is appointed for a period of two years at a time. In combination, the board members possess a range of experience drawn from Danish, Greenlandic and international business, Greenlandic society and the political world.

The Board has established three committees:

- Audit Committee
- Risk Committee
- Recruitment Committee

The management consists of two executives: CEO Mikael Thinghuus and CFO Nils Duus Kinnerup. The management team also includes Group Sales Director Bruno Olesen and Group Production Manager Lars Nielsen. The overall Group management consists in total of eight people. The other positions of the members of the Supervisory Board and the Executive Board are stated in Note 28. There is no age limit for board members.

Remuneration

The remuneration of members of the Supervisory Board is approved at the Annual General Meeting of the Company, and is further specified in note 3. The fee consists solely of a basic fee. The remuneration of the management is negotiated with the Board and consists of a fixed basic salary, a performance bonus and other customary non-monetary benefits, such as a company car, etc. The remuneration of the management is stated in note 3. There are no unusual severance agreements in the management contracts.

Evaluation

An evaluation of the Board is undertaken each year on the basis of an external evaluation process.

Activities

Six board meetings were held in 2010/11, including a strategy seminar on the Naleraq 2013 plan. Meetings of the Supervisory Board were held in Aalborg, Nuuk (twice), Copenhagen, Wilhelmshaven/Bremen and Sisimiut. The Audit Committee held three meetings, one of which concerned the financial year 2009/10.

Events following the conclusion of the financial year

No material events have occurred subsequent to the conclusion of the financial year which have a bearing on the annual report.

Risks

Raw materials

Trends in the access to and prices of raw materials comprise a significant operating risk for Royal Greenland. The risk in relation to access to raw materials mainly relates to the living resources in the waters around Greenland. These comprise 25-30% of Royal Greenland's total raw materials base, and have in recent years shown a declining trend. Continued optimisation and a higher degree of processing are important in order to maintain earnings on these resources.

The challenge in relation to the prices of raw materials applies to Royal Greenland's total raw materials purchases, which amount in all to DKK 2.3 billion. The task is to continually maintain relative earnings, irrespective of the trends in raw materials prices.

Risks are hedged through the adjustment of prices, close monitoring and back-to-back currency hedging in relation to major contracts and sales agreements.

Financial risks

As a consequence of its operations, investments and financing, Royal Greenland is vulnerable towards alterations in exchange rates and interest levels. The parent company centrally manages the Group's financial risks and coordinates its liquidity control, including capital generation and the investment of surplus liquidity. The Group pursues a financial policy which operates with a low risk profile, so that currency exposure, interest rate exposure and credit risks arise only in connection with commercial matters.

The Group's use of derivatives is regulated by a written policy adopted by the Supervisory Board, and by internal working procedures, which, amongst other things, lay down amount limits and specify which derivative financial instruments may be applied.

Currency risks

The Group's activities are influenced by exchange rate fluctuations, as sales are primarily invoiced in foreign currency, while costs, including salaries, are incurred in DKK, EUR, PLN and USD. The Group will thus be exposed in net positions in a number of currencies. 92% of the Group's turnover derives from countries other than Greenland and Denmark, primarily countries in the euro zone, along with Japan, China, the UK and Sweden. Revenues in EUR and DKK comprise approximately 65% of Royal Greenland's total revenues, and are thus not assessed to represent a serious exchange rate risk. The Group is also influenced by fluctuations in exchange rates as a consequence of the fact that the profit and equity of a number of subsidiaries is translated into DKK at year-end on the basis of average exchange rates and balance sheet date rates, respectively.

Royal Greenland's currency exposure is mainly covered by matching incoming and outgoing payments in the same currency, and through forward contracts. The Group's currency policy is to hedge at least 75% of the anticipated exchange rate exposure within the first six months, and thereafter at least 50% of the exchange rate exposure in the remaining 6-12 month period, together with larger contracts, which are settled individually. The exchange rate exposure in relation to EUR is not hedged.

Interest rate risks

The interest-bearing debt is mainly denominated in DKK and EUR. Divided between variable and fixed-interest debt, the variable part comprised 39% at the close of the financial year, and a rise of one percentage point in the general rate of interest would induce a rise in the Group's annual interest expenses of approximately DKK 7 million.

Royal Greenland's large burden of interest-bearing debt exacerbates the financial risks, for which reason further debt reduction is a strategically important focus area for the Company.

The future

The financial year 2010/11 has been used to define a new strategy, Naleraq 2013, with the ambition of doubling the Company's operating profit over a three-year period and reducing interest-bearing debt to DKK 1 billion.

The raw materials situation in Greenland is very uncertain, and there are signs that the quotas for prawn may be reduced by 20-30%. Similarly, the intense competition continues in connection with halibut. Both of these factors will affect both quantities and prices.

Thus far, Royal Greenland has been able to navigate through the economic and market-related turmoil caused by the financial crisis.

Unless markets and demand are significantly affected by the general uncertainty in the global economy, expectations for the coming financial year 2011/12 are positive, with a growth in turnover of 5% -8% and an EBIT margin of 5%, corresponding to an operating profit in excess of DKK 200 million.

This development will be driven by both the North Atlantic and the European business areas, with the European business being the major engine of growth, whilst the majority of earnings are driven by the North Atlantic business.

Royal Greenland expects a profit after tax in excess of DKK 100 million. Interest-bearing debt will be reduced by at least DKK 250 million.

Accounting policies

Accounting policies

Basic of accounts
The annual report of Royal Greenland A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act governing state-owned limited companies in reporting class D enterprises and Danish accounting standards.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to the financial year. Value adjustments of financial assets and liabilities are recorded in the income statement as financial income or financial expenses.

Consolidation
The consolidated financial statements include Royal Greenland A/S (Parent) and the group enterprises (subsidiaries) in which the Parent directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling interest. Enterprises in which the Group has significant, but not controlling influence, are regarded as associates. The Group structure is shown in the Management's Review.

The consolidated financial statements consolidate the financial statements of the Parent and of the individual subsidiaries which have all been prepared applying group accounting policies. Intra-group receivables and payables, income and expenses, dividends, unrealised internal profits and losses are eliminated along with intra-group shareholdings.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied in the acquisition of new enterprises where the Parent obtains a controlling interest. Under this method, identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of the restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet as deferred income, and they are recognised in the income statement as such adverse development is realised.

At intra-group restructurings the consolidation method is applied.

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

Minority interests
Group profit/loss and group equity includes a separate item, which specifies the proportionate share of the subsidiaries' profit/loss and equity attributable to minority interests.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date, are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

The income statements of foreign subsidiaries and associates are translated into Danish kroner using the annual average rate of exchange and the balance sheets are translated using the rate of exchange in effect on the balance sheet date. Differences in the exchange rate, which arise when translating the foreign subsidiaries' equity at the beginning of the year at the rates of exchange ruling at the balance sheet date are recognised directly on equity. This also applies to exchange rate differences arising out of the translation of the income statement from annual average rates of exchange to the exchange rates ruling at the balance sheet date.

Derivative financial instruments
On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under financial fixed assets and long-term liabilities respectively.

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

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly on equity. When the hedged transactions are realised, the changes are recognised in the relevant items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts.

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

Research and development costs
Research and development costs comprise costs, including wages and salaries, attributable to the research and development activities carried out by the Group.

Research costs are recognised in the income statement in the year in which they are paid.

Development costs paid in relation to maintenance and optimisation of existing products or production processes are expensed. Costs related to the development of new products are recognised in the income statement unless the criteria for recognition in the balance sheet have been met for the individual development project.

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

Income taxes
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year and recognised directly on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised and measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities, where the tax-based value of assets is calculated based on the planned use of each asset. Deferred tax is not allocated on stocks in subsidiaries according to the planned use. Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carryforward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Balance sheet

Intangible assets
Goodwill and goodwill on consolidation
Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period is usually 5 years, however, it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the Group's benefit from the relevant resources.

The carrying amount of goodwill is assessed currently and written down to recoverable amount if the carrying amount exceeds the estimated future net income from the enterprise or activity to which the goodwill is related.

Quotas, IT and licences
Acquired intangible rights in the form of quotas, IT and licences are measured at cost less accumulated amortisation. Amortisation is carried out on a straight-line basis over a period of 5-10 years. Intangible rights acquired are written down to the lower of recoverable amount and carrying amount.

Development costs
Development costs comprise costs, wages and salaries and amortisation directly and indirectly attributable to the Company's development activities and which comply with the criteria for recognition in the balance sheet.

Capitalised development costs are measured at the lower of cost less accumulated amortisation and recoverable amount.

Capitalised development projects are amortised straight-line on the basis of the completion ratio of the development project over the estimated economic life of the project. The period of amortisation is usually 5-10 years.

Property, plant and equipment
Land and buildings, vessels, plant and machinery as well as other 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 attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. For company-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10 - 50 years
Vessels	7 - 16 years
Plant included in the item "vessels"	5 - 10 years
Plant and machinery	5 - 10 years
Other fixtures and fittings, tools and equipment	3 - 5 years

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

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement with depreciation and impairment losses.

Fixed asset investments
Investments in subsidiaries and associates
Investments in subsidiaries and associates are recognised and measured under the equity method. This means that in the balance sheet investments are measured at the pro rata share of the enterprises' equity, cf. description above under consolidated annual report, plus or less unamortised goodwill or negative goodwill on consolidation and plus or minus unrealised intra-group profits and losses.

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

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

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

Other fixed asset investments
Other fixed asset investments primarily include long-term receivables and unlisted investments.

Investments and receivables not held to maturity are measured at cost on acquisition and subsequently at fair value. If the fair value cannot be fixed reliably, the measurement is made at cost.

Receivables held to maturity are measured at cost on acquisition and are subsequently measured at amortised cost.

In the event that fixed asset investments are written down to a lower value, such writedown takes into account the risk of loss associated with each individual asset.

Inventories
Stock of raw materials is measured at the lower of cost using weighted average prices or net realisable value.

Stock of consumables comprises for instance packaging, operating goods and fish boxes.

Stock of fish boxes is measured at a fixed amount. Supplementary acquisition of gear is expensed on a current basis.

All other stocks of consumables are measured at the lower of cost using the FIFO method and net realisable value.

Goods in progress and finished goods, including finished goods produced on board own trawlers, are measured at the lower of cost using weighted average prices or net realisable value. Cost of manufactured goods consists of costs of raw materials, consumables and direct labour costs as well as indirect production overheads. Indirect production overheads are allocated on the basis of the normal capacity of the individual production entities. Indirect production overheads comprise indirect materials and labour costs, costs of maintenance of and depreciation and impairment losses on trawlers, factory buildings, machinery and equipment applied for the manufacturing process as well as costs of factory administration and management.

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

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

Equity
Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

Provisions
Provisions are recognised when the Group has a legal and constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company to meet the obligation.

Provisions that are estimated to mature more than one year after the balance sheet date are discounted at the average bond yield.

Liabilities other than provisions
Financial liabilities
Liabilities are measured at cost at the time of borrowing corresponding to the proceeds received less transaction costs incurred. The liability is subsequently measured at amortised cost, which corresponds to the capitalised value when using the effective interest method so that the difference between the proceeds and the nominal value is included in the income statement over the borrowing period.

If a financial liability has been sufficiently hedged by a derivative financial instrument, the financial liability is measured at fair value and any changes in the fair value are recognised in the income statement under other financial items along with changes in the fair value of the derivative financial instrument.

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

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

Cash flow statement

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

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

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

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, instalments on interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Segment information

The primary segment of the Group is the business segment. The geographical markets comprise the secondary segment. Information on business segments and geographical markets is in compliance with the internal financial management of the Group.

Management is of the impression that the Group solely operates with one individual business segment why the business segment information required in respect net revenue, profit/loss before financial items, value of fixed assets and value of liabilities appears from the consolidated income statement and balance sheet.

The geographical markets are split into European countries and other markets.

Financial highlights

The financial highlights and ratios have been compiled as shown below.

The key figure 'net interest-bearing debt' is derived offsetting derivatives recognised as financial fixed assets. Calculating equity ratio and net interest-bearing debt/EBITDA derivatives recognised as financial fixed assets are offset in balancesheet total as well as in net interest-bearing debt.

$$\textbf{EBIT-margin} = \frac{\text{EBIT x 100}}{\text{Revenue}}$$

$$\textbf{EBT-margin} = \frac{\text{EBT x 100}}{\text{Revenue}}$$

$$\textbf{ROIC including goodwill} = \frac{\text{EBITA x 100}}{\text{Average invested capital including goodwill}}$$

$$\textbf{Return on equity (ROE)} = \frac{\text{Net profit/loss for the year x 100}}{\text{Average equity}}$$

$$\textbf{Equity ratio} = \frac{\text{Equity x 100}}{\text{Balance sheet total}}$$

$$\textbf{Net interest-bearing debt / EBITDA} = \frac{\text{Net interest-bearing debt}}{\text{EBITDA}}$$

INCOME STATEMENT

		Group		Parent	
	Note	2010/11 DKK 1,000	2009/10 DKK 1,000	2010/11 DKK 1,000	2009/10 DKK 1,000
Revenue	1	4,723,987	4,249,188	1,665,775	1,458,413
Change in inventories of finished goods		(105,151)	(62,948)	(17,523)	(21,697)
Other operating income	2	27,733	30,811	19,419	22,886
		4,646,569	**4,217,051**	**1,667,671**	**1,459,602**
Costs of raw materials and consumables		(2,905,718)	(2,660,521)	(693,625)	(585,947)
Other external expenses		(737,550)	(686,872)	(354,479)	(339,840)
Staff costs	3	(643,446)	(622,367)	(368,592)	(373,645)
Depreciation, amortisation and impairment losses	4	(188,357)	(174,540)	(91,885)	(96,075)
Operating profit		**171,498**	**72,751**	**159,090**	**64,095**
Profit/loss from investments in group enterprises	5	0	0	(9,949)	(92,680)
Profit/loss from investments in associates	6	24,879	15,916	1,771	4,576
Financial income	7	53,253	35,506	58,830	67,117
Financial expenses	8	(118,279)	(139,239)	(89,914)	(82,828)
Profit before tax		**131,351**	**(15,066)**	**119,828**	**(39,720)**
Tax on profit	9	(45,535)	(20,076)	(40,389)	(2,819)
Profit after tax		**85,816**	**(35,142)**	**79,439**	**(42,539)**
Minority interests' share of profit/loss after tax of group enterprises		(6,377)	(7,397)	-	-
PROFIT FOR THE YEAR		**79,439**	**(42,539)**	**79,439**	**(42,539)**
Proposed distribution of profit					
Reserve for net revaluation according to the equity method				11,264	(14,266)
Retained earnings				68,175	(28,273)
				79,439	**(42,539)**

ASSETS AT SEPTEMBER 30th

		Group		Parent	
	Note	2011 DKK 1,000	2010 DKK 1,000	2011 DKK 1,000	2010 DKK 1,000
Intangible assets	**10**	**66,060**	**54,472**	**22,864**	**9,837**
Buildings		329,465	359,802	138,009	140,237
Plant and machinery		321,579	326,188	113,953	80,561
Vessels		328,622	352,460	210,856	226,905
Other fixtures and fittings, tools and equipment		15,439	16,737	8,572	8,752
Fixed assets in progress		13,945	40,712	7,473	37,019
Property, plant and equipment	**11**	**1,009,050**	**1,095,899**	**478,863**	**493,474**
Investments in group enterprises	12	0	0	1,689,507	298,942
Receivables from group enterprises	13	0	0	42,049	59,074
Investments in associates	12	101,716	91,986	63,387	55,339
Receivables from associates	13	66,261	56,554	57,261	47,554
Derivatives		131,829	95,669	131,829	95,669
Other fixed asset investments	14	19,414	17,999	11,812	13,158
Deferred tax asset	19	40,783	17,475	0	10,400
Fixed asset investments		**360,003**	**279,683**	**1,995,845**	**580,136**
FIXED ASSETS		**1,435,113**	**1,430,054**	**2,497,572**	**1,083,447**
Inventories	15	**1,617,386**	**1,302,577**	**319,850**	**341,700**
Trade receivables		517,271	688,861	9,338	15,179
Receivables from group enterprises		0	0	295,224	1,516,731
Receivables from associates		3,133	1,974	3,125	1,972
Other receivables	16	62,921	46,250	6,817	7,065
Prepayments	17	14,386	18,795	1,821	13,368
Receivables		**597,711**	**755,880**	**316,325**	**1,554,315**
Cash		**415,707**	**259,149**	**129,828**	**156,940**
CURRENT ASSETS		**2,630,804**	**2,317,606**	**766,003**	**2,052,955**
ASSETS		**4,065,917**	**3,747,660**	**3,263,575**	**3,136,402**

EQUITY AND LIABILITIES AT SEPTEMBER 30th

		Koncern		Moderselskab	
	Note	2011 DKK 1,000	2010 DKK 1,000	2011 DKK 1,000	2010 DKK 1,000
Share capital		850,000	850,000	850,000	850,000
Reserve for net revaluation under the equity method		0	0	0	0
Retained earnings		32,057	(47,344)	32,057	(47,344)
EQUITY		**882,057**	**802,656**	**882,057**	**802,656**
Minority interests	**18**	**41,442**	**37,794**	**-**	**-**
Deferred tax	19	58,791	38,542	14,392	0
Other provisions	20	28,155	24,119	3,000	1,542
PROVISIONS		**86,946**	**62,661**	**17,392**	**1,542**
Subordinated loans		150,000	200,000	150,000	200,000
Mortgage debt		66,970	87,226	0	0
Other credit institutions		1,363,895	1,750,508	1,363,212	1,751,680
Derivatives		94,861	106,836	92,342	103,518
Long-term liabilities other than provisions	**21**	**1,675,726**	**2,144,570**	**1,605,554**	**2,055,198**
Short-term portion of long-term liabilities other than provisions		493,610	67,126	477,389	50,000
Credit institutions		151,042	119,200	0	0
Trade payables		424,089	255,561	82,641	46,654
Payables to group enterprises		0	0	62,245	50,798
Payables to associates		22,695	7,782	0	0
Income taxes	9	34,818	3,073	14,548	931
Other payables	22	198,394	191,512	112,573	125,941
Deferred income	23	55,098	55,725	9,176	2,682
Short-term liabilities other than provisions		**1,379,746**	**699,979**	**758,572**	**277,006**
LIABILITIES OTHER THAN PROVISIONS		**3,055,472**	**2,844,549**	**2,364,126**	**2,332,204**
EQUITY AND LIABILITIES		**4,065,917**	**3,747,660**	**3,263,575**	**3,136,402**
Assets charged and contingent liabilities	24				
Other notes	25-28				

STATEMENT OF CHANGES IN EQUITY - GROUP

	Share capital DKK 1,000	Reserve under the equity method DKK 1,000	Retained earnings DKK 1,000	Total DKK 1,000
Equity at September 30th 2009	850,000	-	(18,918)	831,082
Exchange adjustment, foreign entities	0	-	16,274	16,274
Fair value adjustments recognised in equity	0	-	(2,008)	(2,008)
Other capital adjustments	0	-	(153)	(153)
Net profit for the year	0	-	(42,539)	(42,539)
Equity at September 30th 2010	**850,000**	**-**	**(47,344)**	**802,656**
Exchange adjustment, foreign entities	0	-	(12,550)	(12,550)
Fair value adjustments recognised in equity	0	-	12,512	12,512
Other capital adjustments	0	-	0	0
Net profit for the year	0	-	79,439	79,439
Equity at September 30th 2011	**850,000**	**-**	**32,057**	**882,057**

STATEMENT OF CHANGES IN EQUITY - PARENT

	Share capital DKK 1,000	Reserve under the equity method DKK 1,000	Retained earnings DKK 1,000	Total DKK 1,000
Equity at September 30th 2009	850,000	0	(18,918)	831,082
Exchange adjustment, foreign entities	0	16,274	0	16,274
Fair value adjustments recognised in equity	0	(2,008)	0	(2,008)
Other capital adjustments	0	0	(153)	(153)
Net profit for the year	0	(14,266)	(28,273)	(42,539)
Equity at September 30th 2010	**850,000**	**0**	**(47,344)**	**802,656**
Exchange adjustment, foreign entities	0	(12,063)	(487)	(12,550)
Fair value adjustments recognised in equity	0	799	11,713	12,512
Other capital adjustments	0	0	0	0
Net profit for the year	0	11,264	68,175	79,439
Equity at September 30th 2011	**850,000**	**0**	**32,057**	**882,057**

The companys Share Capital consists of 850,000 stocks of DKK 1,000 or multiples. The Share capital is not divided into classes. There have been no changes in the Share capital since October 1st 2006 except for the increase in Capital of DKK 250,000k in 2008/09.

CONSOLIDATED CASH FLOW STATEMENT OCTOBER 1st 2010 TO SEPTEMBER 30th 2011

	Note	2010/11 DKK 1,000	2009/10 DKK 1,000
Net profit for the year		79,439	(42,539)
Adjustments relating to net profit for the year	29	278,867	295,765
Working capital changes	30	36,893	(177,516)
Cash flows from operating activities before net financials		395,199	75,710
Ingoing payments relating to financial items		35,555	33,840
Outgoing payments relating to financial items		(109,603)	(107,453)
Cash flows from ordinary activities		321,151	2,097
Taxes refunded/(paid)		(23,295)	(4,600)
Cash flows from operating activities		**297,856**	**(2,503)**
Purchase of assets connected to business acquisition		(34,310)	(47,729)
Takeover of liabilities connected to business acquisition		11,310	29,729
Purchase of fixed assets		(130,938)	(106,682)
Sale of fixed assets		33,565	30,372
Dividends received from associates		19,167	3,777
Cash flows from investing activities		**(101,206)**	**(90,533)**
Proceeds from obtaining/(instalments on) long-term liabilities		(69,206)	(116,242)
Dividends paid during the year to minority interests		(2,728)	(1,023)
Cash flows from financing activities		**(71,934)**	**(117,265)**
Increase/decrease in cash and cash equivalents		**124,716**	**(210,301)**
Cash and cash equivalents, beginning of year		139,949	350,250
Cash and cash equivalents, end of year	**31**	**264,665**	**139,949**

NOTES TO THE ANNUAL REPORT

			Group		Parent	
1 Net turnover - Geographical markets			2010/11 DKK 1,000	2009/10 DKK 1,000	2010/11 DKK 1,000	2009/10 DKK 1,000
Europe			3,863,899	3,675,053	1,478,796	1,342,504
Other markets			860,088	574,135	186,979	115,909
			4,723,987	**4,249,188**	**1,665,775**	**1,458,413**
2 Other operating income						
Service agreement			10,907	11,925	10,907	11,925
Management Fees			1,020	1,950	3,690	3,410
Rental income			9,220	8,041	3,048	2,294
Sale of quotas			913	3,000	913	3,000
Other operating income			5,673	5,895	861	2,257
			27,733	**30,811**	**19,419**	**22,886**
3 Staff costs						
The total amount of wages and salaries etc. is specified as follows:						
Wages and salaries			557,893	552,797	329,421	341,755
Pension contributions			46,614	33,691	17,965	13,996
Other social security costs			38,939	35,879	21,206	17,894
			643,446	**622,367**	**368,592**	**373,645**
Average number of employees			1,888	1,934	879	930
Remuneration for the Parent's Supervisory Board and Executive Board						
Remuneration for the Supervisory Board					2,100	2,100
Executive Board	Fixed salary	Bonus				
Mikael Thinghuus (signed on 01.02.2011)	2,333	560	2,893			
Nils Duus Kinnerup	2,426	250	2,676			
Resigned members of the Executive Board	2,000	0	2,000			
Total remuneration for the Executive Board 2010/11	**6,759**	**810**	**7,569**			
Total remuneration for the Executive Board 2009/10				**24,750**		

NOTES TO THE ANNUAL REPORT

	Group		Parent	
4 Depreciation, amortisation and impairment losses	2010/11 DKK 1,000	2009/10 DKK 1,000	2010/11 DKK 1,000	2009/10 DKK 1,000
Buildings	41,215	36,102	20,506	23,234
Plant and machinery	76,768	73,256	27,879	26,045
Vessels	48,871	45,913	32,210	31,455
Other fixtures and fittings, tools and equipment	5,281	6,311	2,705	3,289
Goodwill on consolidation	3,622	3,133	-	-
Quotas	7,665	7,669	2,056	4,574
Software	3,582	5,764	3,548	5,735
Licences	124	90	0	0
Received grants	(5,310)	(5,282)	0	0
(Gain)/loss from sale of fixed assets	6,539	1,584	2,981	1,743
	188,357	**174,540**	**91,885**	**96,075**

	Group		Parent	
5 Profit/loss from investments in group enterprises				
Profit	0	0	37,343	8,768
Loss	0	0	(17,575)	(70,746)
Change in intra-group profits	0	0	(29,717)	(30,702)
	0	**0**	**(9,949)**	**(92,680)**

	Group		Parent	
6 Profit/loss from investments in associates				
Profit	33,953	19,197	9,395	6,406
Loss	(7,617)	(1,823)	(7,617)	(1,823)
Depreciation of differential value	(1,457)	(1,458)	(7)	(7)
	24,879	**15,916**	**1,771**	**4,576**

NOTES TO THE ANNUAL REPORT

	Group		Parent	
7 Financial income	2010/11 DKK 1,000	2009/10 DKK 1,000	2010/11 DKK 1,000	2009/10 DKK 1,000
Realised capital gains	29,628	26,493	1,512	13,513
Unrealised capital gains	17,698	1,666	0	0
Interest from group enterprises	-	-	52,774	47,730
Interest on bank deposit	3,342	4,938	2,670	4,125
Income from fixed asset investments	1,873	1,749	1,872	1,749
Other financial income	712	660	2	0
	53,253	**35,506**	**58,830**	**67,117**
8 Financial expenses				
Realised capital loss	17,590	15,175	0	0
Unrealised capital loss	8,676	39,171	8,372	12,069
Interest on bank and mortgage debt	88,906	84,006	80,152	70,256
Other financial expenses	363	887	3	4
Interest to group enterprises	2,744	-	1,387	499
	118,279	**139,239**	**89,914**	**82,828**
9 Tax on profit				
Current tax for the year	(45,545)	(5,791)	(14,548)	(2,819)
Impact of changes in tax rate start of year	(6,131)	0	(1,049)	0
Adjustment to previous years	50	0	0	0
Deferred tax for the year	6,091	(14,285)	(24,792)	0
	(45,535)	**(20,076)**	**(40,389)**	**(2,819)**
Reconciliation of tax rate				
Greenland tax rate	32%	32%	32%	32%
Other taxes	5%	0%	1%	0%
Adjustment of tax rate in foreign enterprises	(6%)	(2%)	0%	0%
Adjustment for utilization of tax losses and other adjustments concerning previous years	4%	103%	1%	(25%)
Tax rate expensed	**35%**	**133%**	**34%**	**7%**

NOTES TO THE ANNUAL REPORT

10 Intangible assets	Group goodwill DKK 1,000	Quotas DKK 1,000	IT DKK 1,000	Licenses DKK 1,000
	Group			
Cost at October 1st 2010	50,660	109,310	18,373	949
Value adjustment at closing price	0	0	(17)	12
Additions for the year	0	25,613	658	311
Disposals for the year	0	0	0	0
Cost at September 30th 2011	**50,660**	**134,923**	**19,014**	**1,272**
Amortisation and impairment losses at October 1st 2010	(15,167)	(94,711)	(14,309)	(633)
Value adjustment at closing price	0	0	9	(5)
Amortisation for the year	(3,622)	(7,665)	(3,582)	(124)
Amortisation regarding disposals for the year	0	0	0	0
Amortisation and impairment losses at September 30th 2011	**(18,789)**	**(102,376)**	**(17,882)**	**(762)**
Carrying amount at September 30th 2011	**31,871**	**32,547**	**1,132**	**510**
Carrying amount at September 30th 2010	35,493	14,599	4,064	316

NOTES TO THE ANNUAL REPORT

10 Intangible assets

	Parent	
	Quotas DKK 1,000	IT DKK 1,000
Cost at October 1st 2010	88,903	18,201
Additions for the year	18,000	631
Disposals for the year	0	0
Cost at September 30th 2011	**106,903**	**18,832**
Amortisation and impairment losses at October 1st 2010	(83,012)	(14,255)
Amortisation for the year	(2,056)	(3,548)
Amortisation regarding disposals for the year	0	0
Amortisation and impairment losses at September 30th 2011	**(85,068)**	**(17,803)**
Carrying amount at September 30th 2011	**21,835**	**1,029**
Carrying amount at September 30th 2010	5,891	3,946

NOTES TO THE ANNUAL REPORT

11 Property, plant and equipment	Group				
	Buildings DKK 1,000	Plant and machinery DKK 1,000	Vessels DKK 1,000	Other fixtures etc. DKK 1,000	Fixed assets in progress DKK 1,000
Cost at October 1st 2010	878,827	1,088,205	733,166	64,562	40,712
Value adjustment at closing price	(9,526)	(13,375)	0	(226)	(5)
Transferred from assets in progress	7,128	19,992	41	67	(27,228)
Additions for the year	12,183	62,704	51,732	6,253	12,464
Disposals for the year	(8)	(14,281)	(78,792)	(6,315)	(11,998)
Cost at September 30th 2011	**888,604**	**1,143,245**	**706,147**	**64,341**	**13,945**
Depreciation and impairment losses at October 1st 2010	(519,025)	(762,017)	(380,706)	(47,825)	-
Value adjustment at closing price	1,093	6,213	0	174	-
Impairment losses for the year	(6,915)	0	(3,000)	0	-
Depreciation for the year	(34,300)	(76,768)	(45,871)	(5,281)	-
Depreciation regarding disposals for the year	8	10,906	52,052	4,030	-
Depreciation and impairment losses at September 30th 2011	**(559,139)**	**(821,666)**	**(377,525)**	**(48,902)**	
Carrying amount at September 30th 2011	**329,465**	**321,579**	**328,622**	**15,439**	**13,945**
Carrying amount at September 30th 2010	359,802	326,188	352,460	16,737	40,712

Value according to public land assessment
The public land assessment relating to property in Denmark amounts to DKK 45,000k. The buildings in Denmark have a carrying amount of DKK 48,057k.

No public land assessment is made in Greenland. The carrying amount of properties in Greenland amounts to DKK 138,009k.

Financing costs have been capitalised in previous years amounting to of DKK 6,118k. Accumulated depreciation of capitalised financing costs amounts to DKK 6,118k of which DKK 0k is recognised in 2010/11.

NOTES TO THE ANNUAL REPORT

11 Property, plant and equipment	Parent				
	Buildings DKK 1,000	Plant and machinery DKK 1,000	Vessels DKK 1,000	Other fixtures etc. DKK 1,000	Fixed assets in progress DKK 1,000
Cost at October 1st 2010	543,186	500,164	453,755	42,314	37,019
Transferred from assets in progress	7,128	19,881	41	67	(27,117)
Additions for the year	11,150	44,156	21,298	2,761	7,330
Disposals for the year	0	(12,329)	(39,170)	(2,047)	(9,759)
Cost at September 30th 2011	**561,464**	**551,872**	**435,924**	**43,095**	**7,473**
Depreciation and impairment losses at October 1st 2010	(402,949)	(419,603)	(226,850)	(33,562)	-
Impairment losses for the year	0	0	(3,000)	0	-
Depreciation for the year	(20,506)	(27,879)	(29,210)	(2,705)	-
Depreciation regarding disposals for the year	0	9,563	33,992	1,744	-
Depreciation and impairment losses at September 30th 2011	**(423,455)**	**(437,919)**	**(225,068)**	**(34,523)**	**-**
Carrying amount at September 30th 2011	**138,009**	**113,953**	**210,856**	**8,572**	**7,473**
Carrying amount at September 30th 2010	140,237	80,561	226,905	8,752	37,019

No public land assessment is made in Greenland. The carrying amount of properties in Greenland amounts to DKK 138.009k.

In previous years, financing costs have been capitalised at DKK 6,118k, Accumulated depreciation of capitalised financing costs amounts to DKK 6,118k of which DKK 0k is recognised in 2010/11.

NOTES TO THE ANNUAL REPORT

12 Investments in group enterprises and associates	Group Associates DKK 1,000	Parent Associates DKK 1,000	Parent Group enterprises DKK 1,000
Cost at October 1st 2010	58,467	33,389	645,216
Transferred	(2,957)	(1,504)	1,504
Additions for the year	9,222	9,222	1,411,500
Disposals for the year	0	0	0
Cost at September 30th 2011	**64,732**	**41,107**	**2,058,220**
Value adjustments at October 1st 2010	33,491	21,922	(348,844)
Transferred	(3,481)	(1,689)	1,689
Value adjustment at closing price	329	(487)	(12,063)
Share of profit/loss for the year	24,879	1,771	(9,949)
Capital adjustments for the year	0	0	799
Dividends	(19,172)	(175)	(2,728)
Value adjustments at September 30th 2011	**36,046**	**21,342**	**(371,096)**
Carrying amount before setoff of receivables	100,778	62,449	1,687,124
Setoff of receivables	938	938	2,383
Carrying amount at September 30th 2011	**101,716**	**63,387**	**1,689,507**
Carrying amount at September 30th 2010	91,986	55,339	298,942

In the Group, the differential value on acquisition of investments in associates amounts to DKK 15,943k.
The carrying amount at September 30th 2011 amounts to DKK 2,909k.

NOTES TO THE ANNUAL REPORT

13 Receivables from group enterprises and associates

	Group	Parent	
	Associates DKK 1,000	Associates DKK 1,000	Group enterprises DKK 1,000
Cost at October 1st 2010	61,821	47,583	59,074
Additions for the year	10,818	10,839	0
Disposals for the year	(5,440)	(223)	(17,025)
Cost at September 30th 2011	**67,199**	**58,199**	**42,049**
Impairment losses at October 1st 2010	(5,267)	(29)	0
Additions for the year	(910)	0	0
Disposals for the year	5,239	(909)	0
Impairment losses at September 30th 2011	**(938)**	**(938)**	**0**
Carrying amount at September 30th 2011	**66,261**	**57,261**	**42,049**
Carrying amount at September 30th 2010	56,554	47,554	59,074

14 Other fixed asset investments

	Group	Parent
	DKK 1,000	DKK 1,000
Cost at October 1st 2010	26,815	21,974
Additions for the year	11,758	4,753
Disposals for the year	(7,562)	(6,062)
Cost at September 30th 2011	**31,011**	**20,665**
Provisions for bad debts at October 1st 2010	(8,816)	(8,816)
Change in provisions for the year	(2,781)	(37)
Provisions for bad debts at September 30th 2011	**(11,597)**	**(8,853)**
Carrying amount at September 30th 2011	**19,414**	**11,812**
Carrying amount at September 30th 2010	17,999	13,158

Royal Greenland

NOTES TO THE ANNUAL REPORT

	Group		Parent	
15 Inventories	30.09.2011 DKK 1,000	30.09.2010 DKK 1,000	30.09.2011 DKK 1,000	30.09.2010 DKK 1,000
Raw materials	868,191	456,661	16,739	19,168
Goods in progress	36,657	38,906	123	1,176
Finished goods	582,573	686,721	247,325	264,848
Other goods	129,965	120,289	55,663	56,508
	1,617,386	**1,302,577**	**319,850**	**341,700**
Goods at net realisable value included in booked value of inventories	**24,044**	**57,336**	**15,665**	**26,757**

16 Other receivables				
Tax receivable	6,561	4,608	0	0
VAT and duty receivable	22,368	26,599	0	0
Other receivables	33,992	15,043	6,817	7,065
	62,921	**46,250**	**6,817**	**7,065**

17 Prepayments				
Derivative financial instruments at fair value	6,224	5,530	0	4,611
Prepaid rent and consumption taxes	799	860	88	250
Other prepayments	7,363	12,405	1,733	8,507
	14,386	**18,795**	**1,821**	**13,368**

18 Minority interests				
Minority interests at October 1st 2010	37,794	33,668		
Disposals in the year	0	(2,248)		
Share of profit/loss for the year	6,377	7,397		
Dividend and capital adjustments	(2,729)	(1,023)		
Minority interests at September 30th 2011	**41,442**	**37,794**		

NOTES TO THE ANNUAL REPORT

	Group		Parent	
19 Deferred tax	30.09.2011 DKK 1,000	30.09.2010 DKK 1,000	30.09.2011 DKK 1,000	30.09.2010 DKK 1,000
Deferred tax incumbent on the following items:				
Property, plant and equipment	77,341	37,960	32,942	0
Fixed asset investments	0	396	0	0
Other items	(18,550)	186	(18,550)	0
	58,791	**38,542**	**14,392**	**0**
Deferred tax assets incumbent on the following items:				
Loss carried forward	24,842	4,991	0	550
Other tax assets	15,941	12,484	0	9,850
	40,783	**17,475**	**0**	**10,400**

20 Other provisions				
Other provisions at October 1st 2010	24,119	31,684	1,542	9,500
Additions for the year	8,273	0	1,500	0
Disposals for the year	(4,237)	(7,565)	(42)	(7,958)
Other provisions at September 30th 2011	**28,155**	**24,119**	**3,000**	**1,542**

Other provisions are public grants to investments, pensions and contractual risks.

NOTES TO THE ANNUAL REPORT

	Group		Parent	
21 Long-term liabilities other than provisions	30.09.2011 DKK 1,000	30.09.2010 DKK 1,000	30.09.2011 DKK 1,000	30.09.2010 DKK 1,000
The following amounts fall due for payment after five years or more:				
Bank debt	537,332	1,059,720	537,332	1,059,720
Mortgage debt	9,972	28,994	0	0
	547,304	**1,088,714**	**537,332**	**1,059,720**

Interest and terms to maturity of long-term liabilities (Group, translated into DKK)	Weighted term (years)	Fixed/ floating	Effective rate of interest 10/11	09/10	Nominal value DKKm 10/11	09/10
Subordinated loan	4	Fixed	5.00%	5.00%	200	250
Mortgage debt	5	Fixed	7.20%	7.18%	83	98
Private Placements	4	Fixed/ floating	3.94%	3.66%	1,772	1,774
					2,055	**2,122**
Weighted average effective rate of interest			**4.06%**	**3.98%**		

The subordinated loan from the Government of Greenland steps down for other creditors. The loan has yearly installments of DKKm 50.

	Group		Parent	
22 Other payables	30.09.2011 DKK 1,000	30.09.2010 DKK 1,000	30.09.2011 DKK 1,000	30.09.2010 DKK 1,000
Wages and salaries, personal income taxes, social security costs, etc payable	45,874	54,890	23,010	34,622
Holiday pay obligation	39,171	34,764	28,186	28,645
Interest	24,972	24,092	24,490	22,694
VAT and duties	41,455	45,031	26,387	32,145
Other costs payable	46,922	32,735	10,500	7,835
	198,394	**191,512**	**112,573**	**125,941**
23 Deferred income				
Derivative financial instruments at fair value	5,974	0	5,974	0
Other deferred income	49,124	55,725	3,202	2,682
	55,098	**55,725**	**9,176**	**2,682**

NOTES TO THE ANNUAL REPORT

24 Assets charged and contingent liabilities	Group 30.09.2011 DKK 1,000	Group 30.09.2010 DKK 1,000	Parent 30.09.2011 DKK 1,000	Parent 30.09.2010 DKK 1,000
Assets charged				
Mortgage debt has been secured on property, plant and equipment as well as intangible assets at a carrying amount of	165,063	171,929	831	1,687
Contractual obligations				
Contracts have been made relating to delivery of fixed assets within two years at a carrying amount of	35,429	13,800	35,429	13,800
Lease commitments falling due within five years after the balance sheet date amount to	126,871	129,609	90,169	113,513
Hereof due within one year	62,838	44,440	38,785	37,584
Recourse and non-recourse guarantee commitments				
Associates	2,990	990	2,990	990
Third party	10,852	12,601	10,852	12,601
Group enterprises	-	-	569,898	569,051

Contingent liabilities
The Royal Greenland Group has some pending lawsuits, including inquiries from the tax authorities. Management believes that the outcome of these lawsuits and inquiries will not have material impact on the Group's financial position.

NOTES TO THE ANNUAL REPORT

25 Financial exposure	Group Receivables DKK 1,000	Liabilities DKK 1,000	Hedged by forward exchange contracts and options DKK 1,000	Net position DKK 1,000
Positions in the most important currencies:				
USD	121,635	(83,276)	208,227	246,586
GBP	7,404	(1,691)	(58,723)	(53,010)
SEK	24,412	(10,774)	(30,074)	(16,436)
JPY	34,861	(82)	(168,208)	(133,429)
	188,312	**(95,823)**	**(48,778)**	**43,711**

Foreign exchange contracts solely cover commercial positions.

Interest rate exposure
The agreed reassessment and repayment dates of the Group's financial assets and liabilities are specified below according to maturity date. The effective interest rates have been determined based on the current interest level at September 30th 2011.

	Group Reassessment/maturity date				
	Within one year DKK 1,000	Within two-five years DKK 1,000	After five years DKK 1,000	Hereof fixed-rate loan DKK 1,000	Effective rate of interest %
Mortgage and credit institutions, loans	(493,064)	(950,996)	(547,304)	(1,081,071)	1.8-7.4

Cash and cash equivalents amounts to DKK 415,707k and has a bearing effective rate of interest from 0.0 to 3.0%. Short-term credits amount to DKK 151,042k. Short-term credits have a bearing effective rate of interest from 1.5% to 3.2%.

NOTES TO THE ANNUAL REPORT

26 Fees to auditors appointed by the general meeting

	Group		Parent	
	30.09.2011 DKK 1,000	30.09.2010 DKK 1,000	30.09.2011 DKK 1,000	30.09.2010 DKK 1,000
Deloitte				
Audit fee	0	3,129	0	1,225
Other declarations from auditor	0	0	0	0
Tax advisory services	869	692	598	457
Other services	451	2,097	246	1,219
Adjustments concerning previous years	143	62	123	44
	1,463	**5,980**	**967**	**2,945**
KPMG				
Audit fee	2,375	0	1,200	0
Other declarations from auditor	0	0	0	0
Tax advisory services	175	0	75	0
Other services	339	0	183	0
	2,889	**0**	**1,458**	**0**

27 Related parties

Related parties of the Group are the members of the Supervisory and the Executive Boards as well as the owner, the Government of Greenland.

In the current financial year, the Group has not carried out trade with the Supervisory and Executive Boards. Management remuneration is disclosed in note 3.

NOTES TO THE ANNUAL REPORT

28 The managerial positions held by members of the Supervisory Board and Executive Board in other Greenlandic and Danish public limited companies

The managerial positions held by members of the Supervisory Board and Executive Board in other Greenlandic and Danish public limited companies except for managerial positions in wholly owned subsidiaries.

Supervisory Board	Company	Managerial position
Niels de Coninck-Smith Chairman	Orifarm Group A/S NCS 4 A/S Rambøll Gruppen A/S Nordic Aviation Capital A/S Dovista A/S	Chairman Chairman Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board
Sven Lyse Deputy Chairman	Nordatlantisk Venture A/S Naqitat A/S MSE Holding A/S MSE A/S MSE grus og sten A/S Naqitat A/S Grønlands Bådcenter A/S Godthåb Transportservice A/S	Chief Executive Officer Chief Executive Officer Chairman Chairman Chairman Deputy Chairman Member of the Supervisory Board Member of the Supervisory Board
Svend Bang Christiansen	Fyrværkerieksperten A/S Proinvent A/S Teknologiudvikling P.G. Sørensen, Skanderborg A/S Bach Composite Industry A/S BC Group A/S Videometer A/S Proinvent Group Holding A/S Tigervej 12 A/S Vejle Eksportslagteri A/S Scancom A/S Skare Food A/S All Times Company A/S	Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board

Executive Board	Company	Managerial position
Mikael Thinghuus, CEO	Polar Raajat A/S Upernavik Seafood A/S Ice Trawl Greenland A/S Toms Gruppen A/S	Deputy Chairman Deputy Chairman Member of the Supervisory Board Member of the Supervisory Board
Nils Duus Kinnerup, CFO	Upernavik Seafood A/S Polar Raajat A/S Carnad A/S	Member of the Supervisory Board Member of the Supervisory Board Member of the Supervisory Board

NOTES TO THE ANNUAL REPORT

	Group	
29 Adjustments relating to net profit for the year	2010/11 DKK 1,000	2009/10 DKK 1,000
Depreciation, amortisation and impairment losses	188,357	174,540
Minority interests	6,377	7,397
Financial items allocated to profit for the year	65,026	103,733
Income taxes expensed	45,535	20,076
Provisions	(1,549)	5,935
Profit from associates	(24,879)	(15,916)
	278,867	**295,765**
30 Working capital changes		
Change in receivables	164,950	(81,559)
Change in inventory	(314,013)	(129,195)
Change in trade payables and other payables	185,956	33,238
	36,893	**(177,516)**
31 Cash and cash equivalents, end of year		
Cash and cash equivalents, end of year	415,707	259,149
Credit institutions, end of year	(151,042)	(119,200)
	264,665	**139,949**

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