EAC Interim Report Q1 | 2012

The East Asiatic Company Ltd. A/S

### EAC GROUP

## Q1 progressed as expected in both businesses - outlook maintained

- Q1 2012 consolidated revenue reached DKK 1,634m (DKK 1,109m).
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to DKK 99m (DKK 62m) with a corresponding EBITDA margin of 6.1 per cent (5.6 per cent).

**OUTLOOK:**

- Consolidated revenue of around DKK 8.1bn (in line with the previous outlook) – DKK/USD exchange rate of 560.00 for the remainder of 2012 (in line with the previous outlook).
- EBITDA of above 8.5 per cent (in line with the previous outlook).

### SANTA FE GROUP

## Continued stable market conditions with overall growth in international relocations

- Revenue of DKK 571m (DKK 315m) – an increase of 69.9 per cent (2.7 per cent excluding Interdean), both figures in local currencies.
- EBITDA of DKK 26m (DKK 26m) representing an EBITDA margin of 4.6 per cent (8.3 per cent). Excluding Interdean, the EBITDA margin was 8.8 per cent equivalent to an increase of 10.5 per cent.
- Outlook maintained with revenue of around DKK 2.5bn (in line with the previous outlook) with EBITDA margin of around 8.5 per cent.

### PLUMROSE

## Sales growth above inflation despite challenging market conditions

- Revenue of DKK 1,063m (DKK 794m) (IAS 29) – an increase of 26.2 per cent in USD.
- EBITDA amounted to DKK 85m (DKK 49m) corresponding to an EBITDA margin of 8.0 per cent (6.2 per cent)
- Outlook maintained with revenue of around DKK 5.6bn (in line with the previous outlook) and an EBITDA margin of around 9.5 per cent.

**Niels Henrik Jensen, President & CEO of EAC:**

– *"In the Santa Fe Group we saw the positive market development from 2011 continue into 2012 with growth in international relocations. The overall results are affected by the traditional Q1 low season in both Europe and Asia as expected, but our Asian activities continued to grow and profited from strong sales of relocation services to both new and existing customers. High season in Australia drove results in the international business which performed very strongly and more than outweighed a reduced demand for long-distance, domestic moving services. We continue to see positive results from our cross-regional sales and marketing efforts and expect that further sales synergies will materialise during 2012.*

– *In Plumrose, we maintained sales growth above the inflation rate despite a declining market based on our strong brand value, new product launches and continued solid marketing and promotional support. Net price increases combined with stable raw material costs resulted in a strong overall performance in Q1."*

| DKK million | Q1 2012 | Q1 2011 | Full-year 2011 |
|---|---|---|---|
| **CONSOLIDATED INCOME STATEMENT** | | | |
| Revenue | 1,634 | 1,109 | 6,274 |
| Earnings before interests, taxes, depreciation and amortisation (EBITDA) | 99 | 62 | 516 |
| Operating profit (EBIT) | 47 | 23 | 330 |
| Financials, net | -31 | -40 | 7 |
| Share of profit in associates | 1 | 0 | 2 |
| Income tax | 22 | 36 | 97 |
| Net profit/loss for the period | -5 | -53 | 242 |
| Earnings per share (diluted) from (DKK) | -1.2 | -5.0 | 13.3 |

| DKK million | 31.03. 2012 | 31.03. 2011 | 31.12. 2011 |
|---|---|---|---|
| **CONSOLIDATED BALANCE SHEET** | | | |
| Total assets | 5,835 | 4,345 | 6,095 |
| Working capital employed | 1,252 | 680 | 1,423 |
| Net interest bearing debt, end of period | 1,159 | -33 | 1,234 |
| Net interest bearing debt, average | 1,196 | -74 | 569 |
| Invested capital | 3,943 | 2,266 | 4,114 |
| EAC's share of equity | 2,592 | 2,158 | 2,680 |
| Non-controlling interests | 163 | 103 | 166 |
| Cash and cash equivalents | 485 | 1,159 | 629 |
| Investments in intangible assets and property, plant and equipment | 128 | 149 | 384 |
| **CASH FLOW** | | | |
| Operating activities | 232 | 161 | -213 |
| Investing activities | -126 | -119 | -890 |
| Financing activities | -234 | 85 | 666 |
| **RATIOS** | | | |
| EBITDA margin (%) | 6.1 | 5.6 | 8.2 |
| Operating margin (%) | 2.9 | 2.0 | 5.3 |
| Equity ratio (%) | 44.4 | 49.7 | 44.0 |
| Return on invested capital (%) | 9.8 | 10.8 | 16.0 |
| Return on equity, parent (%) | -2.1 | -11.0 | 6.5 |
| Equity per share (diluted) | 215.6 | 161.3 | 223.0 |
| Number of employees end of period | 6,459 | 5,555 | 6,399 |
| Exchange rate DKK/USD end of period | 557.05 | 524.86 | 574.56 |
| Exchange rate DKK/USD average | 561.06 | 542.17 | 532.29 |

The ratios have been calculated in accordance with definitions on page 41 in the Annual Report 2011.

For the detailed income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, refer to pages 19-27.

REVENUE

| DKK million | Reported Q1 2012 (IAS 29) | Q1 2011 (IAS 29) | Growth in local currencies, % Q1 2012 (IAS 29) | Outlook 2012 | Q1 2012 (historical accounting policy) |
|---|---|---|---|---|---|
| Santa Fe Group | 571 | 315 | 81.0 | around 2,500 | 571 |
| Plumrose | 1,063 | 794 | 26.2 | around 5,600 | 1,060 |
| **EAC GROUP** | **1,634** | **1,109** | | **around 8,100** | **1,631** |

EBITDA

| DKK million | Reported Q1 2012 (IAS 29) | Q1 2011 (IAS 29) | EBITDA margin, % Q1 2012 (IAS 29) | EBITDA margin, % Outlook 2012 | Q1 2012 (historical accounting policy) |
|---|---|---|---|---|---|
| Santa Fe Group | 26 | 26 | 4.6 | around 8.5 | 26 |
| Plumrose | 85 | 49 | 8.0 | around 9.5 | 109 |
| **Business segments** | **111** | **75** | **6.8** | | **135** |
| Parent and other activities | -12 | -13 | | | -12 |
| **EAC GROUP** | **99** | **62** | **6.1** | **above 8.5** | **123** |

**Presentation of financial results**

The Interim Report Q1 2012 will be presented by President & CEO Niels Henrik Jensen and Group CFO Michael Østerlund Madsen on 15 May 2012 at 14:00 (CET) in a webcast presentation which will be streamed live via the following link: www.eacwebcast.com and on the EAC website (www.eac.dk).

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*Note that comparative figures for Q1 2011 are stated in brackets. All currency effects refer to translation effects from reporting currencies unless otherwise stated.*

Further information on the EAC Group is available on the Group's website: www.eac.dk

# Consolidated Group results for Q1 2012

## FINANCIAL PERFORMANCE

### Exchange rate effects

The following outline of the financial developments in Q1 2012 versus Q1 2011 in respect of Plumrose is based on reported hyperinflation figures (IAS 29).

In foreign subsidiaries operating in hyperinflationary economies, income and expenses are translated at the exchange rate as of the date of the balance sheet which impacted the result in Plumrose positively due to the appreciation of the exchange rate from DKK/USD 524.86 at the end of Q1 2011 to DKK/USD 557.05 at the end of Q1 2012. The associated impact on revenue and EBITDA was an increase of DKK 61m and DKK 5m respectively.

Developments in exchange rates between DKK and the functional currencies of subsidiaries (non-hyperinflation economies) impacted the EAC Group's results in Q1 2012 reported in DKK. In a number of countries (particularly in Asia), the currency correlated to a certain degree with USD. In Q1 2012, the average DKK/USD rate 561.06 was 3.5 per cent higher than in Q1 2011 (DKK/USD 542.17). As a consequence, revenue and EBITDA for Q1 2012 increased by DKK 22m and DKK 2m respectively.

## CONSOLIDATED INCOME STATEMENT

**Revenue** in Q1 2012 amounted to DKK 1,634m (DKK 1,109m). The reported revenue increase was mainly driven via price increases by Plumrose fuelled by the high inflation in Venezuela and by the Santa Fe acquisition of Interdean, which was consolidated as from 1 August 2011.

**Earnings before interests, taxes, depreciation and amortisation (EBITDA)** in Q1 2012 amounted to DKK 99m (DKK 62m). Plumrose achieved an EBITDA of DKK 85m (DKK 49m) due to the revenue increase combined with a higher profitability given stable raw material prices and lower fixed costs.

The Santa Fe Group's EBITDA margin was negatively affected by the acquisition of Interdean in August 2011 in which activities are on a seasonal very low level in Q1.

**Financial expenses and income, net** was an expense of DKK 31m (DKK 40m). Exchange losses of DKK 15m (DKK 25m) were primarily related to the royalty receivable in the EAC parent company due to the depreciation of the DKK/USD exchange rate since year-end 2011. Interest expenses and other fees of DKK 50m were mainly attributable to loans in Plumrose which were increased during 2011 primarily due to capital expenditures, funding of the acquisition of La Montserratina and working capital requirements. Gain on the net monetary position arising under hyperinflation accounting amounted to DKK 33m (DKK 16m).

**Financials, reported**

| DKK million | Q1 2012 (IAS 29) | Q1 2011 (IAS 29) |
|---|---|---|
| **Financial income:** | | |
| Interest income | 1 | 2 |
| Net monetary gains | 33 | 16 |
| Other | 1 | 2 |
| **Total financial income** | **35** | **20** |
| **Financial expenses:** | | |
| Interest expenses and other fees | 50 | 33 |
| Exchange losses | 15 | 25 |
| Other | 1 | 2 |
| **Total financial expenses** | **66** | **60** |
| **Financials, net** | **-31** | **-40** |

**Share of profit in associates** was DKK 1m (DKK 0m) primarily attributable to the associates in Thailand.

Reported (IAS 29) **income tax** was an expense of DKK 22m (DKK 36m) excluding withholding tax. The reported (IAS 29) effective tax rate (adjusted) was 105.9 per cent (-194.1 per cent). The effective tax rate was severely impacted by the hyperinflation adjustments in Plumrose.

**Tax**

| DKK million | Reported Q1 2012 (IAS 29) | Q1 2012 (historical accounting policy) | Reported Q1 2011 (IAS 29) | Q1 2011 (historical accounting policy) |
|---|---|---|---|---|
| Income tax | 18 | 18 | 16 | 16 |
| Deferred tax | 0 | -9 | 17 | 4 |
| Withholding tax | 4 | 4 | 3 | 3 |
| **Income tax expenses** | **22** | **13** | **36** | **23** |
| Withholding tax | -4 | -4 | -3 | -3 |
| Corporate income tax | 18 | 9 | 33 | 20 |
| Profit before income tax, excl. share of profit in associates | 17 | 29 | -17 | 13 |
| **Effective tax rate (%)** | **105.9** | **31.0** | **-194.1** | **153.8** |

The effective tax rate (adjusted) under historical accounting principles was 31.0 per cent (153.8 per cent). The Q1 2012 tax rate is primarily affected by the parent company not recognising deferred tax assets though partly offset by low tax in Plumrose due to the profit primarily being generated in the tax exempted farms.

The Q1 2011 tax rate was also affected by the parent company not recognsing deferred tax assets combined with a prior year tax adjustment.

**Net loss for the period** was DKK -5m in Q1 2012 (DKK -53m).

**Non-controlling interests'** share of profit amounted to DKK 9m (DKK 9m) primarily attributable to the Procer pig farm in Venezuela.

### Equity holders of the parent company

EAC's share of the net loss in Q1 2012 was DKK -14m (DKK -62m).

## BALANCE SHEET

Total equity by the end of Q1 2012 was DKK 2,755m (DKK 2,846m at the end of 2011). Total equity was primarily reduced by currency translation adjustments of the opening balance, declaration of dividend to shareholders and non-controlling interests partly offset by the inflation adjustments in Plumrose arising under hyperinflation accounting.

### Dividend payment

A dividend of DKK 5.00 per share amounting to DKK 62m was approved by the Annual General Meeting held on 27 March 2012 and paid to the shareholders in April 2012.

**Return on average invested capital, annualised** was 9.8 per cent in Q1 2012 compared to 10.8 per cent in Q1 2011.

### Outstanding royalties and dividends

During Q1 2012 no royaltiy and/or ordinary dividend payments from Plumrose were approved by the Venezuelan authorities. However, in March 2012 an extraordinary dividend from Plumrose was paid to the EAC parent company amounting to USD 12.0m. The dividend was paid in USD purchased through government bonds in 2011.

Management continues to maintain a close and active dialogue with the relevant Venezuelan authorities concerning the outstanding royalties and dividends. For further details, please refer to note 7.

## SUBSEQUENT EVENTS

No material events have taken place after 31 March 2012.

### Execution on EAC strategy

In the coming years, EAC will continue to explore the attractive opportunities to further leverage both businesses and consolidate their individual performances. It is anticipated that both businesses will develop positively in 2012 with revenue growth and continued attractive margins on the path towards the realisation of EAC's strategic targets.

## GROUP OUTLOOK FOR 2012

Consolidated revenue for the EAC Group is expected at around DKK 8.1bn (in line with the previous outlook). The EBITDA margin is expected to be above 8.5 per cent (in line with the previous outlook).

The Group outlook is based on a DKK/USD exchange rate of 560.00 for the remainder of 2012 (in line with the previous outlook). The official foreign exchange rate in Venezuela is assumed at VEF/USD 4.30 (in line with the previous outlook).

When considering the Group's outlook for 2012, it should be understood that the macroeconomic situation is uncertain, not least in Venezuela. Changes in the assumptions stated are likely to occur and may significantly affect the outlook.

### Disclaimer

The Interim Report Q1 2012 consists of forward-looking statements including forecasts of future revenue and future EBITDA. Such statements are subject to risks and uncertainties in respect of various factors, of which many are beyond the control of the EAC Group and may cause actual results and performance to differ materially from the forecasts made in the interim report Q1 2012. Factors that might affect expectations include, among other things, overall economical, political and business conditions and fluctuations in currencies, demand and competitive factors.

The Interim Report Q1 2012 is published in Danish and English. The Danish text shall be the governing text for all purposes, and in case of any discrepancy the Danish wording shall be applicable.

### Announcements to NASDAQ OMX Copenhagen A/S in 2012

| *Date* | *No.* | *Subject* |
|---|---|---|
| 23.02. | 1 | EAC Annual Report 2011 |
| 02.03. | 2 | Notice convening the Annual General Meeting of The East Asiatic Company Ltd. A/S |
| 27.03. | 3 | Payment of extraordinary dividend from Plumrose |
| 27.03. | 4 | EAC Annual General Meeting |

### Financial calendar 2012

| | |
|---|---|
| 16.08. | Interim Report H1 2012 |
| 15.11. | Interim Report Q3 2012 |

# Continued stable market conditions with overall growth in international relocations


## Highlights

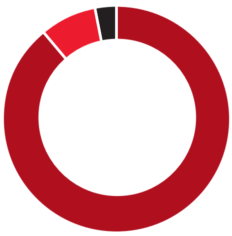
- Australia: Peak season in domestic moving services and increased international relocations drove growth
- Asia: Increasing business activities across the region driven by dynamic economies
- Europe and the Middle East: New customers support revenue in low-growth economies
- Outlook maintained as positive market development in mobility industry continues

| DKK million | Q1 2012 | *Q1 2011 | Change | Full-year 2011 |
|---|---|---|---|---|
| Revenue | 571 | 315 | 81.3% | 1,797 |
| EBITDA | 26 | 26 | 0.0% | 155 |
| EBITDA margin (%) | 4.6 | 8.3 | -3.7pp | 8.6 |
| Operating profit (EBIT) | 16 | 20 | -20.0% | 127 |
| Operating margin (%) | 2.8 | 6.3 | -3.5pp | 7.1 |
| Total assets | 1,985 | 1,015 | 95.6% | 2,051 |
| Working capital employed | 71 | 27 | 163.0% | 65 |
| Invested capital | 1,207 | 598 | 101.8% | 1,209 |
| Net interest bearing debt, end of period | 31 | 27 | 14.8% | 11 |
| Return on average invested capital (%), annualised | 8.6 | 16.7 | -8.1pp | 16.9 |

*Excluding Interdean which was acquired on 1 August 2011

**Revenue by geographic region (Asia, EMEA, Australia)**


**Revenue by business segments, Q1 2012**




**Integration of acquisitions**

Comparison of the overall business development in 2012 is significantly affected by the Interdean acquisition, which was consolidated into the Santa Fe Group from August 2011. In addition, direct comparison is complicated by the elimination of intercompany sales and loss of business to partners, which are now in direct competition with Santa Fe following the two recent acquisitions. Meanwhile, the continued materialisation of new sales synergies draws overall performance in the opposite direction. Growth rates, etc., for Europe included below are based on the historical 2011 stand-alone performance of Interdean (prior to the acquisition).

**Q1 in review**

Market conditions continued to improve in Q1 with overall growth in the international relocations market driven especially by the dynamic Asian economies. Dedicated sales and marketing of the enhanced service proposition continued to attract new customers and accounts to Santa Fe. This spurred activities in the Asian business which delivered revenue growth of 3.8 per cent in local currencies despite Q1 traditionally being low season.

Activities in Europe were also affected by low season, combined with the modest economic growth in the Eurozone markets; the European business performance was on par with the same period last year. In Australia, January and February are peak season, and especially the international business activities performed strongly in Q1 reaching total growth of 1.3 per cent in local currencies.

**Integration in progress**

Integration of the two acquired businesses continues according to plan. To promote and coordinate sales activities across the three continents, a group sales conference was held in Q1, and a new overall sales management system is under implementation.

**Revenue**

Revenue in Q1 2012 grew by 81.3 per cent compared to Q1 2011 reaching DKK 571m. In local currencies, revenue increased by 69.9 per cent. Excluding Interdean, revenue grew by 2.7 per cent in local currencies.

**MOVING SERVICES**

Total revenue from moving services increased by 83.5 per cent in local currencies to a total of DKK 508m representing 88.9 per cent of total revenue. The increase is significantly affected by the Interdean acquisition, but also as a reflection of underlying growth, especially in the Asian business.

**Australia**

In Australia, activities were heavily impacted by reduced demand across the nation for long-distance domestic moving services caused by low consumer and business confidence. This was partly offset by an increasing demand for short-distance domestic moving services.

The international business performed very strongly which resulted in slight growth in overall revenue in the Australian moving services. Outbound relocations increased by 24.7 per cent with high demand for moving services to the United Kingdom, Asia and New Zealand. Inbound relocations increased by 3.2 per cent against the same period in 2011.

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### Asia
Total revenue from moving services in Asia increased despite a negative impact from elimination of sales from Greater China to Europe and Australia and loss of support from agents who are now Santa Fe competitors following the acquisitions of WridgWays and Interdean.

In North Asia revenue growth was driven by very strong growth in South Korea with increased market shares as well as overall strong support from Europe based on the acquisition of Interdean. Japan experienced strong growth in outbound relocations.

In South East Asia, revenue growth was driven by a continued inflow of international companies setting up operations in these markets.

South Asia (India) more than doubled its activities with strong growth in both outbound and inbound volumes. This is a result of increased support from partners in the US, increased support from the Santa Fe offices in Asia as well as increased support from Europe based on the acquisition of Interdean.

### Europe and the Middle East
Moving services in Western, Central and Eastern Europe were consolidated into the Santa Fe Group accounts as from August 2011 following the acquisition of Interdean.

Overall, moving services in Europe was only just above the same period in 2011 based on a higher level of activity in Western Europe with increased market shares in Germany, Spain, Portugal and France. Low economic growth throughout the Eurozone, particular in Italy and Benelux, has slowed market growth.

Central Europe performed on par with the same period in 2011, whereas Eastern Europe was affected by less business from agents due to restrictive customs regulations particularly in Russia which represents about 46 per cent of revenue in the Eastern Europe region.

Intra-European relocations remain a significant portion of the moving services which experienced a decrease in revenue, while growth in move management activity enhanced overall moving revenue.

The Middle East operation continued its rapid growth with increased market shares and additional business generated from the acquisition of Interdean.

## RELOCATION SERVICES
Total revenue from relocation services increased by 97.1 per cent when measured in local currencies to DKK 44m representing 7.7 per cent of total revenue. The growth is significantly affected by the Interdean acquisition, but both Asia and Australia experienced increased levels of activity and performed better than in the same period last year.

### Australia
Revenue increased as a result of increased activity from its domestic corporate customers in the energy and mining sector.

### Asia
Total revenue in Asia showed strong growth based on increased support from both existing and new customers.

Greater China experienced increased support from existing and new accounts particularly in Shanghai and Beijing.

North Asia continued its rapid expansion of activities, especially in South Korea with solid support from the US partners.

In South East Asia, new customers as well as increased business from existing accounts drive a positive development.

South Asia (India) saw a light increase in relocation services activities.

### Europe and the Middle East
Revenue for Europe increased driven by new customers following a dedicated sales effort promoting the expanded Santa Fe Group platform.

Revenue for the Middle East operation almost tripled, albeit still from a modest revenue base. The strong growth is a result of increased business from existing and new customers.

## RECORDS MANAGEMENT
Total revenue from records management increased by 19.2 per cent in local currencies to DKK 19m representing 3.4 per cent of total revenue. Measured in volume, the business grew by 15.0 per cent driven by customers continuing to build-up storage levels, but also through the addition of two records management businesses in Spain and Portugal via the Interdean acquisition.

The continued expansion of the records management business will focus on Asia as well as emerging markets in Central and Eastern Europe.

## EBITDA
The Q1 2012 EBITDA amounted to 26m which is on par with 2011 in DKK representing a decrease of 7.0 per cent in local currencies. EBITDA corresponds to an EBITDA margin of 4.6 per cent (8.3 per cent), and it is significantly affected by the Interdean acquisition. The European activities are traditionally affected by the low season in Q1, and combined with a low-margin product mix this affects the overall margin. Excluding Interdean, EBITDA grew by 10.5 per cent in local currencies corresponding to a EBITDA margin of 8.8 percent (8.1 per cent).

### Australia
Australia performed below the same period in 2011 as a result of low demand for long-distance domestic moving coupled with heavy price competition in the market.

### Asia
Asia performed significantly better than in the same period last year with a strong contribution from relocation services.

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While Greater China was below the same period last year, North Asia performed well ahead of expectations as a result of improved market conditions.

South East Asia doubled EBITDA over the same period last year driven by improved market conditions in Thailand, Indonesia, the Philippines, Vietnam and Malaysia. Also South Asia (India) performed well ahead of last year as a result of increased support from the US and Europe.

**Europe and the Middle East**
The Middle East operation performed well ahead of last year despite start-up costs connected to the new operation in Qatar.

Western, Central and Eastern Europe performed slightly below the same period in 2011.

**Working capital employed** increased by 11.6 per cent from 31 December 2011 in local currencies due to an increase in working capital in Europe.

**Invested capital** was on par with Q1 2011.

**Return on invested capital (ROIC)** was 8.6 per cent on an annualised basis in local currencies. Excluding Interdean, ROIC was 17.2 per cent or on par with Q1 2011.

**Investment** in intangible assets and property, plant and equipment amounted to DKK 21m.

The major single item was land acquisition in Indonesia for a warehouse and office complex.

**Strategic initiatives in Q1**
In line with the strategy to continue to build a network in the Middle East, an office was opened in Qatar based on own controlled business from Europe.

## OUTLOOK 2012

Revenue is expected to be around DKK 2.5bn (in line with the previous outlook).

The full-year expectations for the EBITDA margin are expected to be around 8.5 per cent (in line with the previous outlook).

The outlook is based on the continued recovery of the worldwide mobility industry experienced in 2011 which is expected to continue in 2012. It is anticipated that the Australian economy will continue to deliver strong results, mainly driven by the mining, gas and engineering industry.

For Asia, it is expected that a continued flow of foreign direct investments into the major markets will bring increased activity for Greater China, South Asia and India, in particular.

The economies in Europe are not likely to grow in 2012. Irrespective, the aim is to continue to grow the business through new accounts, increased partner business as well as continued focus on relocation services.


## INVESTMENT CASE

### Attractive growth potential from expanded geographical platform

- By combining the strengths of WridgWays, Interdean and Santa Fe, the Santa Fe Group has consolidated its position as a world-leading moving and relocation services provider with own operations in 51 countries across Asia, Australia, the Middle East and Europe.
- Continued globalisation and growing demand from international, corporate customers for innovative single-source solutions offer potential for further growth.

### Improving profitability from de-commoditization of product mix

- Service innovations towards more value-added services will increase pricing power.

### Limited capital requirements and strong return on investments

- Strong cash flows from operations and limited working capital requirements for continued organic growth.
- Highly attractive return on investment from underlying business development.

### Strengthened value proposition

- Continued synergy potential from increased scale and expanded geographic platform combined with stronger direct customer base and opportunities to leverage competencies and product development will further strengthen the competitive position.

### Future independence

- As the businesses integrate and achieve the potential from a unique market position, the Santa Fe Group will establish a strong equity story for an initial public offering.

## Income statement (unaudited)

| DKK million | Q1 2012 | *Q1 2011 | Full-year 2011 |
|---|---|---|---|
| **Revenue** | **571** | **315** | **1,797** |
| Cost of sales | 377 | 204 | 1,157 |
| **Gross profit** | **194** | **111** | **640** |
| Selling and distribution expenses | 120 | 62 | 351 |
| Administrative expenses | 58 | 29 | 159 |
| Other operating income | 0 | 0 | 1 |
| Other operating expenses | 0 | 0 | 4 |
| **Operating profit** | **16** | **20** | **127** |
| Financials, net | -8 | -5 | -7 |
| **Profit before income tax expense** | **8** | **15** | **120** |
| Income tax expense | 7 | 6 | 38 |
| **Net profit for the period** | **1** | **9** | **82** |
| **Attributable to:** | | | |
| EAC | 0 | 8 | 71 |
| Non-controlling interests | 1 | 1 | 11 |

## Balance sheet – assets (unaudited)

| DKK million | 31.03. 2012 | * 31.03. 2011 | 31.12. 2011 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 1,119 | 551 | 1,125 |
| Property, plant and equipment | 169 | 85 | 158 |
| Investment in associates | 0 | 0 | 1 |
| Other receivables | 16 | 1 | 9 |
| Deferred tax | 21 | 16 | 21 |
| **Total non-current assets** | **1,325** | **653** | **1,314** |
| **Current assets** | | | |
| Inventories | 16 | 8 | 19 |
| Trade receivables | 385 | 179 | 433 |
| Other receivables | 142 | 58 | 141 |
| Cash and cash equivalents | 117 | 117 | 144 |
| **Total current assets** | **660** | **362** | **737** |
| **Total assets** | **1,985** | **1,015** | **2,051** |

## Cash flow statement (unaudited)

| DKK million | 31.03. 2012 | * 31.03. 2011 | 31.12. 2011 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating profit | 16 | 20 | 127 |
| Adjustment for: | | | |
| Depreciation and amortisation | 9 | 5 | 28 |
| Other non-cash items | -8 | 0 | 5 |
| Change in working capital | 7 | 20 | 7 |
| Interest paid | -8 | -5 | -8 |
| Interest received | 0 | 0 | 1 |
| Corporate taxes paid | -10 | -22 | -45 |
| **Net cash flow from operating activities** | **6** | **18** | **115** |
| **Cash flows from investing activities** | | | |
| Dividends received from associates | | | |
| Investments in intangible assets and property, plant and equipment | -21 | -9 | -52 |
| Proceeds from sale of non-current assets | | | 2 |
| Acquisition of businesses | 1 | | -466 |
| **Net cash flow from investing activities** | **-14** | **-9** | **-516** |
| **Net cash from operating and investing activities** | **-11** | **9** | **-401** |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | 5 | 3 | 6 |
| Repayment of borrowings | -7 | -6 | -46 |
| Loan from Parent company | 2 | | 476 |
| Dividend paid out to non-controlling interests in subsidiaries | -11 | | -12 |
| **Net cash flow from financing activities** | **-11** | **-3** | **424** |
| **Changes in cash and cash equivalents** | **-25** | **6** | **23** |
| Cash and cash equivalents at beginning of year | 144 | 118 | 118 |
| Translation adjustments of cash and cash equivalents | -2 | -7 | 3 |
| **Cash and cash equivalents end of period** | **117** | **117** | **144** |

## Balance sheet – equity and liabilities (unaudited)

| DKK million | 31.03. 2012 | * 31.03. 2011 | 31.12. 2011 |
|---|---|---|---|
| **EAC's share of equity** | **632** | **556** | **639** |
| Non-controlling interests | 10 | 17 | 20 |
| **Total equity** | **642** | **573** | **659** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Borrowings | 106 | 121 | 115 |
| Deferred tax | 91 | 15 | 92 |
| Provisions for other liabilities and charges | 29 | 13 | 32 |
| **Total non-current liabilities** | **226** | **149** | **239** |
| **Current liabilities** | | | |
| Borrowings | 42 | 23 | 39 |
| Payable to the parent company | 480 | 0 | 476 |
| Trade payables | 327 | 158 | 383 |
| Prepayments from customers | 3 | 2 | 3 |
| Other liabilities | 251 | 105 | 236 |
| Current tax payable | 14 | 5 | 16 |
| **Total current liabilities** | **1,117** | **293** | **1,153** |
| **Total liabilities** | **1,343** | **442** | **1,392** |
| **Total equity and liabilities** | **1,985** | **1,015** | **2,051** |

*Interdean was acquired on 1 August 2011

# Sales growth above inflation despite challenging market conditions

## Highlights

- Revenue growth based on sales price increases and additional volumes
- Continued support of brands, focused marketing and product launches drove overall sales
- Solid EBITDA margin based on stable costs for raw materials
- Outlook maintained: Continued high inflation, increased public spending and GDP growth - hence EBITDA margin may be affected by higher labour costs later in 2012

| Reported (IAS 29)<br>DKK million | Q1<br>2012 | Q1<br>2011 | Change | Full-year<br>2011 |
|---|---|---|---|---|
| Revenue | 1,063 | 794 | 33.9% | 4,477 |
| EBITDA | 85 | 49 | 73.5% | 415 |
| EBITDA margin (%) | 8.0 | 6.2 | 1.8pp | 9.3 |
| Operating profit (EBIT) | 43 | 15 | 186.7% | 258 |
| Operating margin (%) | 4.0 | 1.9 | 2.1pp | 5.8 |
| Total assets | 3,769 | 2,696 | 39.8% | 3,960 |
| Working capital employed | 1,181 | 654 | 80.6% | 1,358 |
| Invested capital | 2,786 | 1,681 | 65.7% | 2,890 |
| Net interest bearing debt, end of period | 1,141 | 502 | 127.3% | 1,179 |
| Return on average invested capital (%), annualised | 12.0 | 11.5 | 0.5pp | 18.1 |

| Pro forma (historical accounting policies)<br>DKK million | Q1<br>2012 | Q1<br>2011 | Change | Full-year<br>2011 |
|---|---|---|---|---|
| Revenue | 1,060 | 807 | 31.4% | 3,743 |
| EBITDA | 109 | 78 | 39.7% | 496 |
| EBITDA margin (%) | 10.3 | 9.7 | 0.6pp | 13.3 |
| Operating profit (EBIT) | 88 | 63 | 39.7% | 427 |
| Operating margin (%) | 8.3 | 7.8 | 0.5pp | 11.4 |
| Total assets | 3,215 | 2,322 | 38.5% | 3,418 |
| Working capital employed | 1,135 | 631 | 79.9% | 1,306 |
| Invested capital | 2,005 | 1,193 | 68.1% | 2,125 |
| Net interest bearing debt, end of period | 1,141 | 502 | 127.3% | 1,179 |
| Return on average invested capital (%), annualised | 21.1 | 25.4 | -4.3pp | 29.3 |

**Pro forma figures (historical accounting policies)**
The below comments on the financial development in Q1 2012 are based on pro forma figures prepared under the historical accounting policies without hyperinflation adjustments incorporated as per IAS 29 unless otherwise stated.

**Inflation**
Accumulated inflation by the end of Q1 2012 was 3.5 per cent versus 6.0 per cent during the same period last year. Accumulated inflation during the last 12 months was 24.6 per cent.

### Q1 in review
According to Nielsen Marketing Research the market for cold cuts fell 5 per cent in volume in Q1 2012 versus Q1 2011 mainly due to erosion of consumers' purchasing power caused by inflation. However, Plumrose has managed to uphold sales due to the solid positioning of its brands in the market, launch of new products and strong marketing and promotional support.

On 27 February 2012 the National Superintendence of Costs and Prices, SUNDECOP, published new controlled prices for 612 products in the categories personal care, fruit juices and baby foods. It was announced that reviews of drugs and medical service prices will be continued, and it seems as if revision of cold cut prices will be put on hold for months as other categories will be given higher priority.

### Revenue
Revenue in Q1 2012 grew by 31.4 per cent compared to Q1 2011 reaching DKK 1,060m. In USD, the increase was 26.8 per cent mainly driven by an average net price increase and higher tonnage sold.

Volume of own, branded processed meat products sold increased by 2.4 per cent compared to the Q1 2011 which was mainly driven by the acquisition of La Montserratina in March 2011.

### EBITDA
The EBITDA of DKK 109m grew by 39.7 per cent in DKK and by 38.9 per cent in USD coresponding to an EBITDA-margin of 10.3 per centmainly due to higher selling prices of processed meat products and stable prices of meat raw materials, combined with an increase of fixed costs below inflation.

In March 2011, a general salary raise was granted to all Plumrose employees. This year, a salary raise has been postponed until the new labour law comes into force in May. Hence, the low level of fixed cost compared to last year is not expected to continue.

**Working capital employed** decreased by 10.3 per cent in USD compared to year end 2011 due to lower inventories and trade payables combined with lower accounts receivables due to payments of outstandings from the high revenue in Q4 2011.

→

**Invested capital** decreased by 2.8 per cent in USD compared to year end 2011 primarily due to lower working capital employed partly offset by investments in property, plant and equipment.

**Return on average invested capital (ROIC)** was 21.1 per cent on an annualised basis representing 4.3 percentage points below the corresponding period last year mainly due to increased invested capital year-over-year of 58.3 per cent in USD. Invested capital increased due to investments during 2011 combined with increased working capital employed, mainly inventory. Inventory increased as a result of higher volume, higher prices of raw material driven by the elimination of the VEF/USD 2.60 preferential exchange rate and higher pig prices.

**Investments** in intangible assets, property, plant and equipment amounted to DKK 106m of which DKK 67m was invested in production facilities at Plumrose and La Montserratina. DKK 30m was invested in the pig farm expansions.

Further, DKK 9m was invested at the feed mill and in the set-up of the new uniform laundry service unit, which started operations in April. In future, all uniforms in Plumrose and La Montserratina will be washed by this new entity. Savings will be achieved by insourcing this service.

**Net interest bearing debt** by end of Q1 2012 amounted to DKK 1,141m (DKK 1,179m) which is on par with year-end 2011 in USD. Current and non-current debt amounted to DKK 1,494m compared to DKK 1,650m at the end of 2011 corresponding to a 3 per cent decrease in USD. The decrease in net interest bearing debt was mainly due to lower working capital needs given the reduction of working capital employed in Q1.

97 per cent of the debt portfolio is agro-industrial loans at a current interest rate of 13 per cent.

### Business strategic initiatives

Plumrose continues strongly to support sales and brands with A&P activities with campaigns on TV, radio and printed media. In addition, during Q1 2012 there has been a significant growth in activities within the social media (e.g. Facebook ® and Twitter ®).

**Royalty and dividend payments** were not resumed by CADIVI in the first quarter of 2012 despite continued dialogue with the Venezuelan central bank. However, in March 2012 an extraordinary dividend was paid to the EAC parent company amounting to USD 12.0m. The dividend was paid in USD purchased through government bonds in 2011.

## OUTLOOK 2012 (REPORTED UNDER IAS 29)

Inflation is still estimated to be around 22 per cent in 2012.

GDP growth, based on higher oil prices is expected to be 4.5 per cent in 2012 (slightly above 3.7 per cent from the previous outlook).

The new labour law was enacted on 30 April 2012, and the most important changes will be the reduction of the maximum weekly working hours from 44 to 40 and calculation of labour termination indemnity (severance pay). As the law provides one year as transition period, no significant financial effect is foreseen for the remaining months of 2012.

Consequently, outlook for 2012 is unchanged with revenue of around DKK 5.6bn and an EBITDA margin of around 9.5 per cent. Labour contracts due for negotiation during 2012 will impact labour costs and, hence may affect the EBITDA margin.

### Hyperinflation accounting (IAS 29)

The most material inflation accounting adjustments between the historical accounting policies of Plumrose as well as recognition and measurement after IAS 29 are as follows:

- Revenue increases as it is restated for changes in the general price index from the date of the transaction until 31 March 2012.
- EBITDA decreases due to higher costs of goods sold and fixed costs following restatement for changes in the general price index from the date of the transaction until 31 March 2012.
- EBIT decreases due to higher depreciation charges following the restatement of the property, plant and equipment for changes in the general price index from the date of the transaction until 31 March 2012.
- Total assets increase primarily due to the restatement of the property, plant and equipment to a higher, adjusted level reflecting current purchasing power.

## INVESTMENT CASE

### Market-leading position in high value segments
- From its market-leading position, Plumrose will drive growth further, expanding its portfolio into new product segments and food categories.
- Capacity expansion is a prerequisite for strengthening the product range and increasing volumes.

### Maintaining strong profitability
- Continued focus on product mix, active price management and further investments in production efficiencies create a strong potential for maintaining attractive operating margins and enhanced overall profitability.

### Channelling cash flows into new opportunities for value creation
- Cash flows from operating activities constitute a dynamic platform for a continuous flow of investments to expand activities and ensure long-term value creation in spite of high inflation and currency controls.
- ROIC performance continues to support the overall strategy.

### Opportunities for further expansion
- Market leadership, strong demand and high brand recognition create a solid foundation for further expansion of the product offering and services in the local market.
- With growing economies throughout the Latin American region, opportunities to selectively pursue geographical expansion are becoming increasingly attractive.

## Income statement (unaudited) pro forma (historical accounting policies)

| DKK million | Q1 2012 | Q1 2011 | Full-year 2011 |
|---|---|---|---|
| **Revenue** | **1,060** | **807** | **3,743** |
| Cost of sales | 750 | 562 | 2,519 |
| **Gross profit** | **310** | **245** | **1,224** |
| Selling and distribution expenses | 160 | 125 | 571 |
| Administrative expenses | 46 | 44 | 181 |
| Other operating income | 1 | 0 | 2 |
| Other taxes | 17 | 13 | 47 |
| **Operating profit** | **88** | **63** | **427** |
| Financials, net | -49 | -52 | -159 |
| **Profit before income tax expense** | **39** | **11** | **268** |
| Income tax expense | -3 | 6 | -75 |
| **Net profit for the period** | **42** | **5** | **343** |
| **Attributable to:** | | | |
| EAC | 33 | -5 | 279 |
| Non-controlling interests | 9 | 10 | 64 |

## Balance sheet – assets (unaudited) pro forma (historical accounting policies)

| DKK million | 31.03. 2012 | 31.03. 2011 | 31.12. 2011 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 1 | 6 | 2 |
| Property, plant and equipment | 1,024 | 720 | 976 |
| Livestock | 20 | 12 | 16 |
| Deferred tax | 270 | 101 | 264 |
| **Total non-current assets** | **1,315** | **839** | **1,258** |
| **Current assets** | | | |
| Inventories | 892 | 527 | 966 |
| Trade receivables | 492 | 363 | 559 |
| Other receivables | 163 | 113 | 164 |
| Cash and cash equivalents | 353 | 480 | 471 |
| **Total current assets** | **1,900** | **1,483** | **2,160** |
| **Total assets** | **3,215** | **2,322** | **3,418** |

## Cash flow statement (unaudited) pro forma (historical accounting policies)

| DKK million | 31.03. 2012 | 31.03. 2011 | 31.12. 2011 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating profit | 88 | 63 | 427 |
| Adjustment for: | | | |
| Depreciation and gain/loss from changes in fair-value of livestock | 21 | 15 | 69 |
| Other non-cash items | 5 | -1 | 57 |
| Change in working capital | 159 | 97 | -576 |
| Interest, paid | -49 | -53 | -189 |
| Interest, received | | 1 | 30 |
| Corporate and other taxes paid | -36 | -8 | -69 |
| **Net cash flow from operating activities** | **188** | **114** | **-251** |
| **Cash flows from investing activities** | | | |
| Investments in intangible assets and property, plant and equipment | -106 | -53 | -310 |
| Proceeds from sale of non-current assets | 2 | 2 | 15 |
| Acquisition of businesses | | -63 | -63 |
| **Net cash flow from investing activities** | **-104** | **114** | **-358** |
| **Net cash from operating and investing activities** | **84** | **0** | **-609** |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | 31 | 296 | 1,060 |
| Repayment of borrowings | -137 | -52 | -216 |
| Dividend paid out to non-controlling interests in subsidiaries | | | -22 |
| Dividend paid to the EAC Parent company* | -82 | | |
| **Net cash flow from financing activities** | **-188** | **244** | **822** |
| **Changes in cash and cash equivalents** | **-104** | **244** | **213** |
| Cash and cash equivalents at beginning of year | 471 | 252 | 252 |
| **Translation adjustments of cash and cash equivalents (including devaluation impact)** | **-14** | **-16** | **6** |
| **Cash and cash equivalents end of period** | **353** | **480** | **471** |

## Balance sheet – equity and liabilities (unaudited) pro forma (historical accounting policies)

| DKK million | 31.03. 2012 | 31.03. 2011 | 31.12. 2011 |
|---|---|---|---|
| **EAC's share of equity** | **734** | **598** | **844** |
| Non-controlling interests | 95 | 48 | 88 |
| **Total equity** | **829** | **646** | **932** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Borrowings | 867 | 448 | 982 |
| Deferred tax | 10 | 0 | 9 |
| Provisions for other liabilities and charges | 83 | 39 | 43 |
| **Total non-current liabilities** | **960** | **487** | **1,034** |
| **Current liabilities** | | | |
| Borrowings | 627 | 533 | 668 |
| Trade payables | 249 | 259 | 219 |
| Intercompany payables | 295 | 147 | 270 |
| Other liabilities | 244 | 226 | 222 |
| Current tax payable | 11 | 24 | 37 |
| Provisions for other liabilities and charges | | | 36 |
| **Total current liabilities** | **1,426** | **1,189** | **1,452** |
| **Total liabilities** | **2,386** | **1,676** | **2,486** |
| **Total equity and liabilities** | **3,215** | **2,322** | **3,418** |

* Dividend paid to the EAC Parent Company in March 2012 amounted to VEF 63.6m or equivalent to USD 12.0m (VEF/USD 5.30). However, the applicable rate for translation purposes was the official exchange rate of VEF/USD 4.30. Consequently, the cash flow impact amounted to USD 14.8m or DKK 82m respectively.

## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

| DKK million | Q1 2012 | Q1 2011 | Full-year 2011 |
|---|---|---|---|
| **Revenue** | **1,634** | **1,109** | **6,274** |
| Cost of sales | 1,167 | 795 | 4,367 |
| **Gross profit** | **467** | **314** | **1,907** |
| Selling and distribution expenses | 284 | 190 | 1,067 |
| Administrative expenses | 120 | 88 | 434 |
| Other operating income | 1 | 0 | 5 |
| Other operating expenses | 0 | 0 | 24 |
| Other taxes | 17 | 13 | 57 |
| **Operating profit** | **47** | **23** | **330** |
| Financial income | 35 | 20 | 251 |
| Financial expenses | 66 | 60 | 244 |
| Share of profit in associates | 1 | 0 | 2 |
| **Profit before income tax expense** | **17** | **-17** | **339** |
| Income tax expense | 22 | 36 | 97 |
| **Net profit for the period** | **-5** | **-53** | **242** |
| **Attributable to:** | | | |
| Equity holders of the Parent EAC | -14 | -62 | 162 |
| Non-controlling interests | 9 | 9 | 80 |
| Earnings per share (DKK) | -1.2 | -5.0 | 13.3 |
| Earnings per share diluted (DKK) | -1.2 | -5.0 | 13.3 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

| DKK million | Q1 2012 | Q1 2011 | Full-year 2011 |
|---|---|---|---|
| **Net profit/loss for the period** | **-5** | **-53** | **242** |
| **Other comprehensive income:** | | | |
| **Foreign exchange adjustments, etc.:** | | | |
| Foreign currency translation adjustments, foreign entities | -68 | -114 | 6 |
| Inflation adjustment for the period (and at 1 January) | 53 | 82 | 338 |
| **Other adjustments:** | | | |
| Tax on other comprehensive income | 0 | 0 | 0 |
| **Other comprehensive income net of tax** | **-15** | **-32** | **344** |
| **Total comprehensive income for the period** | **-20** | **-85** | **586** |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the Parent EAC | -28 | -93 | 478 |
| Non-controlling interests | 8 | 8 | 108 |

## CONSOLIDATED BALANCE SHEET – ASSETS (UNAUDITED)

| DKK million | 31.03. 2012 | 31.03. 2011 | 31.12. 2011 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 1,132 | 569 | 1,140 |
| Property, plant and equipment | 1,937 | 1,266 | 1,855 |
| Livestock | 22 | 14 | 17 |
| Investment in associates | 26 | 24 | 25 |
| Other investments | 11 | 10 | 11 |
| Deferred tax | 64 | 18 | 62 |
| Other receivables | 16 | 1 | 10 |
| **Total non-current assets** | **3,208** | **1,902** | **3,120** |
| **Current assets** | | | |
| Inventories | 954 | 558 | 1,036 |
| Trade receivables | 878 | 542 | 992 |
| Other receivables | 307 | 184 | 316 |
| Current tax receivable | 3 | | 2 |
| Cash and cash equivalents | 485 | 1,159 | 629 |
| **Total current assets** | **2,627** | **2,443** | **2,975** |
| **Total assets** | **5,835** | **4,345** | **6,095** |

## CONSOLIDATED BALANCE SHEET – EQUITY & LIABILITIES (UNAUDITED)

| DKK million | 31.03. 2012 | 31.03. 2011 | 31.12. 2011 |
|---|---|---|---|
| **Equity** | | | |
| Share capital | 864 | 960 | 864 |
| Other reserves | 406 | 72 | 419 |
| Treasury shares | -24 | -76 | -24 |
| Retained earnings | 1,346 | 1,202 | 1,359 |
| Proposed dividend | | | 62 |
| **EAC's share of equity** | **2,592** | **2,158** | **2,680** |
| Non-controlling interests | 163 | 103 | 166 |
| **Total equity** | **2,755** | **2,261** | **2,846** |
| **Liabilities** | | | |
| Non-current liabilities | | | |
| Borrowings | 974 | 571 | 1,098 |
| Deferred tax | 147 | 89 | 144 |
| Provisions for other liabilities and charges | 55 | 47 | 54 |
| Defined benefit obligations | 12 | | 12 |
| **Total non-current liabilities** | **1,188** | **707** | **1,308** |
| **Current liabilities** | | | |
| Borrowings | 669 | 556 | 764 |
| Trade payables | 577 | 418 | 602 |
| Prepayments from customers | 3 | 2 | 2 |
| Other liabilities | 514 | 357 | 475 |
| Dividends payable | 62 | | |
| Current tax payable | 22 | 39 | 53 |
| Provisions for other liabilities and charges | 45 | 5 | 45 |
| **Total current liabilities** | **1,892** | **1,377** | **1,941** |
| **Total liabilities** | **3,080** | **2,084** | **3,249** |
| **Total equity and liabilities** | **5,835** | **4,345** | **6,095** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

| DKK million | Share capital | Trans-lation reserves | Treasury shares | Retained earnings | Proposed dividend for the year | EAC's share of equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| **Equity at 1 January 2012** | **864** | **419** | **-24** | **1,359** | **62** | **2,680** | **166** | **2,846** |
| **Comprehensive income for the period** | | | | | | | | |
| Profit for the period | | | | -15 | | -15 | 10 | -5 |
| **Other comprehensive income** | | | | | | | | |
| Foreign currency translation adjustments, foreign entities | | -61 | | | | -61 | -7 | -68 |
| Inflation adjustment for the period and at 1 January | | 48 | | | | 48 | 5 | 53 |
| Total other comprehensive income | 0 | -13 | 0 | 0 | 0 | -13 | -2 | -15 |
| **Total other comprehensive income for the period** | **0** | **-13** | | **-15** | **0** | **-28** | **8** | **-20** |
| **Transactions with the equity holders** | | | | | | | | |
| Ordinary dividends approved by the shareholders on 27 March 2012 | | | | | -60 | -60 | -11 | -71 |
| Dividends, treasury shares | | | | 2 | -2 | 0 | | 0 |
| Share-based payments | | | | 0 | | 0 | | 0 |
| **Total transactions with the equity holders** | **0** | **0** | **0** | **2** | **-62** | **-60** | **-11** | **-71** |
| **Equity at 31 March 2012** | **864** | **406** | **-24** | **1,346** | **0** | **2,592** | **163** | **2,755** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Equity at 1 January 2011** | **960** | **103** | **-76** | **1,306** | **69** | **2,362** | **95** | **2,457** |
| **Comprehensive income for the period** | | | | | | | | |
| Profit for the period | | | | -62 | | -62 | 9 | -53 |
| **Other comprehensive income** | | | | | | | | |
| Foreign currency translation adjustments, foreign entities | | -109 | | | | -109 | -5 | -114 |
| Inflation adjustment for the period and at 1 January | | 78 | | | | 78 | 4 | 82 |
| Total other comprehensive income | 0 | -31 | 0 | 0 | 0 | -31 | -1 | -32 |
| **Total other comprehensive income for the period** | **0** | **-31** | **0** | **-62** | **0** | **-93** | **8** | **-85** |
| **Transactions with the equity holders** | | | | | | | | |
| Ordinary dividends paid to shareholders | | | | | -69 | -69 | | -69 |
| Dividends, treasury shares | | | | 7 | | 7 | | 7 |
| Purchase of treasury shares | | | | -50 | | -50 | | -50 |
| Share-based payments | | | | 1 | | 1 | | 1 |
| **Total transactions with the equity holders** | **0** | **0** | **0** | **-42** | **-69** | **-111** | **0** | **-111** |
| **Equity at 31 March 2011** | **960** | **72** | **-76** | **1,202** | **0** | **2,158** | **103** | **2,261** |

# CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

| DKK million | 31.03. 2012 | 31.03. 2011 | 31.12. 2011 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating profit | 47 | 23 | 330 |
| Adjustment for: | | | |
| Depreciation and amortisation | 52 | 39 | 186 |
| Other non-cash items | 32 | 52 | 27 |
| Change in working capital | 218 | 159 | -401 |
| Interest, paid | -65 | -58 | -198 |
| Interest, received | 1 | -67 | 11 |
| Corporate taxes paid | -53 | 25 | -168 |
| **Net cash flow from operating activities** | **232** | **173** | **-213** |
| **Cash flows from investing activities** | | | |
| Dividends received from associates | | -57 | 2 |
| Investments in intangible assets and property, plant and equipment | -128 | 1 | -385 |
| Proceeds from sale of non-current assets | 2 | -63 | 22 |
| Acquisition of businesses | | | -529 |
| **Net cash flow from investing activities** | **-126** | **-119** | **-890** |
| **Net cash flow from operating and investing activities** | **106** | **54** | **-1,103** |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | 26 | 280 | 1,113 |
| Repayment of borrowings | -249 | -83 | -246 |
| Dividend paid out to non-controlling interests in subsidiaries | -11 | | -37 |
| Purchase of own shares | | -50 | -102 |
| Dividend paid out | | -62 | -62 |
| **Net cash flow from financing activities** | **-234** | **85** | **666** |
| **Changes in cash and cash equivalents** | **-128** | **139** | **-437** |
| Cash and cash equivalents at beginning of year | 629 | 1,054 | 1,054 |
| Translation adjustments of cash and cash equivalents | -16 | -34 | 12 |
| **Cash and cash equivalents end of period** | **485** | **1,159** | **629** |

The Group's cash balance includes DKK 353m (end of 2011: DKK 471m) relating to cash in subsidiaries in countries with currency controls or other legal restrictions. Accordingly, this cash is not available for immediate use by the Parent Company or other subsidiaries.

# NOTES (UNAUDITED)

## NOTE 1 – GENERAL INFORMATION

The East Asiatic Company Ltd. A/S (the Company) and its subsidiaries (together the Group) have the following two lines of business:

- **The Santa Fe Group** provides moving, value-added relocation and records management services to corporate and individual clients.
- **Plumrose** is an integrated manufacturer and distributor of processed meat products in Venezuela.

The Company is a limited liability company incorporated and domiciled in Denmark. The address of its registered office is 20 Indiakaj, DK-2100 Copenhagen Ø, Denmark.

The company has its listing on NASDAQ OMX Copenhagen A/S.

On 15 May 2012 the Supervisory Board approved this interim report for issue.

Figures in the Interim Report Q1 2012 are presented in DKK million unless otherwise stated.

## NOTE 2 – ACCOUNTING POLICIES

**Basis of preparation of the Interim Report Q1 2012**

The Interim Report Q1 2012 contains condensed consolidated financial statements of The East Asiatic Company Ltd. A/S.

The Interim Report Q1 2012 has been prepared in accordance with IAS 34 Interim Financial Reporting (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

The Interim Report Q1 2012 has been prepared using the same accounting policies as the EAC Annual Report 2011, except as described below in note 3.

A description of the accounting policies is available on pages 47-53 of the EAC Annual Report 2011.

**Hyperinflation**

Venezuela is classified as a hyperinflationary economy. As a consequence, the accounting figures for Plumrose' activities in Venezuela have been adjusted for inflation prior to translation to the Group's presentation currency. Since the EAC Group's presentation currency, DKK, is non-inflationary, comparatives are not adjusted for the effects of inflation in the current period.

IAS 29 and IAS 21 require the end-of-period reporting exchange rate to be applied when translating both the income statement and the balance sheet from the hyperinflationary currency, VEF, into the presentation currency of the EAC Group, DKK. Comparatives are not adjusted for the effects of translation in the current period.

The effect of the inflation adjustment for 2011 is described in detail in note 38 to the EAC Annual Report 2011, page 81.

**Significant accounting estimates and judgements**

The estimates used by the EAC Group when calculating the carrying amount of assets and liabilities build upon assumptions that depend upon future events. These include, among other things, impairment tests of intangible assets.

A description of these risks is available in note 2 to the EAC Annual Report 2011, page 52.

## NOTE 3 – NEW ACCOUNTING STANDARDS / CHANGES IN ACCOUNTING POLICIES

As of 1 January 2012, the EAC Group has implemented the standards and interpretations, which are mandatory for the preparation of the annual report for 2012.
None of these standards or interpretations have impacted the recognition and measurement in the financial reporting of the EAC Group for Q1 2012.

## NOTE 4 – PROVISIONS FOR OTHER LIABILITIES AND CHARGES

There have been no significant movements other than currency translation since year end 2011. For further information, please refer to the EAC Annual Report 2011, page 67, note 24.

## NOTE 5 – CONTINGENT LIABILITIES

Contingent liabilities are unchanged since year-end of 2011. For further information, please refer to the EAC Annual Report 2011, page 80, note 34.

# NOTES (UNAUDITED)

## NOTE 6 – OPERATING SEGMENTS

| Q1<br>DKK million | Santa Fe Group (Moving and relocation services) 2012 | 2011 | Plumrose (Processed meat products) 2012 | 2011 | Reportable segments 2012 | 2011 | Parent and unallocated activities 2012 | 2011 | EAC Group, pro forma (historical accounting policy) 2012 | 2011 | Inflation and foreign exchange rate adjustments 2012 | 2011 | Reported EAC Group (IAS 29) 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income statement** | | | | | | | | | | | | | | |
| **External revenue** | 571 | 315 | 1,060 | 807 | 1,631 | 1,122 | 0 | 0 | 1,631 | 1,122 | 3 | -13 | 1,634 | 1,109 |
| **Earnings before interests, taxes, depreciation and amortisation (EBITDA)** | 26 | 26 | 109 | 78 | 135 | 104 | -12 | -13 | 123 | 91 | -24 | -29 | 99 | 62 |
| Depreciation and amortisation | 10 | 6 | 21 | 15 | 31 | 21 | 0 | 0 | 31 | 21 | 21 | 18 | 52 | 39 |
| **Reportable segment operating profit (EBIT)** | 16 | 20 | 88 | 63 | 104 | 83 | -12 | -13 | 92 | 70 | -45 | -47 | 47 | 23 |
| **Balance sheet** | | | | | | | | | | | | | | |
| **Total assets** | 1,985 | 1,015 | 3,215 | 2,322 | 5,200 | 3,337 | 81 | 612 | 5,281 | 3,949 | 554 | 396 | 5,835 | 4,345 |

The segment reporting is based on the internal management reporting in which pro forma figures are prepared under the historical accounting policies without any hyperinflation adjustments. Such adjustments are presented separately.

EAC's operating segments comprise strategic business units which sell different products and services. The segments are managed independently of each other and have different customers. No inter segment sales occur. Each segment comprises a set of units, and none of these are of a magnitude which requires them to be viewed as a separate reportable segment.

Reconciliation items in "Parent and unallocated activities" are primarily related to corporate costs and corporate assets including cash and cash equivalents held by the Parent Company.

### Reported (IAS 29), Group revenue and EBITDA

| Q1<br>DKK million | Revenue 2012 | Revenue 2011 | Revenue Change in DKK, % | Revenue Change in USD/local curren-cies, % | EBITDA 2012 | EBITDA 2011 | EBITDA Change in DKK, % | EBITDA Change in USD/local curren-cies, % |
|---|---|---|---|---|---|---|---|---|
| Santa Fe Group | 571 | 315 | 81.3 | 69.9 | 26 | 26 | 0.0 | -7.0 |
| Plumrose | 1,063 | 794 | 33.9 | 26.2 | 85 | 49 | 73.5 | 69.6 |
| **Business segments** | **1,634** | **1,109** | **47.3** | **38.3** | **111** | **75** | **48.0** | **41.6** |
| Parent and other activities | | | | | -12 | -13 | -7.7 | |
| **EAC GROUP** | **1,634** | **1,109** | **47.3** | **38.3** | **99** | **62** | **59.7** | **51.7** |

### Pro forma (historical accounting policies), Group revenue and EBITDA

| Q1<br>DKK million | Revenue 2012 | Revenue 2011 | Revenue Change in DKK, % | Revenue Change in USD/local curren-cies, % | EBITDA 2012 | EBITDA 2011 | EBITDA Change in DKK, % | EBITDA Change in USD/local curren-cies, % |
|---|---|---|---|---|---|---|---|---|
| Santa Fe Group | 571 | 315 | 81.3 | 69.9 | 26 | 26 | 0.0 | -7.0 |
| Plumrose | 1,060 | 807 | 31.4 | 26.8 | 109 | 78 | 39.7 | 38.9 |
| **Business segments** | **1,631** | **1,122** | **45.4** | **41.4** | **135** | **104** | **29.8** | **25.7** |
| Parent and other activities | | | | | -12 | -13 | -7.7 | |
| **EAC GROUP** | **1,631** | **1,122** | **45.4** | **41.4** | **123** | **91** | **35.2** | **30.5** |

# NOTES (UNAUDITED)

## NOTE 6 – OPERATING SEGMENTS (CONTINUED)

**Consolidated quarterly summary in DKK based on pro forma figures (historical accounting principles)**

| | 2011 | | | | | 2012 |
|---|---|---|---|---|---|---|
| DKK million | 1 | 2 | Quarter 3 | 4 | Full year | Quarter 1 |
| **Santa Fe Group** | | | | | | |
| **Revenue** | **315** | **316** | **592** | **574** | **1.797** | **571** |
| - Growth vs. same qtr. prev. year (%) | 152.0 | 100.0 | 200.5 | 258.8 | 180.8 | 81.3 |
| **EBITDA** | **26** | **22** | **66** | **41** | **155** | **26** |
| - EBITDA margin (%) | 8.3 | 7.0 | 11.1 | 7.1 | 8.6 | 4.6 |
| **Plumrose** | | | | | | |
| **Revenue** | **807** | **844** | **941** | **1.151** | **3,743** | **1,060** |
| - Growth vs. same qtr. prev. year (%) | 43.1 | 21.6 | 20.8 | 25.2 | 26.6 | 31.4 |
| **EBITDA** | **78** | **127** | **105** | **186** | **496** | **109** |
| - EBITDA margin (%) | 9.7 | 15.0 | 11.2 | 16.2 | 13.3 | 10.3 |
| **Business segments** | | | | | | |
| **Revenue** | **1,122** | **1,160** | **1,533** | **1,725** | **5,540** | **1,631** |
| - Growth vs. same qtr. prev. year (%) | 62.8 | 36.0 | 57.1 | 59.9 | 54.1 | 45.4 |
| **EBITDA** | **104** | **149** | **171** | **227** | **651** | **135** |
| - EBITDA margin (%) | 9.3 | 12.8 | 11.2 | 13.2 | 11.8 | 8.3 |
| **EAC Group - Continued Operations** | | | | | | |
| **Revenue** | **1,122** | **1,160** | **1,533** | **1,725** | **5,540** | **1,631** |
| - Growth vs. same qtr. prev. year (%) | 62.8 | 36.2 | 57.1 | 59.9 | 54.1 | 45.4 |
| **EBITDA** | **91** | **135** | **153** | **217** | **596** | **123** |
| - EBITDA margin (%) | 8.1 | 11.6 | 10.0 | 12.6 | 10.8 | 7.5 |

## NOTE 7 – OUTSTANDING ROYALTY AND DIVIDEND FROM VENEZUELA

EAC Parent Company royalty receivable at exchange rate VEF/USD 4.30 from Plumrose are summarised below as at 31 March 2012:

| Period | USD ‘000 |
|---|---|
| Q4 2009 | 4,286 |
| 2010 | 17,996 |
| 2011 | 23,803 |
| Q1 2012 | 6,190 |
| **Total** | **52,275** |

Dividends to the Parent Company are expected to be ratified at VEF/USD 4.30. Outstanding dividends are summarised below as at 31 March 2012:

| Period | USD ‘000 |
|---|---|
| 2007 | 22,866 |
| 2008 | 14,163 |
| 2009 | 152 |
| 2010 | 19,597 |
| **Total** | **56,778** |

# NOTES (UNAUDITED)

## NOTE 8 – ACQUISITION OF ACTIVITIES

| DKK million | | | | 2011 |
|---|---|---|---|---|
| Name of business | Primary activity | Acquisition date | Holding acquired | Provisional cost |
| Interdean International Relocation Group | Moving & Relocation Services | 01.08.2011 | 100% | 482 |

On 1 August 2011, the Santa Fe Group completed the acquisition of Europe's leading moving and relocation services company, Interdean International Relocation Group. The Santa Fe Group has taken over 100 per cent of Interdean's share capital at a total cash price of EUR 65m corresponding to DKK 482m on a cash and debt free basis excluding certain working capital adjustments, etc., and a contingent consideration of EUR 0-5m (DKK 0-37m) depending on Interdean's earnings in 2011, which did not give rise to any additional payments. The cost of the acquisition is at this point in time provisionally determined. The acquisition will be financed through a combination of equity and debt.

Headquartered in the UK, Interdean was established in 1959. Interdean operates from 48 relocation service centres and employs 1,200 service staff in 35 countries across Europe (including Russia) and Central Asia.

In 2010, Interdean reported revenue of EUR 145m (DKK 1,081m) and an EBITDA of around EUR 7.0m (DKK 52m).

Joining forces with Interdean provides the Santa Fe Group with an important entry to both Europe and Central Asia where the company will have a market-leading position complementary to its solid footprint in Asia, Australia and the Middle East.

In addition to strengthened revenue and significantly expanded geographical footprint, the acquisition of Interdean offers the Santa Fe Group several valuable competitive advantages: A very large proportion of Interdean's business volume is generated from direct accounts among corporate headquarters across Europe requesting one-stop solutions irrespective of whether the service is needed in Europe, Asia, Australia or the Middle East regions - or between these regions. This acquisition means that the Santa Fe Group will be able to offer fully controlled service deliveries for its customers in an expanded geographical scope – an improvement which will also benefit the business' existing customers and partners. Moreover, the enhanced business platform significantly strengthens its competitive position to obtain new multinational customers - an advantage which is already apparent within the recently combined Santa Fe/WridgWays organisation. In addition, significant growth synergies can be achieved by leveraging the Santa Fe Group's sophisticated service solutions and concepts across Interdean's 48 offices.

| | Fair value at acquisition date (provisional) |
|---|---|
| Intangible assets | 249 |
| Property, plant and equipment | 45 |
| Financial assets, non-current | 1 |
| Inventories | 7 |
| Receivables | 438 |
| Provisions and defined benefit obligations | -14 |
| Deferred tax, net | -67 |
| Borrowings | -21 |
| Bank overdrafts | -12 |
| Trade payables and other liabilities etc. | -436 |
| Net assets | 190 |
| Non-controlling interests | - |
| Equity, EAC's share | 190 |
| Goodwill | 292 |
| Purchase price | 482 |
| Deferred payment | -16 |
| Cash and cash equivalents, acquired | 0 |
| **Cash outflow, net** | **466** |

# NOTES (UNAUDITED)

## NOTE 8 – ACQUISITION OF ACTIVITIES (CONTINUED)

Overall, the acquisition offers a unique strategic platform for continued growth and value creation with further attractive expansion opportunities in the Middle East and in those parts of Europe and Asia-Pacific where the company is not currently present.

Acquisition costs paid by the EAC Group to investment bankers, legal advisors, etc., amounted to DKK 20m, which have been recognised in the income statement as other operating expenses.

Based on a provisional purchase allocation, the fair value of Interdean identified assets, liabilities and contingent liabilities at the acquisition date are outlined in the table above.

In connection with the acquisition, the EAC Group has recognised intangible assets, including customer relationships and trademark, at fair value:

- Customer relationships have been valued based on the historical retention period using the Multi-period Excess Earnings method (MEEM) and a discounted rate of 14.6% before tax. Customer relationships will be amortised over 12 years on a straight line basis.
- The Interdean trademark has been valued based on a royalty rate of 2% using the relief-from-royalty method and a discount rate of 14.6% before tax. Since the Interdean trademark has been in use for many years, it is assumed to have an indefinite useful life. The trademark will accordingly not be subject to amortisation but tested annually for impairment.

The fair value of certain asset groups within property, plant and equipment have been determined using the market value for second hand assets in a similar condition. The fair value of other property, plant and equipment is based on the depreciated replacement cost approach.

Receivables recognised at their provisional fair value of DKK 438m relate to gross contractual receivables in the amount of DKK 447m net of DKK 9m which is not expected to be collected.

In the provisional purchase price allocation, no contingent liabilities or operating leases at off-market terms have been identified.

Goodwill recognised on the acquistion, DKK 292m, represents revenue synergies derived from improved geographical coverage by creating a single source solution in Europe through Asia to Australia for clients and partners seeking mobility solutions on a regional basis. Further goodwill represents intellectual capital presented by the acquired staff and exchange of best practices within the Group combined with cost efficiencies due to the strength of combined forces. The goodwill is not expected to be deductible for tax purposes.

The allocation of goodwill to cash generating units within the Interdean Group has not yet been completed.

Due to the timing of the transaction, the purchase price allocation described above is provisional, primarily within the areas property, plant and equipment, receivables and deferred taxes.

If the acquisition had occurred on 1 January 2011, Group revenue for 2011 would have increased by approximately DKK 0.6bn and EBITDA by around DKK 35m.

# MANAGEMENT'S STATEMENT

The Executive and the Supervisory Boards have today discussed and approved the interim report of The East Asiatic Company Ltd. A/S for the interim period 1 January to 31 March 2012.

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed companies.

In our opinion the interim report gives a true and fair view of the EAC Group's assets, liabilities and financial position as of 31 March 2012 and of the results of the EAC Group's operations and the consolidated cash flow for the interim period 1 January to 31 March 2012.

Further, in our opinion the Management's review includes a fair review of the development in the EAC Group's operations and economical conditions, the result of the EAC Group's operations and the financial position as a whole, and describes the significant risks and uncertainties affecting the EAC Group.

Copenhagen, 15 May 2012

**The East Asiatic Company Ltd. A/S**

**Executive Board**

Niels Henrik Jensen

**Supervisory Board**

| | |
|---|---|
| Henning Kruse Petersen<br>Chairman | Preben Sunke<br>Deputy Chairman |
| Connie Astrup-Larsen | Mats Lönnqvist |

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