



Royal Greenland A/S

Interim Report

1 October 2014 – 31 March 2015

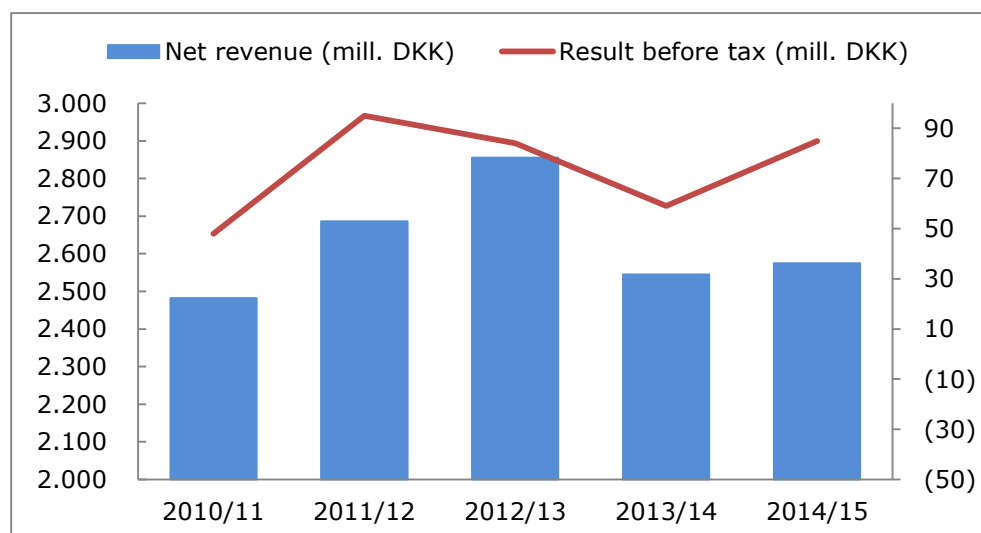
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Royal Greenland delivers solid half-year result

Royal Greenland has delivered the expected results for the first half of 2014/15, with pre-tax profits of DKK 85 million, corresponding to a net profit margin of 3.3 percent.

The comparative figures for 2013/14 include the divested activities in Wilhelmshaven and shares in the trawler company Iquique. Adjusted for these, the Group realised sales growth of 10 percent in its current activities. This growth is mainly attributable to higher sales prices, as sold tonnage only increased by just under 3 percent.



In terms of performance, Wilhelmshaven and the Iquique shares had only a modest impact in the first half of 2013/14, so the profits for H1 2014/2015 are directly comparable with the previous year.

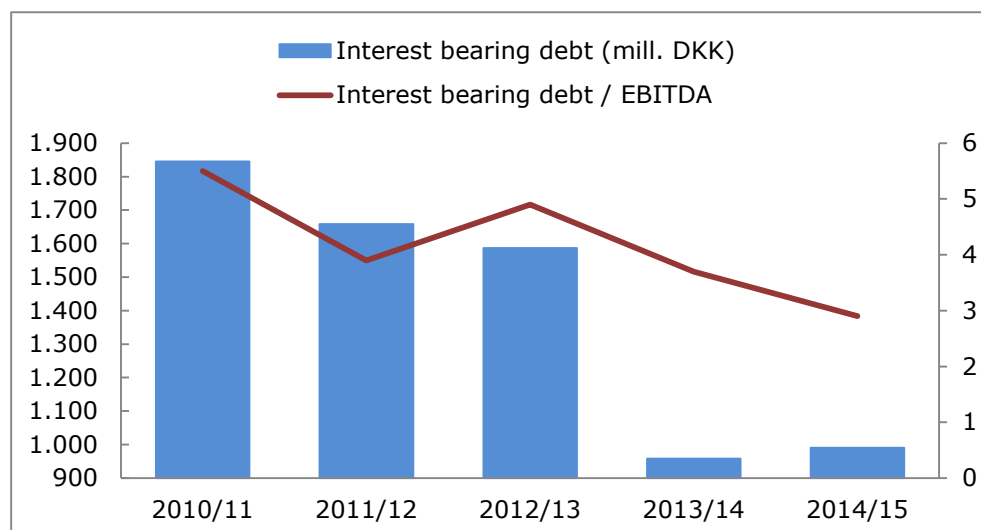
The DKK 26 million improvements in profits was driven by Royal Greenland's core activities, cold-water prawns and Greenland halibut, and supports the commercial focus of the North Atlantic Champion strategy.

The improvement was achieved despite significant operational challenges in the form of a lower prawn quota and a harsh winter, which meant periodic factory closures and inefficient trawler fishing. Conversely, the scarce quantities of prawn have made significantly higher prices possible at the sales level. Profits on Greenland halibut have increased, partly due to the acquisition of Upernavik Seafood A/S on 1 October 2014. The main synergies from this acquisition will only become apparent in H2, when the ice situation makes it possible to access the frozen stocks.

The result should be seen in light of the fact that the first half does not this time include sales of *frozen at sea* cod and haddock from the Barents Sea, as the trawler Sisimiut has been undergoing major shipyard refitting and did not begin fishing in the Barents Sea until April. 1,400 tons less cod and haddock from the Barents Sea have thus been sold in H1 by comparison with last year. The income will be realised in the second half of 2014/15.

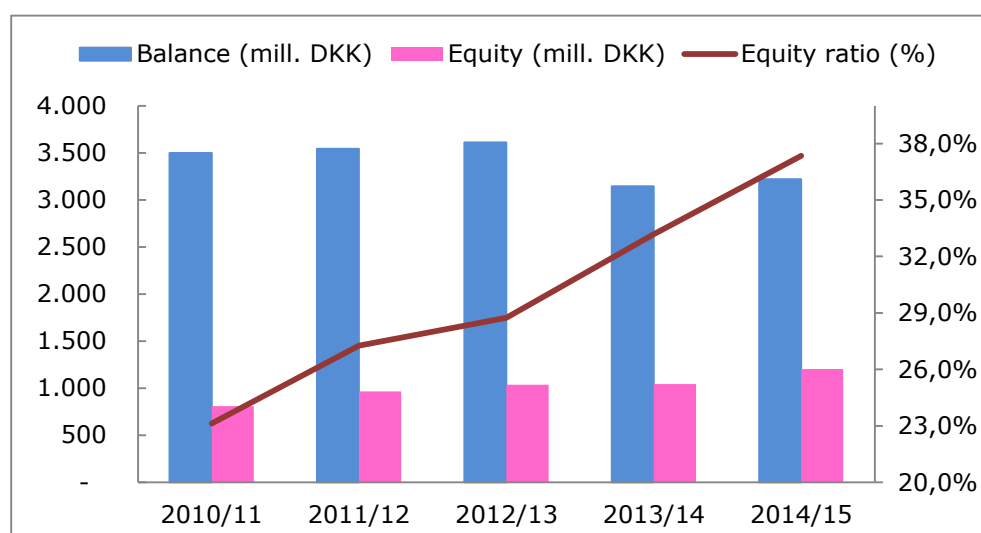
Another positive aspect is that the flatfish activity in Koszalin, Poland, is continuing to grow and to make a positive contribution to group earnings.

Royal Greenland's net profit amounts to DKK 50 million.



Interest-bearing debt remains at last year's level, and is therefore still less than DKK 1 billion. The interest-bearing debt in relation to EBITDA amounts to 2.9.

The rise in working capital reflects increased receivables from sales activities.



Equity amounts to DKK 1.2 billion, with a continued increase in equity ratio, which amounts to 37 percent.

Outlook for the Company

Measured in terms of current operations (excluding Wilhelmshaven and Iquique), pre-tax profit is expected to be at a slightly higher level than in 2013/14. This expectation is maintained despite the fact that Royal Greenland's performance in April and May was very negatively impacted by the ice situation along the west coast of Greenland, which led to temporary factory closures and greatly reduced trawler fishing. The Company expects to be able to compensate for the lost income when the ice melts.

Interest-bearing debt is expected to be approximately at the level of DKK 1 billion, with a ratio to EBITDA of approximately 3.3, and is thus in full control despite an expansive business plan.

Maniitsoq, 2015

Niels Harald de Coninck-Smith
Chairman of the Board of Directors

Mikael Thinghuus
CEO

Nils Duus Kinnerup
CFO

Bruno Olesen
Group Sales Director

Lars Nielsen
Group Production Director

Financial highlights and key ratios

(DKK million)

2014/15 2013/14 2012/13 2011/12 2010/11

Profit/loss

Net revenue	2,575	2,545	2,855	2,686	2,482
EBITDA	169	131	162	215	167
EBIT	95	63	91	144	84
Net profit before tax	85	59	84	95	48
Net profit for the year	50	32	53	71	12

Balance sheet

Fixed assets	1,079	1,083	1,186	1,205	1,345
Net working capital	1,274	1,067	1,626	1,563	1,425
Equity	1,203	1,044	1,038	966	810
Net interest-bearing debt	991	958	1,587	1,658	1,845
Balance sheet total	3,221	3,147	3,611	3,544	3,501
Investments in property, plant and equipment	(102)	(72)	(46)	(21)	(76)

Ratios in %

EBITDA-margin	6.6	5.1	5.7	8.0	6.7
EBIT-margin	3.7	2.5	3.3	5.4	3.4
EBT-margin	3.3	2.3	2.9	3.6	1.9
ROIC including goodwill	10.1	6.1	7.6	11.7	7.0
Return on equity (ROE)	10.3	8.0	12.0	16.9	4.5
Equity ratio	37.4	33.2	28.8	27.3	23.2
Net interest-bearing debt / EBITDA	2.9	3.7	4.9	3.9	5.5

Company information

Company

Royal Greenland A/S

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Reg. no. 184.991

Financial year: 1 October – 30 September

Registered office: Sermersooq Municipality

All shares in the company are owned by the government of Greenland.

Board of Directors

Niels Harald de Coninck-Smith, Chairman

Jan H. Lynge-Pedersen, Deputy Chairman

Sara Heilmann

Pernille Fabricius

Åse Aulie Michelet

Tim Ørting Jørgensen

Lars Berthelsen *)

Peter Korsbæk *)

Niels Ole Møller *)

*) staff representative

Direktion

Mikael Thinghuus, CEO

Nils Duus Kinnerup, CFO

Bruno Olesen, Group Sales Director

Lars Nielsen, Group Production Director

Accountant

EY Greenland

