



BY APPOINTMENT TO THE ROYAL DANISH COURT

Royal Greenland®



ANNUAL REPORT
Royal Greenland A/S
2012/2013
October 1st 2012 - September 30th 2013



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Royal Greenland A/S
2012/2013
October 1st 2012 - September 30th 2013

Reg.nr. 184.991

*The annual report has been prepared and
approved by the ordinary Annual General
Meeting on February 10th 2014*

*Gedion Jeremiassen
Chairman of the Annual General Meeting*

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The pictures in the annual report mainly derive from Royal Greenland's internal archive. In addition, a number of employees have on request contributed their own pictures.

Front cover: Akamalik. Photo: RG

Photo: RG



Photo: RG

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 2012 – September 30th 2013.

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 17th 2013

Executive Board

Mikael Thinghuus
Bruno Olesen

Nils Duus Kinnerup
Lars Nielsen

Supervisory Board

Niels Harald de Coninck-Smith
Svend Bang Christiansen
Sara Heilmann
Lars Berthelsen
Niels Ole Møller

Marie Fleischer
Pernille Fabricius
Peder Tuborgh
Peter Korsbæk

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 2012 – 30 September 2013, comprising the statement by the Supervisory Board and the Executive Board, Management's annual 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 Financial Statements Act.

Management's responsibility

Management is responsible for the preparation of an annual report that gives a true and fair view in accordance with the Danish Financial Statements Act. 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 the 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 opinion.

Our audit has not resulted in any qualification.

Conclusion

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 2013 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 October 2012 – 30 September 2013 in accordance with the Danish Financial Statements Act.

Copenhagen, December 17th 2013

KPMG Grønland - Statsautoriseret Revisionsanpartsselskab

Claus Hammer-Pedersen - State Authorised Public Accountant

Jens Weiersøe Jakobsen - State Authorised Public Accountant

COMPANY

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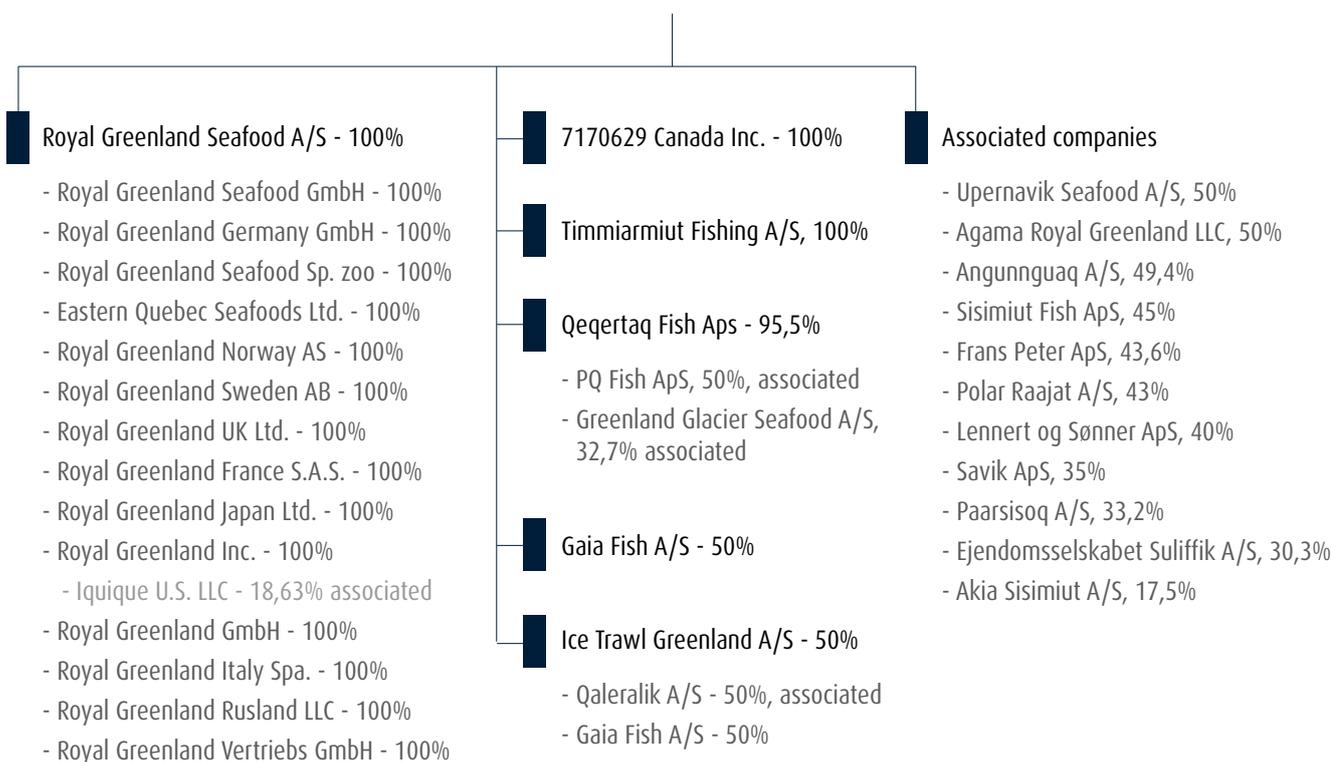
FINANCIAL YEAR: October 1st – September 30th
REGISTERED IN: Kommuneqarfik Sermersooq

The Government of Greenland owns all shares in the Company.

AUDITORS: KPMG Grønland
 Statsautoriseret Revisionsanpartsselskab

GROUP CHART

ROYAL GREENLAND A/S



SUPERVISORY BOARD



EXECUTIVE BOARD



*) employee representatives

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

FINANCIAL HIGHLIGHTS AND KEY RATIOS

KEY FIGURES - DKK mill,	2012/13	2011/12	2010/11	2009/10	2008/09	PROFIT/LOSS
Net revenue	5,312	4,976	4,724	4,249	4,741	
Profit from ordinary operating activities (EBIT)	183	241	171	73	(86)	
Net financials	(15)	(60)	(40)	(88)	(124)	
Net profit before tax	168	180	131	(15)	(210)	
Net profit for the year	100	136	79	(43)	(196)	

KEY FIGURES - DKK mill,	2012/13	2011/12	2010/11	2009/10	2008/09	BALANCE SHEET
Fixed assets	1,271	1,314	1,435	1,430	1,378	
Net working capital	1,402	1,544	1,480	1,545	1,411	
Equity	1,066	1,009	882	803	831	
Net interest-bearing debt	1,407	1,599	1,773	1,976	1,859	
Balance sheet total	3,787	3,853	4,066	3,748	3,717	
Investments in property, plant and equipment	138	109	130	98	168	

	2012/13	2011/12	2010/11	2009/10	2008/09	RATIOS IN %
EBIT-margin	3.4	4.8	3.6	1.7	(1.8)	
EBT-margin	3.2	3.6	2.8	(0.4)	(4.4)	
ROIC including goodwill	7.9	9.9	6.8	2.9	(3.0)	
Return on equity (ROE)	10.9	15.7	10.2	(4.3)	(23.4)	
Equity ratio	28.4	26.8	22.4	22.0	22.4	
Net interest-bearing debt / EBITDA	4.3	3.9	4.9	8.0	18.8	

	2012/13	2011/12	2010/11	2009/10	2008/09	NUMBER OF EMPLOYEES
Greenland	910	832	793	826	855	
Denmark	227	234	236	251	297	
Other locations	920	896	859	857	928	
Total	2,057	1,962	1,888	1,934	2,080	



Photo: RG

New strategy – The North Atlantic Champion

As a natural consequence of the continued positive commercial trends, Royal Greenland has adopted and implemented a new strategy.

**Our vision is quite simply to become
"The North Atlantic Champion".**

Royal Greenland aims to be the world's leading supplier of North Atlantic seafood and related products. We wish to be

the closest company to the fish, the closest to the customer,
and the closest to the consumer.

Royal Greenland's **MISSION** – its raison d'être, is:

"We sustainably maximise the value of the North Atlantic marine resources to the benefit of Greenland."

Through our Greenlandic origin and our strong anchoring in high-quality products, Royal Greenland's main task is to refine and develop the North Atlantic fishery resources for the maximum benefit of our owners and the Greenlandic community, on a basis which is sustainable in terms of both resources and finances.

This strategy has given rise to a clear division and prioritisation of the company's activities, with a focus on growth in the core areas where we already are strongest: halibut, cooked and peeled prawns, and shell-on prawns. Within these three categories, we wish to be the world's largest and best supplier.

In other core areas, such as crabs, lumpfish roe, Greenlandic cod and flatfish, while we may not necessarily be the largest operator on the market, we must deliver at top level.

Other categories, such as salmon, warm-water prawns and non-Greenlandic cod, we regard as supplementary products.

The strategy represents an ambitious growth plan with clear goals in terms of both market and raw materials within the core areas of halibut, cooked and peeled prawns, and shell-on prawns.

The agreement entered into to sell the fish finger factory in Wilhelmshaven fits perfectly into the strategy, as the production and sale of fish finger products for the retail segment in Europe does not have a natural link with the North Atlantic products.

The sales agreement enters into force on 1 December 2013, and will result in a considerably smaller group, as revenue will be reduced by DKK 1.3 billion, but conversely will bring about a much more focused group with approximately the same earnings.

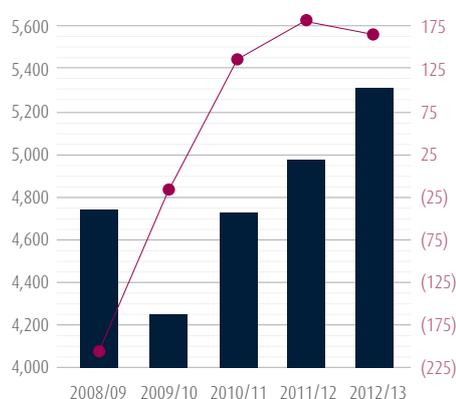
Accounts

The financial year 2012/13 confirms the correctness of the strategic direction, despite a number of financial challenges in the course of the year.

The net profit of DKK 100 million is below the level for last year, but represents the third year in a row with significant positive earnings, and in terms of profit before tax, 2012/13 is only marginally beneath last year's level. Overall, the result is consequently regarded as satisfactory.

For the third consecutive year, Royal Greenland has achieved an organic growth in revenue – 7% in 2012/13. This growth can be divided into 4% growth due to product mix and higher sales prices, and 3% growth in volumes sold.

■ Net revenue (DKK mill.) ■ Profit before tax (DKKmill.)



Our strong position in our core businesses – cooked and peeled prawns, shell-on prawns and halibut – has been retained, which is highly satisfactory, especially in the light of declining prawn quotas and the significantly higher taxes on Greenlandic fisheries in the Group's principal species.

Conversely, cod and smoked products have in combination shown a decline of more than DKK 60 million, due to falling sales prices for cod and rising raw materials prices for salmon.

The rising quotas for cod, not least in the Barents Sea, have meant that prices have fallen by about 20% compared to the previous year, resulting in a drop in earnings of DKK 30 million. This means that cod is now a loss-making business for Royal Greenland, with a loss of more than DKK 30 million in 2012/13. The Group has only limited possibilities to reduce its costs in this activity, which ceteris paribus will require the closure of a number of production sites in Greenland.

Correspondingly, there has been a deficit in the smoked products area after previous profitable activity, as it has not been possible to reflect the rising prices for raw materials in the sales prices.

The associated companies show a decline of DKK 33 million, deriving from the companies Iquique, Upernavik Seafood and Qaleralik, which operate in the fishing and processing of flatfish from Alaska and near-shore and deep-sea halibut, respectively. The trends in Iquique have been characterised by falling prices for flatfish and large shipyard costs, while Qaleralik has been burdened by the need to replace the trawler Manu with the trawler Tuugalik. Upernavik Seafood has experienced increased operating costs.

Financial items were reduced by DKK 79 million, of which DKK 68 million is due to positive value ad-adjustments attributable to the hedged levels for JPY, GBP and USD in relation to current trends. As a consequence of the lower interest-bearing debt, interest expenditure fell by DKK 30 million.

The considerable fluctuations in value adjustments from year to year are closely related to developments in the company's contribution margin, as value adjustments are predominantly related to coverage of exchange risks due to fishing and sales being conducted in different currencies. In many ways, pre-tax profit thus provides the best indicator of the company's real operating earnings. The pre-tax profit for the year comprises DKK 168 million, as against DKK 180 million last year.

The Company's effective tax rate is 33%, which reflects the fact that the company's earnings primarily derive from its North Atlantic operations, and are therefore taxed in Greenland.

■ Interest-bearing debt (DKK mill.) ■ Interest-bearing debt / EBITDA

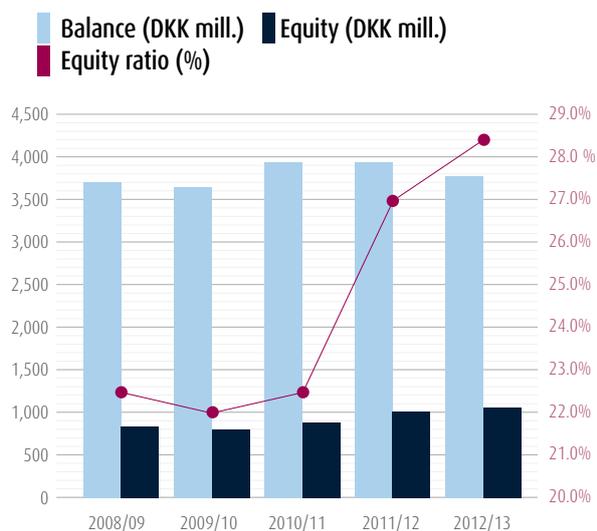


At year-end, the interest-bearing debt amounted to DKK 1.4 billion, as against DKK 2.3 billion at the end of 2007/08, and this will continue to be a strategic focus area. The ambition is to reduce Royal Greenland's interest-bearing debt to DKK 1 billion, so that the Company can obtain sufficient financial freedom to pursue the long-term goal of expansion in its core areas.

Interest-bearing debt was reduced by DKK 192 million in 2012/13, and comprises a factor of 4.3 in relation to EBITDA, as against 3.9 last year (and 18.8 times EBITDA in 2008/09).

This development has been driven by a positive cash flow of DKK 195 million from operations and investments. The total cash flow for the year was DKK 120 million, as loans worth a total of DKK 75 million have been redeemed or repaid. The instalments included the fixed instalment of DKK 50 million on the subordinated loan from the Government of Greenland, which has thereby reduced the subordinated loan to DKK 100 million.

Working capital has been reduced by DKK 142 million as a consequence of falling inventories. The reduction does not fully meet expectations. Working capital remains high, and efforts are being made through a number of initiatives to reduce it.



Equity capital grew from DKK 1,009 million to DKK 1,066 million. The Company's equity ratio comprises 28.4%, down from 26.8% last year. Including the subordinated loan from its owners, the Company's equity ratio is 30.8 percent.

Pursuant to the agreement with the Government of Greenland, DKK 50 million has been allocated as dividends on the net profits for the year. Tax payable in Greenland amounts to DKK 33 million.

Sales/Market

In the financial year 2012/13, Royal Greenland maintained its positive organic growth in revenue. Revenue realised for the year amounted to DKK 5.3 billion.

Due to fluctuations in exchange rates, it can be difficult to describe the trends in the individual market areas, but in terms of volumes sold, the growth rate was 3%, divided between 5% growth in Asia, 4% growth in Europe, and a slight decline in the Scandinavian markets.

This growth supports the strategy, in which the goal over the next three to five years will be to double Royal Greenland's sales in the Asian markets.

During the year, sales were challenged by two factors in particular: a depreciation in the value of the Japanese yen by approximately 20%, and a sharp drop in the price of cod. The timing of the trend in market prices for cod is particularly challenging, as it coincides with a rise in cod fishing in Greenland.

Besides focusing on creating the best possible sales, great efforts have also been made this year to optimise sales and trim the business, with measures such as reducing product numbers and improving logistics.

Asia

Sales to Asia consist of two main areas: sales of processed products for the sushi market in Japan, and sales of raw materials and semi-processed products to China, Taiwan and South Korea. The Asian sales are concentrated on halibut, prawns and snow crabs.

The Japanese market has been very important for Royal Greenland for many years, as a strong market position has been created in highly processed products that it has proved possible to sell at attractive prices. The approximately 20% depreciation in the Japanese yen which occurred at the start of the financial year has made extraordinary demands on the Japanese organisation to reestablish its business in terms of both volume and earnings.

At the end of the year it has proved possible through price increases to return earnings to expected levels. At the same time there has been a good increase in sales.

In China/Taiwan, prices for halibut were under pressure for much of the year. This was partly due to the spillover effect of the Japanese depreciation, and partly to a temporary drop in Chinese consumption.

Chinese consumption is now back to its former level, which means that prices are beginning to rise again.

The organisation that serves the Chinese market has been strengthened by the recruitment of an employee in China to focus on securing a stronger position for Royal Greenland in the food service and retail market.

The Asian markets are becoming increasingly important

In November 2012, Royal Greenland, together with the government of Greenland and the Danish Crown Prince and Crown Princess, attended a large-scale trade promotion in South Korea. Chef Jeppe Nielsen from Hotel Arctic in Ilulissat was in charge of catering for several of the bilateral meetings, and for the promotion of the fine Greenlandic ingredients.

In the picture, Group Sales Director Bruno Olesen is seen in conversation with HRH Crown Princess Mary.



Photo: RG

As a market, Taiwan has been able to make use of the slightly lower prices for halibut, in that it has once again become possible for consumers in the market to pay the price of the popular fish. This has brought about a good increase in sales to this market.

Europe

The European market consists of a number of key markets such as Germany, France, the UK, Italy, Russia and Spain.

Russia is the largest market for shell-on prawns, and has shown a positive development, with an increase of 50% in turnover at attractive prices. Russia is the world's largest market for shell-on prawns, and it is therefore important to have a strong position in this market.

The UK market has seen growth in sales of cooked and peeled prawns, but prices have been under pressure due to increased access to the market by prawns from Canada.

Earnings in the market have also been hit by rapidly falling prices for cod, as a large proportion of the company's trawler-fished cod is sold in this market.

The markets in Germany and France have seen continued strong price competition in the main product, fish fingers, as a result of the considerable overcapacity that has been created in the production stage. Royal Greenland has been quite successful in building up alternative products, which have enjoyed particular success in the German market.

The sell-off of the plant in Wilhelmshaven has meant substantial changes for the sales organisations of the two countries, and has demanded extraordinary efforts by the management to focus on both the daily business and the creation of a new organisation. This has succeeded well.

With growth of more than 25% in both the Italian and Polish markets, these markets are making a significant contribution to

Royal Greenland's overall growth, and are on track to evolving from small to important markets. In Poland the main products are processed fish products, while in Italy the main product is prawns.

Scandinavia

There was a slight decline in the markets in Scandinavia during the year, primarily due to the fact that the Swedish and Norwegian markets have had fewer shell-on prawns available for sale. Shell-on prawns are a limited resource on the world market, and the size distribution means that there are constant changes in the volumes sold in each market.

Moreover, the markets have also been affected by the volume reduction resulting from the relocation of the production of prawns in brine from Glyngøre to the factory in Aalborg.

In terms of earnings, the Scandinavian markets have contributed with a small amount of growth.

In Denmark, Royal Greenland has had great success in developing sales of breaded fish fillets from the factory in Poland, and has achieved a very strong market position on the basis of its strong focus on the entire value chain from fishermen to customer.

In order to enhance efforts on the Swedish market, where Royal Greenland sees a great potential for growth, sales services for this market have been relocated from Svenstrup to the Company's office in Malmö. This has enabled us to get closer to the customers in our daily relations.

Product development

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

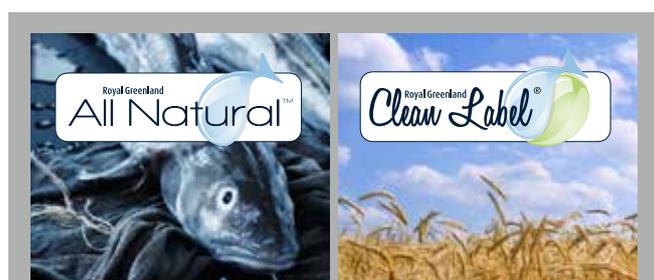
Royal Greenland must be perceived as a strong supplier that is able to interpret and create trends in the market and develop saleable products that are in demand among the consumers.

There has been a high level of activity, both in the Company's own projects and in its collaborations with customers.

In the course of the year, revenue of DKK 350 million has been achieved in new products, corresponding to 6.5% of overall revenue. The goal is for at least 5% of revenue each year to derive from new products.

This year, too, there has been a particular focus on supporting growth in the European activities, which has generated significant additional revenues.

As a new initiative arising from the adopted strategy, resources have been allocated to new projects based on our Greenlandic range, with the aim of placing a special focus on value creation and the optimisation of the raw materials. These are important focus areas, inasmuch as access to raw materials are becoming rarer for more species, which means that we need to obtain the maximum possible value from them.



Product concepts adapted to contemporary demands

In the leading European markets, there is a growing demand for natural products free of additives. Royal Greenland has therefore concentrated its food service ranges, consisting of natural fillets and breaded/filled products, into two product concepts: **All Natural** and **Clean Label**.

All Natural is a guarantee that Royal Greenland's frozen natural fillets contain no extra added water, and that the protective layer of water, the glazing percentage, does not exceed 10%. **Clean Label** is Royal Greenland's range of breaded and filled products with no artificial additives, colourings or flavour enhancers.



Photo: RG

New GOURMETPRAWNS

Added value and greater differentiation are important parameters in Royal Greenland's new vision, 'The North Atlantic Champion'.

Royal Greenland is therefore focusing on launching a number of initiatives to differentiate our products from those of our competitors, concentrating on taste and quality. One example is the creation of a line in Ilulissat for the production of **GOURMETPRAWNS**.

What characterises **GOURMETPRAWNS** is that the largest and finest prawns are selected right at the first sales stage, salted at a salt level considerably lower than normal, and frozen in blocks rather than in the usual freezer.

The result is a sweet prawn which preserves both its colour and flavour.

GOURMETPRAWNS have been launched in the UK, Sweden and Denmark.

The product development costs incurred during the financial year derived mainly from new products and flavours in the existing product range. These costs have been recognised in the profit and loss account, as it is not possible to attribute them to individual products, and they have a short lifetime.

Raw materials

Access to raw materials is crucial for Royal Greenland.

In 2012/13, the Group's vessels caught 43,100 tons in Greenlandic waters and the North Atlantic. This represents a fall of 20% compared to last year, attributable to a declining prawn quota and the transfer of the near-shore prawn quota to external vessels.

The quota for prawns in West Greenland was set at 90,000 tons in 2013, and has thus been reduced by 27% over the past two years.

On the other hand, 46,834 tons were purchased for Royal Greenland's factories in Greenland, which represents a rise of 18%.

With the exception of prawns, there have been positive developments in all species.

Species (tons)	2012/13	2011/12	2010/11
Prawn	24,677	24,963	27,008
Halibut	10,465	7,824	7,172
Crab	1,615	1,327	1,354
Lumpfish roe	1,244	801	1,061
Cod	7,489	3,763	3,329
Other	1,344	1,086	824
	46,834	39,764	40,748

The largest rises have been in halibut, cod and lumpfish roe.

Average first sales prices have risen by DKK 0.94 per kg, corresponding to 11%.

The price rises have mainly been driven by prawns and halibut, while roe prices fell significantly during the year. Prawn prices rose by 17%, while those of halibut increased by 6%.

Over three years, average first sales prices have risen by DKK 3.05 per kg, corresponding to 46%, inasmuch as first sales prices for halibut and prawns have risen by 93% and 32%, respectively.

The increases for the various species, in conjunction with an altered product mix in the fishing, have given the coastal fishermen an increased income of more than DKK 30 million, and over the past three years, total payment has risen by DKK 135 million.

Raw materials such as Alaska pollock, salmon, flatfish and to some extent cod are purchased on the world market.

Purchases of Alaska pollock, at DKK 730 million, constitute the largest single item in the total procurement portfolio of DKK 2 billion. Alaska pollock is the main raw material for the factory in Wilhelmshaven. The annual purchasing volume of 50,000 tons is evenly distributed between MSC-certified products from the US and non-MS products from Russia. The Russian fish is processed by subcontractors in China, while the MSC products are typically processed on board the American trawlers.

Salmon is the second-largest raw material used by Royal Greenland, with bulk purchases worth DKK 580 million. The salmon is used in the Zip-Lock range, smoked products, portions and spiced salmon sides.

Plaice and flounder comprise the principal flatfish in Royal Greenland's product range.

International media interest in fishing in Greenland.

2012/13 was a year in which media interest was aroused both by the efforts of Royal Greenland's organisation to publicise fishery in Greenland, and by the MSC certification of prawns, as well as external events, such as the nuclear leak in Japan.



MSC certification attracts the mainstream media

The Danish and Swedish MSC organisations visited Ilulisat in the summer of 2013 as the direct result of the MSC certification of Greenland prawns in the spring. They were accompanied on both trips by Swedish and Danish food writers and journalists. This resulted in fine media coverage and publicity in the Swedish newspaper Sydsvenskan and the Danish newspaper Politiken, blog mentions in the social media, and TV shows on the Swedish and Danish national TV channels demonstrating cooking with Greenland prawns. The photo shows Jenny Wallden, Swedish master chef 2012, on board the prawn trawler Avataq.

Photo: RG

Japanese concerns over food supply

The Japanese nuclear leak in 2011 increased the overall level of concern in Japan concerning the accessibility of imported food products. In 2012/13, Royal Greenland experienced a large number of inquiries from the Japanese media regarding the supply of halibut, in particular, to Japan. During 2012 and 2013, Royal Greenland accompanied two Japanese TV crews who covered the entire supply chain for both halibut and lumpfish roe. Recordings were made in Ilulisat, Nuuk, Cuxhaven, China and Japan. Both trips resulted in substantial documentaries shown on Japanese television. Here we can see recordings from roe fishing and production.



Photo: RG

Admiration for halibut production in Qasigiannuit

The French market is Royal Greenland's main halibut market in Europe, so it was natural to invite the leading French seafood trade magazine, *Produit de la Mer*, to visit Qasigiannuit. The French editorial staff, who have made a great many trips to fish-producing nations all over the world, were impressed. They were enthusiastic about both the beautiful scenery with small boats with longlines in the ice fjord, and the efficient and hygienic production flow at the factory. The result was four-page coverage of Greenlandic halibut, prawn and lumpfish roe.



Photo: RG

8,500 tons of flatfish were purchased for the factory in Koszalin, or 29% more than last year, in line with the increased sales. The majority consisted of flounder and plaice, with flounder being primarily used in breaded fish fillets for the Scandinavian market, while plaice is more often sold as natural fillets. The plaice also forms an important part of the Zip-Lock range.

Purchases of flounder and plaice have been strengthened, and a larger share has been purchased directly from Danish trawlers, thereby ensuring a more stable supply of raw materials. The fish are also bought at auction in Denmark and Poland.

Most of the cod originates in Greenland, but a further 9,500 tons of cod are purchased, which, together with the Greenland cod, is sent for further processing in China and finished in the European factories.

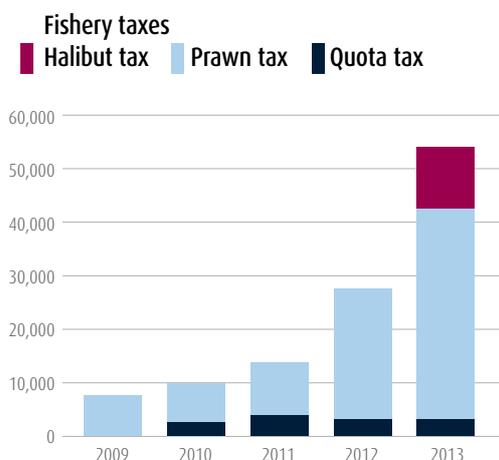
In the case of Greenland cod, investments have been made in greater capacity in the factories in Greenland, and volumes have increased by 60 percent. Over two years, the supply has almost doubled.

Trawlers

Royal Greenland's own fleet consists of three deep-sea prawn trawlers, two deep-sea trawlers for halibut, cod, etc., two small near-shore prawn trawlers, and a number of smaller vessels for near-shore fishing.

The Qaleralik company has replaced the trawler *Manu* with the newer trawler *Tuugaalik*. A large fishing capacity has thereby been ensured, which, in addition to halibut, redfish and cod, could also include fishing for pelagic species in East Greenland.

In parallel with rising export prices, the prawn tariff on shell-on prawns rose in 2012/13. Royal Greenland has paid a total of DKK 54 million in fishing taxes, which is double the figure for 2011/12.



Increasing licence shares remains strategically important to both the inshore prawn fishing and halibut fishing, in order to secure the raw material supply.

In 2012/13 Royal Greenland also took part in experimental fishing for mackerel on the east coast.

Production

Greenland

Royal Greenland now operates 24 plants in Greenland, as against 20 last year. Five of the plants continue to be operated under a service agreement with the Government of Greenland. This agreement expires at year-end 2013, after which all of the plants will operate without a service contract. Royal Greenland took over ten plants following the bankruptcy of Arctic Green Food, of which two have been re-opened, and three more are being re-opened. In total the company owns 33 plants.

In Greenland, the year was marked by increasing activity in both cod and halibut, together with the tasks that arose in the wake of Arctic Green Food's bankruptcy in the spring, in which Royal Greenland carried out a number of initiatives in cooperation with the Government of Greenland to secure first sales possibilities for the fishermen in the season for roe and cod, including through the deployment of transport vessels and first sales ships.

The factory in Maniitsoq has re-opened and is producing cod and crab on the basis of local catches.

The capacity expansions carried out in Paamiut, Qeqertarsuaat and Nuuk, and the opening of Maniitsoq, have brought about significantly greater activity in the area of cod.

Over the summer, it has once again this year proved difficult to secure sufficient labour in the factories, which have had limited production, especially in Paamiut, Qasigiannuit and Uummannaq.

Prawn production in both Ilulissat and Sisimiut has been shut down for long periods of the year due to significant overcapacity, and because of renovations.



From 20 to 33 plants in Greenland

In the financial year 2012/13, Royal Greenland has gone from owning 20 plants to a total of 33 plants along the Greenland coast. Ten of these plants were taken over following the bankruptcy of Arctic Green Foods in the spring of 2013. Several of the plants had been closed for some years due to lack of maintenance. At the end of the financial year the plants in Maniitsoq and Qaanaaq, which produce cod and crab, were reopened.

The picture shows the plant in Maniitsoq.



Raw for Japan, cooked for Russia, peeled for the UK, or in brine for Italy?

There are many possibilities when deciding which finished products Royal Greenland prawns and other raw materials should end up in. Which product types will give the best return, what options do we have to produce at sea, on land, or inside or outside Greenland, which markets and segments will pay the highest prices, what will be the storage costs involved in the choice of various production methods and markets, and how do we optimise the logistics? Many complex decisions need to be taken.

To increase the transparency of the so-called value chains through which the products pass from catch to consumer, Royal Greenland is co-operating with Aalborg University to set up a business PhD research project. The project will run for three years, and the results will hopefully contribute to better co-ordination and organisation of the journey of the prawns to the dinner tables of the world.

Photo: RG

Denmark

Production of prawns in brine was transferred from Glyngøre to Aalborg this year. Production of smoked products has been concentrated at the Danish subcontractor in Hirtshals.

In the case of MAP production in Glyngøre, an outsourcing agreement has been entered into with an external producer. The agreement enters into force on 1 January 2014.

Matane, Canada

Activity in Canada was at the same level as in previous years. Major investments have been made in the factory in the past year, both in order to increase efficiency and to improve the freezing/cooling equipment.

Cuxhaven, Germany

Royal Greenland is self-sufficient in lumpfish roe through its roe factory in Cuxhaven, and is thus involved in the entire value chain to the consumer.

The activity has been at its highest-ever level, driven mainly by large supplies from Greenland.

In autumn 2013 a further factory was established in Cuxhaven to produce Zip-Lock/Chain-Pack products, when these ranges were transferred from Wilhelmshaven as a result of the sale of the latter. Production in the new factory began in mid-December 2013.

Wilhelmshaven, Germany

The factory in Wilhelmshaven produced 58,000 tons of finished goods in the financial year, which is on a par with last year.

Koszalin, Poland

Koszalin continues to experience growth. During the year 14,000 tons were produced – a rise of more than 12% compared to last year.

The primary activity remains flatfish, flounder and plaice, in which Koszalin is the largest producer of its kind in Europe.

China and Vietnam

The activities in China are based on processing of the Company's own raw materials and the production of intermediate products for further processing at the factories in Germany and Poland. Alaska pollock and cod are the principal species.

Greenlandic raw materials are also processed for sushi products for the Japanese market.

Activity in China has been at the same level as last year, while activity in Vietnam has been decreasing. As a consequence of the sale of Wilhelmshaven, Royal Greenland's organisation in China has been reduced, and henceforth will be concerned solely with the North Atlantic products.



Breaded plaice production in Koszalin, Poland. Photo: RG

Corporate Social Responsibility

Royal Greenland's CSR policy was formalised and signed in the course of 2013. The policy is based on the ten principles of the UN Global Compact on corporate social responsibility. The report on social responsibility is based on the areas described in the policy. Royal Greenland's CSR policy may be read in its full length on our website (<http://www.royalgreenland.com/uk/Our-Company/CSR.aspx>)

The motivation for Royal Greenland's CSR work springs from the Company's strong desire to contribute to the development of Greenlandic society, where, with our presence and activities, we can make a very big difference.

The CSR Steering Committee, which consists of the top management and department managers, conducted a materiality analysis in the autumn of 2013 which prioritised five thematic areas and associated focus points on the basis of what is important to Royal Greenland and its stakeholders.

The five themes are:

- Sustainable fishing
 - Assessment of purchased fish and shellfish, and fish from the Company's own fishing
 - Certification of selected species
 - Utilisation of purchased and fished resources
- Environment
 - Energy consumption
 - Water consumption
 - Waste management
- Working conditions and human rights
 - Education and training
 - Physical and psychological working environment
 - Diversity

- Local involvement
 - Open communication
 - Management of periodic and permanent factory closures
 - Local purchasing
 - Management of labour shortages
- Good business ethics
 - Supplier management
 - Anti-corruption
 - Market communication

The outcome of the analysis showed that sustainable fisheries and open communication in Greenland are the highest priorities, closely followed by education and training in Greenland, and care for the environment. Six CSR steering committee meetings were held during the year.

Within each theme, work is done with improvement projects. Some of the themes have already resulted in new initiatives, while others are on the way, in accord with the prioritisation.

The CSR process is now at the point where measurement indicators are being defined and the collection of data systematised in order continuously to assess the development of the CSR themes.

It is not currently possible to provide a full report on all CSR themes and sub-headings, but the following table indicates the scope of Royal Greenland's reporting.

In November 2013, a special issue of Royal Greenland's staff magazine Navigatio was published, with information for employees and other stakeholders about the company's CSR activities. The purpose of the special edition was to inform the organisation about the CSR activities and contribute to increasingly integrating CSR into the organisational culture at Royal Greenland.

CSR area	Policy	Action	Result
Sustainable fishing			
Assessm. of purchased fish and shellfish, and fish from the Company's own fishing	CSR policy	Initiated	Result available
Certification of selected species	CSR policy	Initiated	Result available
Utilisation of purchased and fished resources	Not described	Not initiated	Not yet achieved
Environment			
Energy consumption	CSR policy	Initiated	Result available
Water consumption	CSR policy	Initiated	Result available
Waste management	CSR policy	Initiated	Not yet achieved
Working conditions and human rights			
Education and training	CSR policy	Initiated	Result available
Physical and psychological working environment	CSR policy	Initiated	Result available
Diversity	CSR policy	Not initiated	Result available
Local involvement			
Open communication	CSR policy	Initiated	Result available
Periodic and permanent factory closures	CSR policy	Initiated	Not yet achieved
Local purchasing	CSR policy	Initiated	Result available
Management of labour shortages	CSR policy	Initiated	Result available
Good business ethics			
Supplier management	CSR policy	Initiated	Result available
Anti-corruption	CSR policy	Initiated	Result available
Market communication	CSR policy	Initiated	Result available

Sustainable fishing

By sustainable fishing, we mean that the resource should be in a healthy condition and managed on the basis of a long-term perspective, in accordance with biological recommendations. All fish species are examined and assessed on the basis of the best possible sources.

The assessment revealed that the vast majority of the species we work with are in so-called category 1, in which fishing is assessed to be in order. The remainder typically consists of species for which data are lacking, and which are therefore difficult to assess. Additionally, there are some species for which it has been necessary to examine the individual fisheries in order to select specific parts of them. Finally, there may be species which are included in or will eventually be included in improvement projects.

Lumpfish from Greenland is a species for which data is very limited. In 2013, a project was initiated under the auspices of Sustainable Fisheries Greenland, aimed at improving catch reporting and options for the regulation of fisheries.

Data on flounder from the Baltic Sea is also limited. The biological advice for 2013 and 2014 is that catches of flounder should be reduced by 5% and 15%, respectively. In the coming years, fishing for flounder will be subject to agreements under the reform of the European common fisheries policy, which could result in the setting of quotas and a ban on discarding by-catches.

In February 2013, West Greenland cold-water prawns (of the species *Pandalus borealis*) were MSC certified. This was an important milestone in the prawn fishing. The fishery was certified on condition of improvements being introduced in certain areas, including studies of the impact of the fishing on the seabed.

In August, the certification process was begun for cod, haddock and coalfish fished in the Barents Sea. This fishing is carried out by, amongst others, the Royal Greenland trawler Sisimiut. It is planned that this fishing will be certified in June 2014.

Maximal utilisation of the fish or purchased fish raw materials forms part of the CSR programme, with the aim of utilising the natural resources to the greatest possible extent. Today most of the fish is utilised for consumption products, but in future we will also examine those parts not currently being exploited. This might for example include remains of fish guts, carcasses and skins. Prawn shells already provide a source of raw material for prawn meal produced at the factory in Ilulissat.

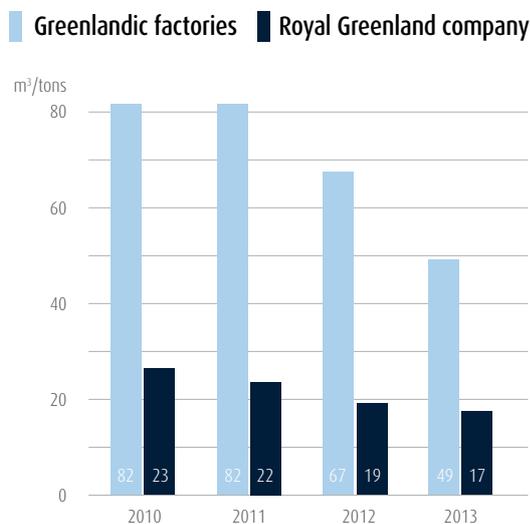
The environment

By reducing its consumption of energy, water and CO₂, Royal Greenland has a positive effect on the environment. At the same time, the efficient use of resources can reduce costs for the Company.

Particularly strong efforts have been made to reduce water and energy consumption at the factories in Greenland, where the goal has been to save 5% of water consumption and 5% of oil and electricity consumption (energy expressed in kWh). Unfortunately the results indicate that energy consumption has only been reduced by 2%.

Water consumption, on the other hand, has been reduced by 26%, which is a very considerable reduction. The efforts have been especially successful in Sisimiut, which has reduced its water consumption by 37%.

Water consumption in m³ water/tons of finished product

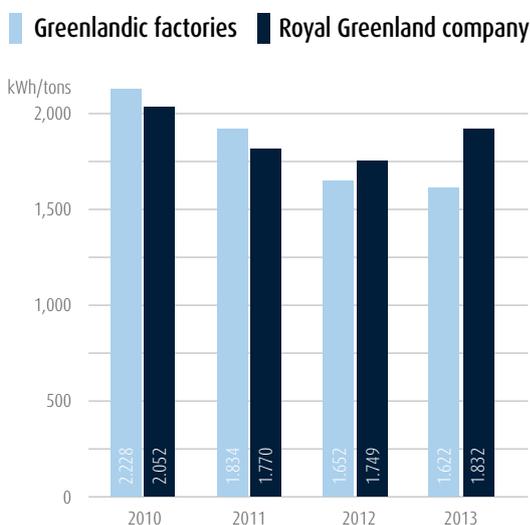


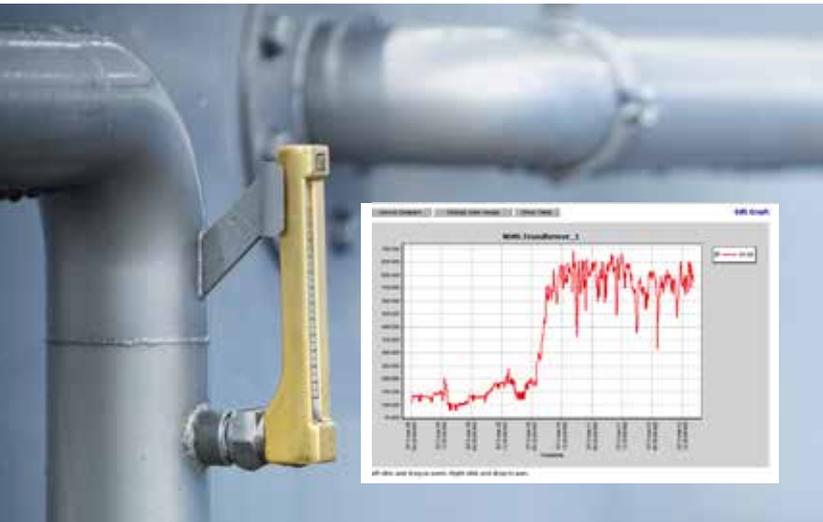
In 2013, efforts on the technical side continued to focus on the optimisation of refrigeration equipment and condenser pressure.

For the Group as a whole, energy consumption, measured in kWh per ton of finished products, has risen in relation to previous years. The reasons for this include a slightly smaller production volume in conjunction with unchanged energy consumption.

Fuel for fishing vessels is a major consumer of energy. Royal Greenland has therefore carried out experiments during the year with trawl doors for bottom trawling in prawn fishing. The effect will be very environmentally positive, but it has proved difficult to assess the exact reduction of fuel consumption, as such factors as the distance to the fishing grounds and the weather also have an impact on consumption.

Energy consumption in kWh/tons of finished product





Our red prawns become greener

In 2013, Royal Greenland invested in a new energy management system to raise awareness of electricity and water consumption. The factories in Germany, Denmark and Poland have been connected to each other via a common server that allows the records at the respective locations to be compared, so that they can learn from each other's improvements.

Roll-out across the entire Group is expected in 2014, when the potential for energy and water savings and lower CO₂ emissions will be analysed.

Waste generated at the factories is divided into biodegradable materials, flammable and hazardous substances, and metal and plastic from vats and boxes, so as to allow the waste to be managed according to the applicable regulations. The primary efforts at the factories are to reduce waste and sort the materials according to how they can best be handled from an environmental point of view.

Working conditions and human rights

Education and training

On average, Royal Greenland employed 2,057 staff members in 2012/13. This represents an increase of 5%. In Greenland alone, the number of employees rose by 9.4%.

There has been a general strengthening of the Group's project management skills, as well as an improvement in meeting structures and processes, all as part of the establishment of faster and more streamlined decision-making and implementation processes.

The Group aims its HR activities at the geographical dispersion, the various skills and the cultural differences that exist within the organisation. These activities consist both of centrally-planned development activities and development agreed upon individually between each employee and his or her manager at the annual staff developmental interviews.

A special focus is on the Greenlandic part of the organisation. In order to strengthen HR efforts in Greenland, two further HR staff members have been employed in the areas of general skills enhancement and the working environment.

Royal Greenland Academy

Royal Greenland Academy, the umbrella organisation for the Group's activities aimed at hourly-waged workers, has built upon the many activities launched in previous years. The focus has been on personal development, family budget and diet, and children's summit meetings. All of the activities have been carried out with great success and satisfaction among the participants.

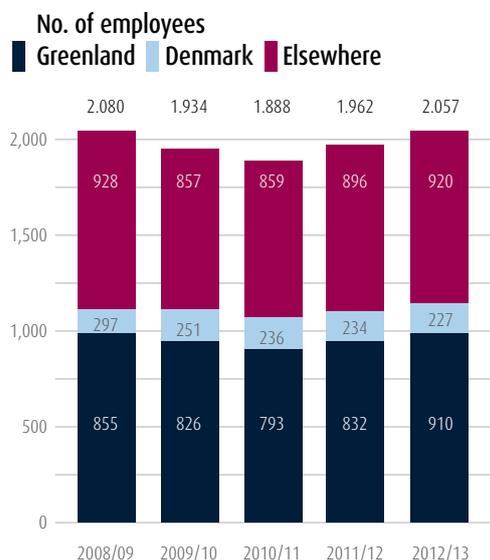
Royal Greenland Academy equips employees at Royal Greenland's plants in the towns and villages with new tools that can pave the way for better results at work and in their private lives.

As in previous years, the families of the factory workers have also been given an opportunity to participate in the courses. At Royal Greenland, we are very proud of our efforts to involve families in the courses, as we know that the comprehensive courses can benefit not only the Company, but also society as a whole.

Skills enhancement of hourly-waged workers also encompasses a wide range of professional courses, including statutory courses and courses focusing on safety at work.

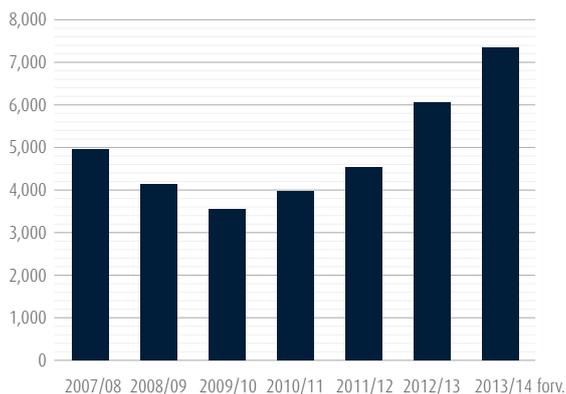
Skills enhancement at worker and manager level remains focused on the Seven Good Habits, as well as on several individual development processes, including courses leading to the Graduate Diploma in Business Administration and Business Diploma.

On the trainee and apprentice level, a project has been launched which will culminate in a future strategy for all categories of trainee and apprentice. The starting-point has been to meet the Group's goal of providing ongoing valuable and substantive training for 25 trainees.



A new development activity that has been initiated is a course for young Greenlanders with a higher educational degree in theoretical subjects, called the International Management Trainee programme. The first two trainees have already been employed, and have begun an 18-month project which will provide them with practical international experience in addition to the theoretical foundation they have gained through their studies. The aim is for the trainees to be employed in key functions in or outside Greenland after completing the course.

■ Cost per employee



Training costs per employee have risen by 27% in 2012/13

Staff turnover has generally been at the same level as in the previous year. We still encounter challenges in finding suitable candidates in Greenland, for which reason vacancies can go unfilled for long periods of time.

Very encouraging results from the staff satisfaction survey

The results of a recently-completed staff satisfaction survey among all employees in Greenland show that as a company, we are highly valued among our employees. On a scale of 1-100, job satisfaction lay overall at 80, which is a very high level.

In the survey, employees rated Royal Greenland's reputation and their immediate supervisors, cooperation, daily tasks and development opportunities.

The results of the survey may be compared with those of seven other large Greenlandic companies which have utilised the same survey methods. Overall, Royal Greenland lies seven index points higher than the average among other companies in Greenland, which in combination have a job satisfaction index of 73, against our 80.

Despite the encouraging results, however, there are some areas in which we definitely need to take action with extra focus, including the area of personal and professional development, and the physical working environment. Overall, however, we are very proud of the results – not least because work in the seafood industry is by its nature physically demanding and subject to the vicissitudes of the weather and the fishing conditions.

Physical and psychological working environment

Royal Greenland wishes to be an attractive workplace that puts employees in the centre and secures job satisfaction and well-being. It is important to have a good and safe working environment, just as training and skills enhancement are a part of everyday life for employees at all levels.

Workplace Assessments (WAs) are a tool to improve both the psychological and physical working environment. This is an important process that began in 2013 and will continue in 2014. At the same time, the value of the safety organisation is also being prioritised, with a focus on structure and follow-up.

The number of workplace accidents provides an indication of the quality of the physical working environment. We are currently working on developing a general Royal Greenland definition, as this is not calculated in the same way in all countries. The aim is to draw up a comparable picture of the production sites, and to undertake an overall assessment of conditions at the individual sites.

Diversity

Diversity, in the form of differences between people, is good for a company's performance. Accordingly, the company's policy is to work towards increased diversity.

Royal Greenland has a particular focus on two diversity factors: one is the number of employees in Greenland in the category "persons with a special association with Greenland". The second is the gender balance on the board of directors and in managerial positions.



Job satisfaction at Royal Greenland is at a higher level than the average among companies in Greenland. Photo: RG

Trends in the number of managers on land and at sea have been very positive in recent years, with all of the permanent factory managers now of Greenlandic origin, while the number of officers at sea with special ties to Greenland has risen over the past decade from 26% to 54%.

On the board of directors, the members elected at the annual general meeting are evenly divided, with 50% from each gender. In the so-called top-50 group, the company's senior management, just under 15% were women in 2013. This is not satisfactory, but reflects to a considerable degree the general situation in the fishing industry.

Local involvement

As the country's biggest employer, Royal Greenland has a special responsibility in Greenland. Through open communication and active engagement, we therefore wish to be a useful partner in relation to social challenges, and thereby contribute to social development.

Royal Greenland and the Greenland community

The expansion of Royal Greenland's headquarters in Nuuk has sent a clear signal that the company has wind in its sails in more senses than one. In recognition of the fact that we wish to place greater focus on the company's activities in Greenland, we have expanded our headquarters in recent years, most recently with two newly-established functions.

By establishing an executive position for corporate relations, we aim to strengthen our contacts with the organisations, authorities and media in Greenland. We wish to build stronger ties to the community, where we have a major influence on the economy and workforce.

A new function, New Business Development – Greenland, aims to uncover untapped business opportunities in Greenland in relation to fish resources, fishing methods and farming. Currently unexploited species such as sea urchins, whelks, sea cucumbers and other species are favoured delicacies in Asia, and Royal Greenland may well launch these as new products in the coming years.

The activities in Greenland are also very much concerned with how the Company communicates internally to its employees, and externally in relation to citizens and stakeholders. As a community-owned global company, we wish the Company's activities to be transparent to the greatest possible extent.

A communication platform that encompasses a new intranet, website, Facebook page and Info Board has been established in Greenland, with the aim of ensuring that Royal Greenland becomes the open and communicative company we wish it to be.

However, we are not satisfied with merely communicating at long distance. We have also held public meetings, at which we have initially been in dialogue with the residents of Qeqertarsuatsiaat, Paamiut and Maniitsoq. Our main message was that Royal Greenland is a successful global company which is now the absolute leader in sales of prawns, halibut and lumpfish roe. The previously loss-making company has now become a profitable business, and we remain committed to intensifying our production in Greenland on the basis of both existing and new species and products. We look forward to continuing our public meetings in the spring in northern Greenland.

The public also has high expectations towards us in relation to the local plants. We took over ten sites from Arctic Green Food when this company went bankrupt. None of the plants was open at the time of the takeover, but a few months later, the plants in Maniitsoq and Qaanaaq re-opened. The plants in Napasooq, Attu, Ikamiut and Qaarsut can probably be started up when the lumpfish season gets underway. Three of the plants do not fit into the company's strategy and must be sold to another party.

As a partner in Greenlandic society, we involve ourselves where we can be of most benefit. We have a particular focus on children and young people, who are given a high priority in our sponsorship policy. This year we have provided support to eight hopeful youngsters who have gone out into the world to acquire language skills in Danish, English and Spanish – skills which will benefit them in their further education.

Through our annual sponsorship agreement with the Sports Confederation of Greenland, we contribute to health-promoting activities for children and young people via special associations. We are happy to support the Arctic Circle Race, a world-renowned event that is run annually by enthusiastic organisers, with the help of many volunteers. Finally, we also provide support to elite athletes, who are good ambassadors for Greenland. One of these is Martin Møller, who through his resilience has now come so far in his training that his dream to participate in the 2014 Olympics is likely to be realised.



The public meetings were well attended. The picture shows the meeting in Maniitsoq. Photo: RG

TIME CODE	CSL No.	CHALLENGE	TECHNICAL SOLUTION
00:28:00-13	1	Royal Greenland is deeply rooted in the Greenlandic community and surrounding nature. We know that our partners have an effort, not just commercially, but also in the preservation of Greenland and on the development of Greenlandic society and natural resources. Royal Greenland has existed since 1734 but is a part of a fishing tradition that stretches back over several thousand years. With this perspective it makes sense to take an active role in the sustainable development of the activities in which we operate, ensure that we take care of our natural resources and work to pass on even better opportunities in life for generations to come.	皇家格陵兰深深植根于格陵兰社区和周边环境。我们深知，我们的合作伙伴不仅具有商业努力，而且在格陵兰保护和可持续发展方面也投入了精力。皇家格陵兰自1734年成立以来，是拥有几千年捕鱼传统的渔业传统的一部分。从这一角度来看，积极参与我们运营中的活动，确保我们照顾好我们的自然资源，并为子孙后代创造更好的机会是有意义的。
00:38:00-42	2	All Royal Greenland we define our corporate social responsibilities in three dimensions: environmental and sustainable dimensions – social, environmental and financial development. We firmly believe that of these three dimensions, one cannot exist in the long term without the others. For example, it is not possible to obtain long term financial growth if the expenses of the environmental and social structures in the industry in which we operate.	皇家格陵兰定义了我们的企业社会责任。因此，我们坚信，在环境、社会和财务发展这三个方面，缺一不可。例如，如果行业中的环境和社会结构的支出得不到控制，那么长期财务增长是不可能的。
00:44:00-52	3	We work in a structured framework to ensure continuous improvements in the different focus areas – results are evaluated on a yearly basis and we set objectives etc.	我们在一个结构化的框架内工作，以确保持续的改进。我们每年评估不同重点领域的工作成果，并设定目标等。
01:13:40-13	4	Sustainable fishery is a major focus for Royal Greenland. Every year the sustainability assessment of all Royal Greenland species is evaluated based on scientific data. Close cooperation with the relevant public national bodies is essential. We are continuously updated on changes to the status of individual fish stocks.	可持续渔业是皇家格陵兰的一个重点领域。每年我们对所有皇家格陵兰物种的可持续性进行评估，基于科学数据。与相关国家机构密切合作至关重要。我们不断更新有关个别鱼群状况的变化。
01:26:00-48	5	To control and document sustainability, we ensure full traceability and transparency in the handling and processing of our products. Finished goods can be traced back to the supply chain to their origin, catching period and vessel group. We acknowledge external third party evaluation as a reliable indicator of good sustainable performance and we support the best standards on the market.	为了控制和记录可持续性，我们确保产品的可追溯性和透明度。成品可以从供应链追溯到其原产地、捕捞期和船队。我们承认外部第三方的评估作为良好可持续绩效的可靠指标，并支持市场上的最佳标准。
01:38:00-52	6	Environment and climate is another area where Royal Greenland is	环境和气候是另一个皇家格陵兰关注的领域。

Environment

As our total production sites, various technical improvement projects continuously focus on reducing energy and water consumption and to optimize handling of waste materials.

We work to minimize the environmental effect through focused areas and some commitment through e.g. selection of raw materials in production and sustainable cooperation in the supply chain.

As a member of CSR Denmark, we are active in the environmental good fisheries working in Greenland. The goal is to use fish as environmental friend – a healthy, robust and sustainable source for protein for humans.

We focus on the following areas in our production:

- Reduction of water consumption and handling of waste water
- Reduction of energy consumption (e.g. solar, wind, heat pumps)
- Proper solid waste handling
- Reduction of paper, cardboard and plastic waste
- Reduction of hazardous waste

And in our retail activities:

- Reduction of food consumption
- Energy efficiency

Environmentally Friendly Fishing gear

The Royal Greenland fishing gear is designed with a view to the fisherman's health and safety. The gear is made from high quality materials and is designed to be easy to use. The gear is also designed to be easy to maintain and repair. The gear is also designed to be easy to store and transport.

CSR communication to external stakeholders

During 2012 and 2013, Royal Greenland's external communication tools took a quantum leap from being primarily available in English and Danish to covering all the relevant languages. The Company's corporate website is now available in English, French, German, Swedish and Danish – and there are specific sub-pages dealing with CSR in all of these languages.

Probleme mit dem Öffnen dieser E-Mail? [Klicken Sie hier](#)

Royal Greenland

Seafood Insight

Seafood Insight, Sommer 2013
Wilkommen!

In Westgrönland endet die Fangsaison für den Seehasen. Somit ist es nach der harten Arbeit der letzten Wochen an der Zeit, Bilanz zu ziehen. Wir möchten Sie an einigen unserer Erkenntnisse zu dieser sehr saisonbetonten Fischerei teilhaben lassen und Ihnen diesen außergewöhnlichen Fisch und die Herstellung eines einzigartigen Produkts näher vorstellen.

Viel Vergnügen!

Die Seehasensaison 2013

Die Fangsaison für den Seehasen nähert sich dem Ende und in diesem Jahr kann Royal Greenland auf eine arbeitsreiche Saison mit Fisch und Roggen von auszeichneter Qualität zurückblicken.

[Lesen Sie mehr](#)

Qualität in der Roggenproduktion

Für die Gewährleistung einer hohen Produktqualität bei der Roggenproduktion spielen verschiedene Faktoren eine Rolle, wobei die Qualitätssicherung bereits bei der Fangplanung durch die Fischer beginnt.

[Lesen Sie mehr](#)

Der Seehase

In Grönland werden die für Naturressourcen werden in Generationen zu erhalten. Die Fangsaison für den Seehasen durchläuft, um für diese Art einen fundierten

Every sixth week, the electronic newsletter Seafood Insight is sent to purchasers and other partners. In each of these newsletters, various aspects of CSR are dealt with. A number of brief and longer films about prawns, halibut fishing, crab fishing, lumpfish fishing and CSR have been given voice-overs in Japanese, Chinese, German, French, English, Swedish and Danish, and can now be used in the sales sector.

Responsabilité Sociale d'Entreprise : des efforts soutenus et orientés vers les résultats

Notre entreprise se caractérise par ses racines ancrées dans la communauté danoise. Cela signifie que Royal Greenland, que ce soit en tant que client international ou fournisseur local, représente le visage efficace du Danemark aux yeux du monde.

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Royal Greenland

冻煮北极虾仁

成分: 剥皮北极虾仁, 单冻, 水, 盐

准备: 在冷藏箱中解冻5-8小时

当地捕捞者将最新捕获的北极虾仁送至皇家格陵兰加工厂。在这里，北极虾仁在淡盐水中煮熟，精心剥皮，速冻包装，然后分销到世界各地。本土渔业和便捷购物体验加工保留了北极虾的天然甜味，紧致肉质和富有装饰性的粉红色。

产品从M到XL规格均为格陵兰产原料，而金色袋子的XXL规格是最大最好的虾仁，原料来自格陵兰和加拿大。

每袋重量: 2000克含冰衣 1800克不含冰衣 500克含冰衣 450克不含冰衣

产品编号: 105448020 (金色) 规格: 95/125 只 每磅 (XXL)

产品编号: 105446020 (原色) 规格: 125/175 只 每磅 (XL)

产品编号: 105444020 (原色) 规格: 175/275 只 每磅 (L)

产品编号: 105442020 (淡蓝色) 规格: 275/375 只 每磅 (M)

产品编号: 105406000 (500g)



Scan this code to watch a film about CSR at Royal Greenland.

A recently-published report by Copenhagen Economics shows that Greenland's two major fishing groups, Royal Greenland and Polar Seafood, have a significant and very productive economic footprint in Greenland.

In 2011, fish and fish products constituted 93% of the country's overall product exports, at DKK 2.6 billion.

In 2011, the two groups were responsible for 77% of total production in fisheries, corresponding to DKK 2.8 billion. In all, the groups made a GDP contribution of DKK 2.6 billion, corresponding to 19.7% of Greenland's GDP.

The groups help to increase the incomes of fishermen in various ways: Investments in large companies means higher productivity, and thereby greater earnings for fishermen. The experimental fishing undertaken by large companies provides work for more fishermen. Marketing, sales and distribution channels provide a sales channel for small-scale fishermen, to which they would not otherwise have access. The large companies provide loans and loan guarantees to support investments by fishermen in new vessels. Large companies also provide jobs in towns and villages, and help to secure the continued existence of some villages.

Royal Greenland has formerly had a very bad image in Greenland, but today, the reality is quite different. Economic growth, enhanced investment in factories and plants, more satisfied employees and other positive factors have made Royal Greenland a worthy partner in Greenlandic society.

Managing periodic and permanent plant closures

Periodic closures are an important issue for both Royal Greenland and the local communities. The aim of periodic closures is to distribute production as much as possible over the year, to the benefit of both the production and the employees. It is therefore recommended that the fishing is managed in such a way that it can be spread out over as many months of the year as possible. Factories are dependent on the supply of raw materials and remain open when first sales permit. In periods when there is no supply of raw materials, the objective is to hold professional courses developed by Royal Greenland.

Local purchasing

Of Royal Greenland's total annual purchases in Greenland, 67% are from Greenlandic suppliers. When it makes sense in business terms, Royal Greenland always purchases locally. When larger tendering procedures are held, local suppliers are actively encouraged to participate. Local purchasing may encompass anything from fish supplies to bidding rounds in construction projects. In the autumn, a bidding round was held for the extension of the canteen and reception area at the Company's headquarters in Nuuk, which will be completed in April 2014. Royal Greenland awarded the contract to a local engineering firm.

Management of labour shortages

During the summer there are often labour shortages in the larger factories.

By transferring employees from areas of low employment to areas with labour shortages, we aim to contribute to the development of society while taking into account the Company's business needs.

In 2013, we have therefore focused on bringing labour to Paamiut, Uummannaq and Qasigiannuit from elsewhere in West Greenland. The temporary relocations from one place to another have however given rise to challenges in moving away from local networks, for which reason it has been difficult to retain employees during this period.

Good business ethics

It is extremely important for Royal Greenland to operate a business which is legitimate in every way, with everything done "by the book". We ensure this through, inter alia, securing a high level of food safety, open communication about the origin and properties of the products, control of subcontractors, and counteracting corruption. As a government-owned company, we are also aware that our actions are relevant to the reputation of Greenlandic society in the rest of the world.

Management of suppliers

Royal Greenland has suppliers of raw materials and finished products in many parts of the world. In addition to ensuring that suppliers provide proper working conditions and show respect for human rights, suppliers must also be subjected to thorough checks to ensure that they meet the highest standards of quality control and food safety.

In 2013, the supplier management system was updated in terms of both quality control and CSR. This has resulted in the drawing up of Royal Greenland's Supplier Code of Conduct, which all suppliers are required to sign. In future suppliers from countries where it is assessed that there may be an increased risk will be required to fill out an online self-assessment form focusing on CSR. Certain companies will also in future be audited in relation to such issues as the environment, human rights and working conditions.

Anti-corruption

As a global company, Royal Greenland is aware of the risks that may be encountered around the world. Royal Greenland has had an anti-corruption policy since 2010, through which corruption is not tolerated in any form. In relation to the tenth principle of the UN Global Compact, and the UK Bribery Act, a risk assessment was therefore drawn up of the countries with which we trade, and of the groups of employees who could be exposed to corruption. A procedure has also been compiled for how a given incident should be handled, and relevant training has been planned for employees in the coming year.

Market communication

In addition to its benefit to society, engaging in CSR work also naturally offers a significant commercial incentive. In recent years, our customers, and, increasingly, the consumers and end-users, are beginning to demand that, as a supplier, we take our responsibility for the environment and society even more seriously. Our policy is to inform our stakeholders about what we do in this field.

Now that the CSR themes are defined and improvement projects have been initiated, the communication of our activities has begun with an update our websites and the creation of a presentation and a short film, which can be found on our website.

Quality

Royal Greenland's quality departments and laboratories are proud of the fact that we achieved very fine certification results in 2013, and that the Veterinary and Food Administration awarded us two 'elite smileys' and fine control results in the other factories.

Factory	BRC	IFS	MSC	Elite
Sisimiut	✓ Grade A		✓	
Ilulissat	✓ Grade A		✓	
Qasigiannuit		✓ Foundation		
Aalborg	✓ Grade A	✓ Higher level	✓	😊
Cuxhaven	✓ Grade A	✓ Higher level		
Koszalin	✓ Grade A	✓ Higher level	✓	
Matane	✓ Grade B		✓	
Wilhelmshaven	✓ Grade A	✓ Higher level	✓	
Trading DK			✓	😊

All of Royal Greenland's factories are certified by Bureau Veritas, one of the world's largest inspection, classification, consulting and certification companies. Certification has been performed according to the following standards: IFS (International Food Standard), BRC (British Retail Consortium) and MSC (Marine Stewardship Council).

Corporate Governance

Royal Greenland is led by a board of directors and a management board. The board of directors has nine members, three of whom are employee representatives elected for a period of four years, while the other six are elected by the annual general meeting and stand for election every two years on a rotation basis. Three shareholder-elected board members thus stand for election each year at the annual general meeting. The six board members elected by the general meeting are independent (according to the definition contained in the recommendation of the "Committee for Good Corporate Governance").

The board of directors is led by the chairman, Niels de Coninck-Smith. The chairman is appointed for a two years at a time. The board members encompass a spectrum of experience from Greenlandic, Danish and international business life.

The board has established two committees:

- The audit committee
- The recruitment committee

The management board consists of four members: CEO Mikael Thinghuus, CFO Nils Duus Kinnerup, Group Sales Director Bruno Olesen and Group Production Director Lars Nielsen. For other positions of the members of the board of directors and management board, see note 28. There is no age limit for board members.

Remuneration

The remuneration of board members is subject to the approval of the annual general meeting, and is specified in note 3. The fee consists entirely of a basic fee. The remuneration of the management board is negotiated with the board of directors 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 board is specified in note 3. There are no unusual severance agreements in the employment contracts of the members of the management board.

Evaluation

A board evaluation is undertaken annually, and every second year, this takes place on the basis of an external evaluation process.

Activities

Five meetings of the board of directors were held in 2012/13. One of these meetings was held as a conference call, while the other meetings were held in Ilulissat and Manchester, and twice in Copenhagen. The audit committee held three meetings. In addition to the annual accounts and audit minutes, the audit committee also considers financial policy, risk and insurance policies, internal audits, financial factors and the evaluation of the audit.

Events following the conclusion of the financial year

At the end of the financial year, an agreement was entered into on the sale of the activities in Wilhelmshaven. The agreement is expected to enter into effect on 1 December 2013, and will not have any influence on the profits for the year. The sale will result in a reduction of Royal Greenland's working capital by approximately DKK 370 million, and a reduction of the interest-bearing debt by approximately DKK 550 million.

Risks

Raw material

Access to raw materials and trends to raw material prices 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 decreasing trend in prawns. The prawn quota for Greenlandic fishing was reduced by 14% in 2013. 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 also applies to Royal Greenland's purchases of raw materials, which amounted to DKK 2 billion. The task is to continually maintain relative earnings irrespective of the trends in raw materials prices. The risk is hedged through adjustments in sales prices, close monitoring and back-to-back currency hedging in relation to major purchase 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, such 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 board of directors and by internal working procedures, which, amongst other things, lay down 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. 93 % 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 57 % 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, inasmuch as the profits and equity of a number of subsidiaries are translated into DKK at year-end on the basis of average exchange rates and balance sheet date rates, respectively.

The exchange rate exposure is mainly hedged 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 expected exchange rate exposure within the first six months, and thereafter at least 50 % of the exchange rate exposure in the remaining six-month period, together with larger contracts which are covered 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 52 % 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.

Outlook

The outlook for the coming year 2013/14 reflects the "new" Group, following the sale of Wilhelmshaven.

Annual revenue will as mentioned be reduced by approximately DKK 1.3 billion through the divestment of Wilhelmshaven, but organic growth in the remaining business, combined with the fact that the revenue from Wilhelmshaven will lapse only in the final ten months of the year, will mean that revenue will only be impacted by just under DKK 1 billion.

Royal Greenland therefore expects a pre-tax profit on a par with the current year, and a positive cash flow from operations.

Combined with the sale of Wilhelmshaven, this will reduce Royal Greenland's net interest-bearing debt to a level below the Company's strategic goal of DKK 1 billion. By comparison, Royal Greenland's net interest-bearing debt in 2008 was DKK 2.3 billion.

This development is however challenged by an uncertain situation in relation to raw materials in Greenland, due to falling prawn quotas and tough price competition in raw materials. Trends in sales prices for cod and currency exchange rates also remain somewhat uncertain.

Over the past financial year, however, Royal Greenland has demonstrated an ability to handle the challenges, including the general uncertainty in the world economy.



The harbour in Hirtshals. Photo: RG



Contract fishing for flounder

Royal Greenland does not itself engage in fishing for flounder, but has for many years purchased a significant portion of the total landings of flounder from the Baltic for processing at the Koszalin factory in Poland. Last season, contracts were entered into with Danish fishermen to secure supplies of fresh flounder from the Baltic throughout the season. The result has been high product quality, stable supply, full traceability, shorter transport and virtually no waste.



Production in Qasigiannuit. Photo: RG



Lumpfish roe. Photo: RG



Halibut heads, a delicacy in China. Photo: RG



Office in Nuuk. Photo: RG



Production in Koszalin. Photo: RG



Production in Qasigiannuit. Photo: RG

ACCOUNTING POLICIES



Sunset in Uummannaq. Photo: Henrik Richard Toudahl

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.

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.



Fishermen in Ilulissat. Photo: Michael K. Thomsen

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.



Sunset in Saqqaaq. Photo: Pavia Hansen

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 3-10 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 3-10 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, suppliers 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.



Warehouse in Hasselager. Photo: RG

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.

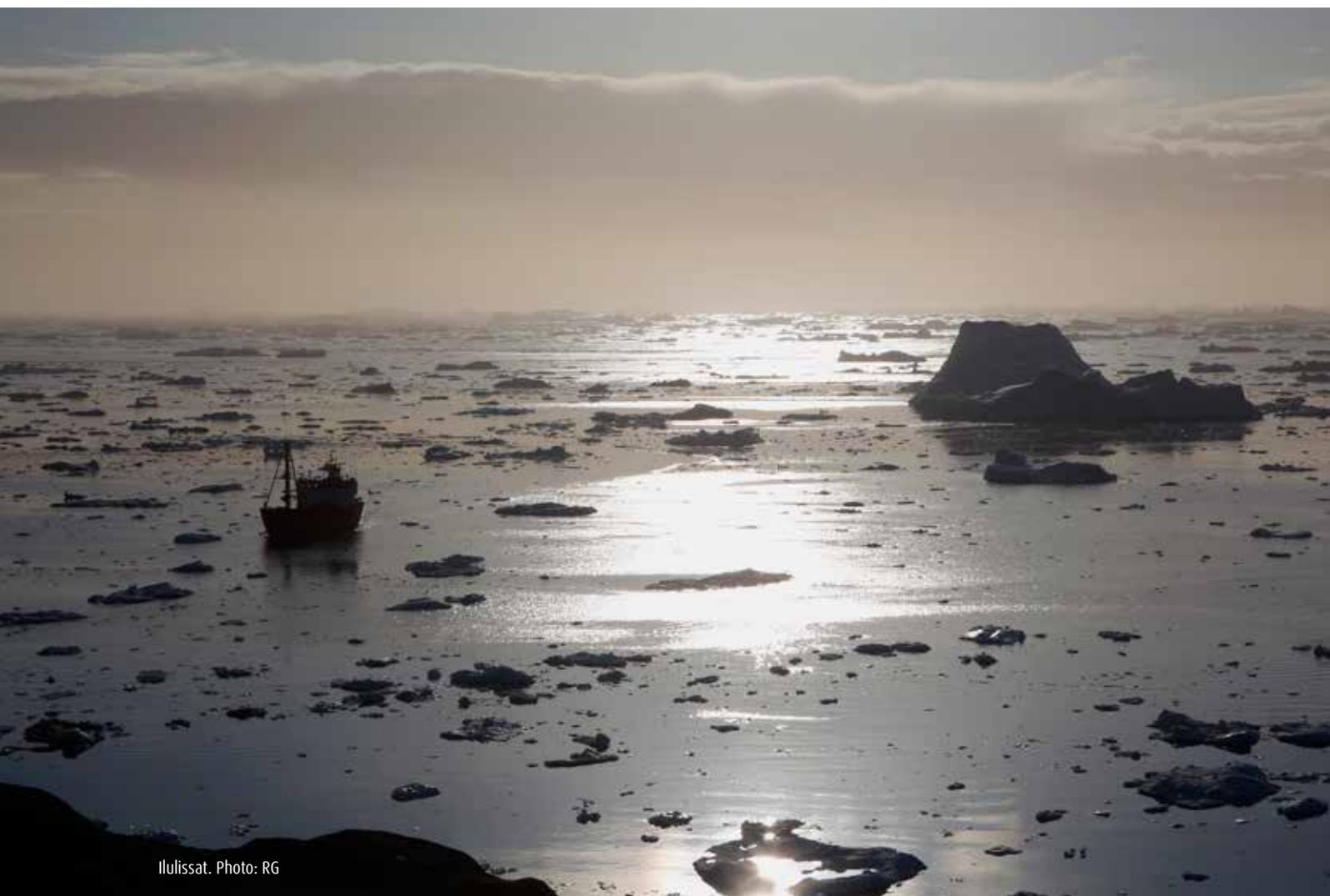
If a financial liability has been sufficiently hedged by a derivative financial instrument, the financial liability is measured at fair value and any changes in the fair value are recognised in the income statement under other financial items along with changes in the fair value of the derivative financial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

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.



EBIT-margin	=	$\frac{\text{EBIT} \times 100}{\text{Revenue}}$
EBT-margin	=	$\frac{\text{EBT} \times 100}{\text{Revenue}}$
ROIC including goodwill	=	$\frac{\text{EBITA} \times 100}{\text{Average invested capital including goodwill}}$
Return on equity (ROE)	=	$\frac{\text{Net profit/loss for the year} \times 100}{\text{Average equity}}$
Equity ratio	=	$\frac{\text{Equity} \times 100}{\text{Balance sheet total}}$
Net interest-bearing debt / EBITDA	=	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA}}$

INCOME STATEMENT

	Note	Group		Parent	
		2012/13 DKK 1,000	2011/12 DKK 1,000	2012/13 DKK 1,000	2011/12 DKK 1,000
Revenue	1	5,311,560	4,975,511	1,946,556	1,657,393
Change in inventories of finished goods		(95,325)	343,379	(43,855)	215,962
Other operating income	2	28,103	29,479	28,129	22,574
		5,244,338	5,348,369	1,930,830	1,895,929
Costs of raw materials and consumables		(3,396,765)	(3,482,766)	(938,808)	(873,986)
Other external expenses		(793,908)	(769,885)	(366,312)	(361,443)
Staff costs	3	(723,122)	(683,542)	(409,290)	(379,097)
Depreciation, amortisation and impairment losses	4	(147,692)	(171,378)	(83,385)	(83,147)
Operating profit		182,851	240,798	133,035	198,256
Profit/loss from investments in group enterprises after tax	5	0	0	12,232	17,717
Profit/loss from investments in associates after tax	6	2,527	35,767	(1,162)	10,183
Financial income	7	53,298	7,660	48,152	20,442
Financial expenses	8	(70,479)	(103,910)	(49,131)	(65,265)
Profit before tax		168,197	180,315	143,126	181,333
Tax on profit	9	(55,434)	(32,181)	(42,750)	(44,933)
Profit after tax		112,763	148,134	100,376	136,400
Minority interests' share of profit/loss after tax of group enterprises		(12,387)	(11,734)	-	-
PROFIT FOR THE YEAR		100,376	136,400	100,376	136,400
Proposed distribution of profit					
Reserve for net revaluation according to the equity method				0	0
Proposed dividend				50,000	3,600
Retained earnings				50,376	132,800
				100,376	136,400

ASSETS AT SEPTEMBER 30th

	Note	Group		Parent	
		2013 DKK 1,000	2012 DKK 1,000	2013 DKK 1,000	2012 DKK 1,000
Intangible assets	10	56,125	59,929	14,004	14,796
Buildings		280,787	277,516	122,809	118,781
Plant and machinery		267,725	265,816	96,106	98,985
Vessels		254,979	288,125	196,240	220,571
Other fixtures and fittings, tools and equipment		18,313	14,874	11,673	9,188
Fixed assets in progress		39,287	37,278	18,701	16,740
Property, plant and equipment	11	861,091	883,609	445,529	464,265
Investments in group enterprises	12	0	0	1,706,467	1,730,511
Receivables from group enterprises	13	0	0	5,530	0
Investments in associates	12	127,170	126,131	72,325	72,699
Receivables from associates	13	82,359	48,018	33,359	39,018
Derivatives		30,783	80,644	30,783	80,644
Other fixed asset investments	14	33,137	39,401	24,189	23,917
Deferred tax asset	19	80,824	76,539	0	0
Fixed asset investments		354,273	370,733	1,872,653	1,946,789
FIXED ASSETS		1,271,489	1,314,271	2,332,186	2,425,850
Inventories	15	1,598,944	1,721,327	497,361	542,669
Trade receivables		504,809	484,298	7,429	7,752
Receivables from group enterprises		0	0	120,761	82,565
Receivables from associates		5,271	2,599	375	2,599
Other receivables	16	69,082	61,950	5,738	3,636
Prepayments	17	9,285	8,657	3,391	3,109
Receivables		588,447	557,504	137,694	99,661
Cash		327,730	259,636	213,618	167,971
CURRENT ASSETS		2,515,121	2,538,467	848,673	810,301
ASSETS		3,786,610	3,852,738	3,180,859	3,236,151

EQUITY AND LIABILITIES AT SEPTEMBER 30th

	Note	Group		Parent	
		2013 DKK 1,000	2012 DKK 1,000	2013 DKK 1,000	2012 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
Proposed dividend		50,000	3,600	50,000	3,600
Retained earnings		166,244	155,304	166,244	155,304
EQUITY		1,066,244	1,008,904	1,066,244	1,008,904
Minority interests	18	58,734	50,449	-	-
Deferred tax	19	89,640	94,538	55,639	56,154
Other provisions	20	22,170	23,972	3,000	3,045
PROVISIONS		111,810	118,510	58,639	59,199
Subordinated loans		50,000	100,000	50,000	100,000
Mortgage debt		35,697	51,389	0	0
Payables to group enterprises		0	0	10,722	13,666
Other credit institutions		1,043,046	1,449,884	1,043,047	1,449,884
Derivatives		62,197	79,956	58,081	73,539
Long-term liabilities other than provisions	21	1,190,940	1,681,229	1,161,850	1,637,089
Short-term portion of long-term liabilities other than provisions		433,965	65,704	418,255	50,000
Credit institutions		140,747	192,789	10,576	24,752
Trade payables		444,612	423,138	91,853	108,597
Payables to group enterprises		0	0	214,857	178,850
Payables to associates		22,285	45,413	22,285	45,412
Income taxes	9	40,637	43,237	18,300	18,817
Other payables	22	241,340	180,974	116,770	102,138
Deferred income	23	35,296	42,391	1,230	2,393
Short-term liabilities other than provisions		1,358,882	993,646	894,126	530,959
LIABILITIES OTHER THAN PROVISIONS		2,549,822	2,674,875	2,055,976	2,168,048
EQUITY AND LIABILITIES		3,786,610	3,852,738	3,180,859	3,236,151
Assets charged and contingent liabilities	24				
Other notes	25-28				



Factory manager Abia Thorsteinsen crossing the ice in Uummannaq. Photo: Henrik Richard Toudahl

STATEMENT OF CHANGES IN EQUITY - GROUP

	Share capital DKK 1,000	Retained earnings DKK 1,000	Proposed dividend DKK 1,000	Total DKK 1,000
Equity at September 30 th 2011	850,000	32,057	0	882,057
Exchange adjustment, foreign entities	0	27,673	0	27,673
Fair value adjustments recognised in equity	0	(28,961)	0	(28,961)
Tax, fair value adjustments	0	(9,410)	0	(9,410)
Tax, proposed dividend	0	1,145	0	1,145
Net profit for the year	0	132,800	3,600	136,400
Equity at September 30th 2012	850,000	155,304	3,600	1,008,904
Exchange adjustment, foreign entities	0	(41,567)	0	(41,567)
Fair value adjustments recognised in equity	0	(20,005)	0	(20,005)
Tax, fair value adjustments	0	6,236	0	6,236
Paid dividend	0	0	(3,600)	(3,600)
Tax, proposed dividend	0	15,900	0	15,900
Net profit for the year	0	50,376	50,000	100,376
Equity at September 30th 2013	850,000	166,244	50,000	1,066,244



A Royal Greenland truck drives past the sales and service centre in Svenstrup. Photo: RG

STATEMENT OF CHANGES IN EQUITY - PARENT

	Share capital DKK 1,000	Reserve under the equity method DKK 1,000	Retained earnings DKK 1,000	Proposed dividend DKK 1,000	Total DKK 1,000
Equity at September 30 th 2011	850,000	0	32,057	0	882,057
Exchange adjustment, foreign entities	0	0	27,673	0	27,673
Fair value adjustments recognised in equity	0	0	(28,961)	0	(28,961)
Tax, fair value adjustments	0	0	(9,410)	0	(9,410)
Tax, proposed dividend	0	0	1,145	0	1,145
Net profit for the year	0	0	132,800	3,600	136,400
Equity at September 30th 2012	850,000	0	155,304	3,600	1,008,904
Exchange adjustment, foreign entities	0	0	(41,567)	0	(41,567)
Fair value adjustments recognised in equity	0	0	(20,005)	0	(20,005)
Tax, fair value adjustments	0	0	6,236	0	6,236
Paid dividend	0	0	0	(3,600)	(3,600)
Tax, proposed dividend	0	0	15,900	0	15,900
Net profit for the year	0	0	50,376	50,000	100,376
Equity at September 30th 2013	850,000	0	166,244	50,000	1,066,244

The company's 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 for the last 5 years except for the increase in Capital of DKK 250,000k in 2008/09.

CONSOLIDATED CASH FLOW STATEMENT OCTOBER 1st TO SEPTEMBER 30th

	Note	2012/13 DKK 1,000	2011/12 DKK 1,000
Net profit for the year		100,376	136,400
Adjustments relating to net profit for the year	29	227,379	268,532
Working capital changes	30	44,369	(47,356)
Cash flows from operating activities before net financials		372,124	357,576
Ingoing payments relating to financial items		9,617	33,760
Outgoing payments relating to financial items		(76,127)	(139,343)
Cash flows from ordinary activities		305,614	251,993
Paid taxes		(21,672)	(13,958)
Cash flows from operating activities		283,942	238,035
Purchase of assets connected to business acquisition		(13,500)	0
Prepayment on sale of assets		29,167	0
Purchase of fixed assets		(132,239)	(139,408)
Sale of fixed assets		25,226	92,656
Dividends received from associates		2,058	12,177
Cash flows from investing activities		(89,288)	(34,575)
Proceeds from obtaining/(instalments on) long-term liabilities		(65,704)	(398,551)
Paid dividend		(3,600)	0
Dividends paid during the year to minority interests		(5,456)	(2,727)
Cash flows from financing activities		(74,760)	(401,278)
Increase/decrease in cash and cash equivalents		119,894	(197,818)
Cash and cash equivalents, beginning of year		66,847	264,665
Addition connected to business acquisition		242	0
Cash and cash equivalents, end of year	31	186,983	66,847

NOTES TO THE ANNUAL REPORT

	Group		Parent	
	2012/13 DKK 1,000	2011/12 DKK 1,000	2012/13 DKK 1,000	2011/12 DKK 1,000
1 Net turnover - Geographical markets				
Europe	4,363,654	4,019,760	1,609,916	1,452,076
Other markets	947,906	955,751	336,640	205,317
	5,311,560	4,975,511	1,946,556	1,657,393
2 Other operating income				
Service agreement	4,792	10,240	4,792	9,927
Management Fees	1,020	1,170	3,375	3,360
Rental income	3,168	7,819	2,962	2,551
Sale of quotas	7,129	4,689	9,715	5,733
Other operating income	11,994	5,561	7,285	1,003
	28,103	29,479	28,129	22,574
3 Staff costs				
The total amount of wages and salaries etc, is specified as follows:				
Wages and salaries	634,488	600,629	368,642	342,539
Pension contributions and other social costs	48,000	42,266	21,240	18,694
Other personnel costs	40,634	40,647	19,408	17,864
	723,122	683,542	409,290	379,097
Average number of employees	2,057	1,962	980	900
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	3,626			
Nils Duus Kinnerup	2,614			
Bruno Olesen (tiltrådt 01,05,2013)	996			
Lars Nielsen (tiltrådt 01,05,2013)	947			
Total Executive Board	8,183	1,094	9,277	7,680

NOTES TO THE ANNUAL REPORT

	Group		Parent	
	2012/13 DKK 1,000	2011/12 DKK 1,000	2012/13 DKK 1,000	2011/12 DKK 1,000
4 Depreciation, amortisation and impairment losses				
Buildings	27,622	59,867	17,065	20,239
Plant and machinery	64,205	83,863	25,444	28,088
Vessels	45,428	50,041	30,345	33,041
Other fixtures and fittings, tools and equipment	4,795	4,917	3,046	2,667
Goodwill on consolidation	3,289	3,622	-	-
Quotas	6,474	5,697	3,590	6,038
Software	1,496	968	1,450	934
Licences	122	265	0	0
Received grants	(5,035)	(4,999)	0	0
(Gain)/loss from sale of fixed assets	(704)	(32,863)	2,445	(7,860)
	147,692	171,378	83,385	83,147
5 Profit/loss from investments in group enterprises				
Profit	0	0	15,366	45,117
Loss	0	0	(30,828)	(46,500)
Change in intra-group profits	0	0	27,694	19,100
	0	0	12,232	17,717
6 Profit/loss from investments in associates				
Profit	7,777	38,588	2,218	11,554
Loss	(3,770)	(1,364)	(3,350)	(1,364)
Depreciation of differential value	(1,480)	(1,457)	(30)	(7)
	2,527	35,767	(1,162)	10,183

NOTES TO THE ANNUAL REPORT

	Group		Parent	
	2012/13 DKK 1,000	2011/12 DKK 1,000	2012/13 DKK 1,000	2011/12 DKK 1,000
7 Financial income				
Capital gains	45,593	0	42,732	7,382
Interest from group enterprises	-	-	2,541	9,779
Interest on bank deposit	472	401	384	281
Income from fixed asset investments	4,459	5,445	2,495	2,810
Other financial income	2,774	1,814	0	190
	53,298	7,660	48,152	20,442
8 Financial expenses				
Capital loss	8,808	31,176	0	0
Interest on bank and mortgage debt	54,768	66,890	47,862	58,077
Other financial expenses	6,903	5,844	21	17
Interest to group enterprises	0	0	1,248	7,171
	70,479	103,910	49,131	65,265
9 Tax on profit				
Current tax for the year	(38,958)	(34,295)	(21,839)	(11,130)
Other taxes for the year	(898)	(872)	(898)	(872)
Adjustment to previous years	(3,845)	1,162	0	0
Deferred tax for the year	(11,733)	1,824	(20,013)	(32,931)
	(55,434)	(32,181)	(42,750)	(44,933)
Reconciliation of tax rate				
Greenland tax rate	32%	32%	32%	32%
Other taxes	1%	1%	1%	1%
Adjustment of tax rate in foreign enterprises	(3)%	(3)%	0%	0%
Adjustment for utilization of tax losses and other adjustments concerning previous years	3%	(12)%	(3)%	(8)%
Tax rate expensed	33%	18%	30%	25%

NOTES TO THE ANNUAL REPORT

Group

10 Intangible assets	Group goodwill DKK 1,000	Quotas DKK 1,000	IT DKK 1,000	Licenses DKK 1,000
Cost at October 1st 2012	43,322	144,136	21,284	1,570
Value adjustment at closing price		0	(7)	(130)
Transferred from tangible assets	0	1,002	1,038	0
Additions for the year	2,522	2,027	1,205	0
Disposals for the year	0	0	0	0
Cost at September 30th 2013	45,844	147,165	23,520	1,440
Amortisation and impairment losses at October 1 st 2012	(20,699)	(109,785)	(18,858)	(1,041)
Value adjustment at closing price		0	4	117
Transferred from tangible assets		0	0	(201)
Amortisation for the year		(6,474)	(1,496)	(122)
Amortisation regarding disposals for the year	0	0	0	0
Amortisation and impairment losses at September 30th 2013	(23,988)	(116,259)	(20,350)	(1,247)
Carrying amount at September 30th 2013	21,856	30,906	3,170	193
Carrying amount at September 30 th 2012	22,623	34,351	2,426	529



NOTES TO THE ANNUAL REPORT

10 Intangible assets	Parent	
	Quotas DKK 1,000	IT DKK 1,000
Cost at October 1 st 2012	112,932	21,061
Transferred from tangible assets	1,002	1,038
Additions for the year	1,150	1,058
Disposals for the year	0	0
Cost at September 30th 2013	115,084	23,157
Amortisation and impairment losses at October 1 st 2012	(100,460)	(18,737)
Amortisation for the year	(3,590)	(1,450)
Amortisation regarding disposals for the year	0	0
Amortisation and impairment losses at September 30th 2013	(104,050)	(20,187)
Carrying amount at September 30th 2013	11,034	2,970
Carrying amount at September 30 th 2012	12,472	2,324



NOTES TO THE ANNUAL REPORT

Group

11 Property, plant and equipment	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 2012	864,800	1,058,876	630,548	63,595	37,278
Additions from subsidiary	15,550	2,224	2,080	0	0
Value adjustment at closing price	(3,930)	(8,103)	0	(482)	(58)
Transferred from assets in progress	2,424	26,954	3,086	529	(32,993)
Additions for the year	24,944	41,855	16,310	8,341	37,100
Disposals for the year	(14,763)	(91,784)	(13,446)	(4,991)	0
Transferred to intangible assets	0	0	0	0	(2,040)
Cost at September 30th 2013	889,025	1,030,022	638,578	66,992	39,287
Depreciation and impairment losses at October 1 st 2012	(587,284)	(793,060)	(342,423)	(48,721)	-
Additions from subsidiary	(8,540)	(1,534)	(522)	0	-
Transferred to intangible assets	0	0	0	201	-
Value adjustment at closing price	984	5,391	0	392	-
Depreciation for the year	(27,622)	(64,205)	(45,428)	(4,795)	-
Depreciation regarding disposals for the year	14,224	91,111	4,774	4,244	-
Depreciation and impairment losses at September 30th 2013	(608,238)	(762,297)	(383,599)	(48,679)	-
Carrying amount at September 30th 2013	280,787	267,725	254,979	18,313	39,287
Carrying amount at September 30 th 2012	277,516	265,816	288,125	14,874	37,278

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 19,882k.

No public land assessment is made in Greenland, The carrying amount of properties in Greenland amounts to DKK 122,809k.

NOTES TO THE ANNUAL REPORT

	Parent				
11 Property, plant and equipment	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 1 st 2012	529,520	451,613	467,980	41,877	16,740
Transferred from assets in progress	2,062	9,007	2,800	283	(14,152)
Additions for the year	19,069	13,968	10,543	5,803	18,153
Disposals for the year	(317)	(61,016)	(9,410)	(3,878)	0
Transferred to intangible assets	0	0	0	0	(2,040)
Cost at September 30th 2013	550,334	413,572	471,913	44,085	18,701
Depreciation and impairment losses at October 1 st 2012	(410,739)	(352,628)	(247,409)	(32,689)	-
Depreciation for the year	(17,065)	(25,444)	(30,345)	(3,046)	-
Depreciation regarding disposals for the year	279	60,606	2,081	3,323	-
Depreciation and impairment losses at September 30th 2013	(427,525)	(317,466)	(275,673)	(32,412)	-
Carrying amount at September 30th 2013	122,809	96,106	196,240	11,673	18,701
Carrying amount at September 30 th 2012	118,781	98,985	220,571	9,188	16,740

No public land assessment is made in Greenland. The carrying amount of properties in Greenland amounts to DKK 122,809k.

NOTES TO THE ANNUAL REPORT

	Group	Parent	
	Associates DKK 1,000	Associates DKK 1,000	Group enterprises DKK 1,000
12 Investments in group enterprises and associates			
Cost at October 1 st 2012	62,127	41,107	2,035,229
Additions for the year	316	316	14,000
Company acquisition	2,162	0	0
Disposals for the year	0	0	0
Cost at September 30th 2013	64,605	41,423	2,049,229
Value adjustments at October 1 st 2012	63,837	31,425	(304,718)
Value adjustment at closing price	(1,713)	(182)	(41,385)
Share of profit/loss for the year	2,527	(1,162)	12,232
Capital adjustments for the year	0	0	(1,389)
Company acquisition	(1,373)	0	0
Dividends	(2,058)	0	(7,502)
Value adjustments at September 30th 2013	61,220	30,081	(342,762)
Carrying amount before setoff	125,825	71,504	1,706,467
Transferred to provisions	0	0	0
Setoff of receivables	1,345	821	0
Carrying amount at September 30th 2013	127,170	72,325	1,706,467
Carrying amount at September 30 th 2012	126,131	72,699	1,730,511

In the Group, the differential value on acquisition of investments in associates amounts to DKK 16,113k. The carrying amount at September 30th 2013 amounts to DKK 141k.

NOTES TO THE ANNUAL REPORT

	Group		Parent
	Associates DKK 1,000	Associates DKK 1,000	Group enterprises DKK 1,000
13 Receivables from group enterprises and associates			
Cost at October 1 st 2012	48,140	39,140	0
Value adjustment at closing price	2	2	0
Additions for the year	42,422	2,422	5,530
Disposals for the year	(7,384)	(7,384)	0
Cost at September 30th 2013	83,180	34,180	5,530
Impairment losses at October 1 st 2012	(122)	(122)	0
Additions for the year	(782)	(782)	0
Disposals for the year	83	83	0
Impairment losses at September 30th 2013	(821)	(821)	0
Carrying amount at September 30th 2013	82,359	33,359	5,530
Carrying amount at September 30 th 2012	48,018	39,018	0

	Group	Parent
	DKK 1,000	DKK 1,000
14 Other fixed asset investments		
Cost at October 1 st 2012	46,386	29,754
Additions for the year	4,602	4,353
Disposals for the year	(11,852)	(5,611)
Cost at September 30th 2013	39,136	28,496
Provisions for bad debts at October 1 st 2012	(6,985)	(5,837)
Change in provisions for the year	986	1,530
Provisions for bad debts at September 30th 2013	(5,999)	(4,307)
Carrying amount at September 30th 2013	33,137	24,189
Carrying amount at September 30 th 2012	39,401	23,917

NOTES TO THE ANNUAL REPORT

	Group		Parent	
	30.09.2013 DKK 1,000	30.09.2012 DKK 1,000	30.09.2013 DKK 1,000	30.09.2012 DKK 1,000
15 Inventories				
Raw materials	589,826	612,715	18,207	17,910
Goods in progress	39,862	45,635	2,607	934
Finished goods	855,509	935,768	419,432	463,287
Other goods	113,747	127,209	57,115	60,538
	1,598,944	1,721,327	497,361	542,669
Goods at net realisable value included in booked value of inventories	91,824	33,489	88,514	25,578
16 Other receivables				
Tax receivable	4,480	22,868	0	0
VAT and duty receivable	18,839	22,402	0	0
Other receivables	45,763	16,680	5,738	3,636
	69,082	61,950	5,738	3,636
17 Prepayments				
Derivative financial instruments at fair value	708	916	0	838
Prepaid rent and consumption taxes	764	1,150	0	0
Other prepayments	7,813	6,591	3,391	2,271
	9,285	8,657	3,391	3,109
18 Minority interests				
Minority interests at October 1 st 2012	50,449	41,442		
Company acquisition	1,354	0		
Share of profit/loss for the year	12,387	11,735		
Dividend and capital adjustments	(5,456)	(2,728)		
Minority interests at September 30th 2013	58,734	50,449		

NOTES TO THE ANNUAL REPORT

	Group		Parent	
	30.09.2013 DKK 1,000	30.09.2012 DKK 1,000	30.09.2013 DKK 1,000	30.09.2012 DKK 1,000
19 Deferred tax				
Deferred tax incumbent on the following items:				
Property, plant and equipment	94,248	94,636	60,255	56,252
Fixed asset investments	0	0	0	0
Other items	(4,608)	(98)	(4,616)	(98)
	89,640	94,538	55,639	56,154
Deferred tax assets incumbent on the following items:				
Loss carried forward	30,793	32,597	0	0
Other tax assets	50,031	43,942	0	0
	80,824	76,539	0	0
20 Other provisions				
Other provisions at October 1 st 2012	23,972	28,155	3,045	3,000
Additions for the year	1,019	2,096	0	45
Disposals for the year	(2,821)	(6,279)	(45)	0
Other provisions at September 30th 2013	22,170	23,972	3,000	3,045

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



Colourful houses in Nuuk. Photo: RG

NOTES TO THE ANNUAL REPORT

21 Long-term liabilities other than provisions	Group		Parent	
	30.09.2013 DKK 1,000	30.09.2012 DKK 1,000	30.09.2013 DKK 1,000	30.09.2012 DKK 1,000
The following amounts fall due for payment after five years or more:				
Bank debt	246,972	639,657	246,972	639,657
Mortgage debt	0	0	0	0
	246,972	639,657	246,972	639,657

Interest and terms to maturity of long-term liabilities (Group, translated into DKK)	Weighted term (years)	Fixed/ floating	Effective rate of interest		Nominal value DKKm	
			2012/13	2011/12	2012/13	2011/12
Subordinated loan	2	Fast	5.00%	5.00%	100	150
Mortgage debt	3	Fast	7.81%	7.22%	51	67
Private Placements	3	Fast/Var.	2.75%	2.77%	1,442	1,442
					1,593	1,659
Weighted average effective rate of interest			3.06%	3.15%		

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

22 Other payables	Group		Parent	
	30.09.2013 DKK 1,000	30.09.2012 DKK 1,000	30.09.2013 DKK 1,000	30.09.2012 DKK 1,000
Wages and salaries, personal income taxes, social security costs, etc payable	41,294	48,056	19,151	24,893
Holiday pay obligation	43,043	38,148	30,034	27,188
Interest	15,277	15,439	14,540	14,509
VAT and duties	48,379	45,766	34,606	29,925
Other costs payable	93,347	33,565	18,039	5,623
	241,340	180,974	116,370	102,138
23 Deferred income				
Derivative financial instruments at fair value	883	181	430	0
Other deferred income	34,413	42,210	800	2,393
	35,296	42,391	1,230	2,393

NOTES TO THE ANNUAL REPORT

24 Assets charged and contingent liabilities	Group		Parent	
	30.09.2013 DKK 1,000	30.09.2012 DKK 1,000	30.09.2013 DKK 1,000	30.09.2012 DKK 1,000
Assets charged				
Mortgage debt has been secured on property, plant and equipment at a carrying amount of	105,139	147,315	0	0
Contractual obligations				
Contracts have been made relating to delivery of fixed assets within two years at a carrying amount of	10,419	10,750	2,125	10,750
Lease commitments falling due within five years after the balance sheet date amount to	125,495	166,090	93,207	119,307
Hereof due within one year	60,428	67,237	40,583	39,315
Recourse and non-recourse guarantee commitments				
Associates	2,500	1,510	2,500	1,510
Third party	9,112	10,805	8,912	9,805
Group enterprises	-	-	486,771	570,132

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.



Qeqertarsuaq. Photo: RG

NOTES TO THE ANNUAL REPORT

Group				
25 Financial exposure	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	80,491	(69,290)	198,920	210,121
GBP	19,082	(32,829)	(73,089)	(86,836)
SEK	455	(4,189)	(27,996)	(31,730)
JPY	50,194	(1,386)	(71,460)	(22,652)
	150,222	(107,694)	26,375	68,903

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 2013.

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	(369,442)	(831,221)	(234,702)	(688,605)	0.8 – 8.3

Cash and cash equivalents amounts to DKK 327,730k and has a bearing effective rate of interest from 0.0 to 1.4%. Short-term credits amount to DKK 140,747k. Short-term credits have a bearing effective rate of interest from 1.5 – 2.1%.

NOTES TO THE ANNUAL REPORT

	Group		Parent	
	2012/13 DKK 1,000	2011/12 DKK 1,000	2012/13 DKK 1,000	2011/12 DKK 1,000
26 Fees to auditors appointed by the general meeting				
Audit fee	2,519	2,597	1,230	1,215
Other declarations from auditor	134	0	20	0
Tax advisory services	420	390	266	233
Other services	1,520	539	1,432	459
Adjustments concerning previous years	76	69	90	42
	4,669	3,595	3,038	1,949

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.



Halibut production in Qasigiannqut. Photo: RG

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
Svend Bang Christiansen	Fyrværkerieksperten A/S Proinvent A/S Teknologiuudvikling Bach Composite Industry A/S BC Group A/S Videometer A/S Proinvent Group Holding A/S Tigervej 12 A/S Valmue Holding A/S 29/6-2011 A/S IT Company A/S Skare Meat Packers K/S Skare Food A/S	Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Member of the Supervisory Board
Peder Tuborgh	Arla Foods Amba Arla Foods Holding A/S AF A/S Arla Foods International A/S Aarhus Universitet	Chief Executive Officer Chairman Chairman Chairman Member of the Supervisory Board
Pernille Fabricius	Damco (Chile) Holding A/S Damco (Brazil) Holding A/S Damco (Saudi) Holding A/S Damco (Canada) Holding A/S Damco International A/S Damco A/S	Chairman Chairman Chairman Chairman 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	Member of the Supervisory Board Member of the Supervisory Board
Bruno Olesen, Group Sales Director	Great Greenland A/S Skare Meat Packers K/S Skare Food A/S	Chairman Member of the Supervisory Board Member of the Supervisory Board
Lars Nielsen, Group Production Director	Trustus A/S Upernavik Seafood A/S Polar Raajat A/S	Chairman Member of the Supervisory Board Member of the Supervisory Board

NOTES TO THE ANNUAL REPORT

	Group	
	2012/13 DKK 1,000	2011/12 DKK 1,000
29 Adjustments relating to net profit for the year		
Depreciation, amortisation and impairment losses	147,692	171,378
Minority interests	12,387	11,734
Financial items allocated to profit for the year	17,181	96,250
Income taxes expensed	55,434	32,181
Provisions	(2,788)	(7,244)
Profit from associates	(2,527)	(35,767)
	227,379	268,532
30 Working capital changes		
Change in receivables	(99,961)	58,283
Change in inventory	130,868	(103,941)
Change in trade payables and other payables	13,462	(1,698)
	44,369	(47,356)
31 Cash and cash equivalents, end of year		
Cash and cash equivalents, end of year	327,730	259,636
Credit institutions, end of year	(140,747)	(192,789)
	186,983	66,847

Of the cash and cash equivalents amounting to DKK 327,730k DKK 121,630k has been pledged as security for financial contracts.

PRODUCTION UNITS OUTSIDE OF GREENLAND

Production units outside of Greenland work with both processing and packaging of Greenlandic raw materials and processing of external raw materials, primarily flat fish in Koszalin, Poland and Alaska Pollack in Wilhelmshaven, Germany.

Packing of prawns and production of prawns in brine have been united at the facility in Aalborg, Denmark. Processing of lumpfish roe from Greenland takes place in Cuxhaven, Germany. At the same time, the Canadian prawn factory in Matane has been streamlined.



AALBORG
1988

Factory Manager: Peter Korsbæk
Primary species: Prawns
Products: Packaging of shellfish for retail and foodservice
Capacity: 15-18,000 t/year
Employees: 50-70 low/peak seasons



GLYNGØRE
1982

Factory Manager: None currently
Primary species: Prawns, crayfish, surimi
Products: Brined and MAP seafood
Capacity: Brine 7-8 t/day, MAP 25 t/day
Employees: 70-80 low/peak seasons
 Production of prawns in brine has been moved to Aalborg in the summer of 2013.



WILHELMSHAVEN
1996

Factory Manager: Allan Jensen
Primary species: Alaska Pollack, cod, hake, hoki
Products: Fish fingers, natural fillets, gourmet fillets, Fish 'n' Chips
Capacity: 80,000 t/year
Employees: 420 low/peak seasons



CUXHAVEN
2010

Factory Manager: Helgi Helgason
Primary species: Lumpfish roe
Products: Lumpfish roe in glass jars
Capacity: 125,000 glasses/day
Employees: 19-60 low/peak seasons



KOSZALIN
2006

Factory Manager: Meinhard Jacobsen
Primary species: Plaice, flounder, cod
Products: Breaded, battered and stuffed flatfish, natural fillets, topped salmon fillets
Capacity: 20,000 t/year
Employees: 425 low/peak seasons



MATANE
2006

Factory Manager: None currently
Primary species: Prawns
Products: Cooked and peeled prawns
Capacity: 30 t/day
Employees: 120 low/peak seasons

PRODUCTION UNITS IN GREENLAND

At the end of the year, Royal Greenland owned 33 factories and plants in Greenland versus 20 the previous year. The size of the units varies from the largest in Qasigiannuit with 130 employees to the small units only open during e.g. the roe- or cod season, as Qaarsut in the North and Narsaq in the South.

The primary species purchased and processed in Greenland are prawns, Greenland halibut, lumpfish roe, snow crab and cod. These are processed both into finished products and into intermediate goods for further processing in Poland or Germany.



Uummanaq factory. Photo: Henrik Richard Toudahl



QAANAQ
unknown

Factory Manager: Sofus Alataq
Primary species: Greenland Halibut
Products: Freezing and drying of Greenland halibut
Capacity: 2 t/day
Cold store capacity: 10 t
Employees: 5 in the season

The unit was taken over after the AGF bankruptcy in June 2013. New freezing facility is under construction.



SAVIISVIK
unknown

Factory Manager: Currently none – NOT IN OPERATION
Primary species: None
Products: None
Capacity: 0 t/day
Cold store capacity: 0 t
Employees: 0



UUMMANAQ
1949

Factory Manager: Josef Møller
Primary species: Greenland halibut
Products: Whole Greenland halibut, heads, tails, fillets
Capacity: 40 t/day
Cold store capacity: 1100 t
Employees: 10-50 low-/high season

Current location since 1996, but the unit has been expanded several times, latest in 2003.



NUUGAATSIQ
1990

Factory Manager: Job Mikaelson
Primary species: Greenland halibut
Products: J-cut, heads, tails and whole fish
Capacity: 4.5 t/day
Cold store capacity: 100 t
Employees: 1-10 low-/high season

New freezing facilities in 2013, new drying house in 2013



UKKUISSAT
1989

Factory Manager: Johanne Knudsen
Primary species: Greenland halibut
Products: J-cut, heads, tails, whole fish
Capacity: 4.5 t/day
Cold store capacity: 100 t
Employees: 1-10 low-/high season

New freezing facilities in 2013, new drying house in 2013



SAATTUT
1986

Factory Manager: Marie Knudsen
Primary species: Greenland halibut
Products: J-cut, heads, tails, whole fish
Capacity: 7 t/day
Cold store capacity: 400 t
Employees: 1-15 low-/high season

Current unit was refurbished in 1998, when the large freezing facility was also taken into use.



IKERASAK
1990

Factory Manager: Elisabeth Filemonsén
Primary species: Greenland halibut
Products: Whole fish, fillets with and without skin
Capacity: 20 t/day
Cold store capacity: 80 t
Employees: 2-25 low-/high season

The unit has only been refurbished to a small degree since it was established. New freezing facilities were established in 2008.



QAARSUT
1995

Factory Manager: Managed via Uummanaq
Primary species: Lumpfish roe in the season, salted fish in the fall
Products: Roe in barrels
Capacity: 5 t roe, 2 t salted fish/day
Cold store capacity: No freezing facilities
Employees: 0-6 low-/high season

No refurbishments since production start in 2012. Production of salted fish established..



QEQRITAQ
unknown

Factory Manager: Jacob Broberg
Primary species: Greenland halibut
Products: J-cut, whole fish
Capacity: 20 t/day
Cold store capacity: 100 t
Employees: 15 low-/high season

The unit is owned by Qeqertaq Fish of which Royal Greenland owns the majority. RG took over operations of Qeqertaq Fish in 2013

PRODUKTIONSENHEDER I GRØNLAND



SAQQIAQ
1983

Factory Manager: Nielsine Hansen
Primary species: Greenland halibut, other fish
Products: Whole Greenland halibut frozen in blocks
Capacity: 8 t/day
Cold store capacity: 80 t
Employees: 2-10 low-/high season

The unit burned in 2003. The current facility opened in 2005



ILLUSSAT
1920 S

Factory Manager: Hans Lars Olsen
Primary species: Prawns, Greenland halibut
Products: IQF prawns, prawn meal, whole halibut, cod
Capacity: 120 t prawns-, 20 t fish/day
Cold store capacity: 1600 t
Employees: 100 low-/high season

The current unit was established in 1961 and has been refurbished several times. New Greenland halibut in 1998, closed in 2009. Prawn factory renovated in 2010.



QEQERTARSUAQ
1934

Factory Manager: Emil Mølgård
Primary species: Snow crab, cod, lumpfish roe
Products: Crab sections, fish frozen in block, roe in barrels
Capacity: 10 t crab-, 1 t fish/day
Cold store capacity: 100 t
Employees: 3-30 low-/high season

The unit has previously held prawn-, meat- and frill production. Today only crab and fish remains.



KITSISSUAQSUIT
unknown

Factory Manager: Currently none – NOT IN OPERATION
Primary species: None
Products: None
Capacity: 0 t/day
Cold store capacity: No cold store
Employees: 0

Unit is owned by Qeqertaq Fish of which RG owns the majority. RG took over operations of Qeqertaq Fish in 2013.



QASIGIANNGUIT
1940 S

Factory Manager: Ole Vestergård
Primary species: GL halibut, other fish, lumpfish roe
Products: GL halibut fillets, frills, heads, IQF fillets, loins
Capacity: 25 t Greenland halibut/day
Cold store capacity: 1800 t
Employees: 130 low-/peak season

Refurbished into a prawn unit in 1952. Closed in 1997. Commenced operations in 2000 and was refurbished in 2011. The most important Greenland halibut unit.



IKAMIUT
unknown

Factory Manager: Currently none – NOT IN OPERATION
Primary species: None
Products: None
Capacity: 0 t/day
Cold store capacity: 20 t
Employees: 0

Taken over after the AGF bankruptcy in June 2013. Will be opened for roe to begin with and fish later on – before April 1st 2014.



AKUNNAAQ
unknown

Factory Manager: Peter Nielsen – NOT IN OPERATION
Primary species: None
Products: Dried fish, roe from spring 2014
Capacity: 0 t/day
Cold store capacity: No cold store
Employees: 0

The unit is owned by Qeqertaq Fish of which RG owns the majority. RG took over operations of Qeqertaq Fish in 2013.



KANGAATSIQ
1950 S

Factory Manager: Abia Thorsteinsen
Primary species: Cod, roe
Products: Cod frozen in block, roe in barrels
Capacity: 15 t/day freezing
Cold store capacity: 100 t
Employees: 2-25 low-/peak season

The unit was renovated/built in 1986 in its current form with production of cod. Today, cod and other fish are frozen and in the season roe is processed.



NIAQORNAARSUK
1948

Factory Manager: Judith Wille
Primary species: Cod, lumpfish roe
Products: Salted fish
Capacity: 5 t/day
Cold store capacity: No cold store
Employees: 4-10 low-/peak season

Traded and renovated in 1995. Expanded in 2013.



IKERASAARSUK
1950

Factory Manager: Lars Karlsen
Primary species: Cod, lumpfish roe
Products: Salted fish
Capacity: 5 t/day
Cold store capacity: No cold storage
Employees: 1-10 low-/peak season

Renovated in 1995.



ATTU
unknown

Factory Manager: Erneraq Ugperngangisoq
Primary species: None
Products: None
Capacity: 0 t/day
Cold store capacity: 20 t
Employees: 0 low-/peak season

NOT IN OPERATION

Taken over after the AGF bankruptcy in June 2013. Will be opened for roe to begin with, fish later on.



SISIMIUT
1914

Factory Manager: Vivi Høy Labansen
Primary species: Prawns, snow crab
Products: Cooked and peeled prawns, crab sections
Capacity: 120 t prawns-, 15 t crab/day
Cold store capacity: 1600 t
Employees: 100 low-/peak season

Current unit built in 1969 for production of cod and prawns, renovated in 1992 and 2011 into a modern prawn processing facility.

GREENLAND

- Qaanaaq
- Savissivik
- Uummanaq
 - Nuugaatsiaq
 - Ukkusissat
 - Saattut
 - Ikerasak
 - Qaarsut
- Qeqertaq
- Ilulissat
 - Saqqaq
- Qeqertarsuaq
- Kitsissuarsuit
- Qasigianguit
- Ikamiut
- Akunnaaq
- Kangaatsiaq
 - Niaqornaarsuk
 - Ikerasaarsuk
- Attu
- Sisimiut
- Nuuk
 - Kangaamiut
 - Atammik
 - Qeqertarsuatsiaat

GREENLAND

- Maniitsoq
- Napasoq
- Paamiut
- Qassimiut
- Narsamiut
- Narsaq
- Aappilattoq
- Ittoqqortoormiit

EUROPE

- Aalborg
- Glyngøre
- Cuxhaven
- Wilhelmshaven
- Koszalin

CANADA

- Matane

PRODUCTION UNITS



PRAWN

- Akamalik - Deep-sea
- Qaqqatsiaq - Deep-sea
- Nataarnaq - Deep-sea
- Lomur - Coastal
- Sermilik - Coastal

HALIBUT

- Niels - Coastal
- Aluk - Coastal
- Laila S - Coastal
- Tuugaalik - Deep-sea

OTHER FISH

- Sisimiut - Deep-sea
- Jens Henrik - Coastal

TRAWLERS

The North Atlantic Champion

MISSION

We sustainably maximize the value of the North Atlantic marine resources, to the benefit of Greenland

Product promise. Based on our Greenlandic origin and identity, we take pride in bringing unique, safe and healthy seafood products to consumers around the world who value high-quality seafood.

Profit promise. We create sustainable earnings. We operate cost-effectively, we manage risk, and we stay competitive. We thus create opportunities for growth and long-term financial stability in Greenland.

People promise. We operate our business with respect for the individual. We act with integrity and transparency towards consumers, customers, employees, suppliers and business partners.

Planet promise. We manage the resources to which we have access, and upon which our future depends, sustainably.

VISION

- We are closest to the fish, closest to the customers and closest to the consumers -

We are a **truly vertically integrated company**. Royal Greenland brings high-quality, North Atlantic seafood products from catch to consumers.

We have the **strongest market position** and the strongest market presence in all global markets that have long-term potential for our products. Royal Greenland's position is based on a deep understanding of global customer- and consumer needs.

We are the **largest global supplier** of Greenland Halibut and cold-water prawns – and of other North Atlantic species in which we can achieve this position. Royal Greenland defines the market for these species.



ROYAL GREENLAND'S RAW MATERIALS SUPPLY

The vast majority of Royal Greenland's raw materials will in future come from the North Atlantic, with the focus on growth in halibut, boiled and peeled prawns, and shell-on prawns. The starting-point for all activities will be our Greenlandic origin and our strong anchoring in fishing, first sales and production in and around the North Atlantic.

ROYAL GREENLAND'S MARKETS

For many years, Royal Greenland's primary markets have been in Europe, through sales of both raw materials from Greenland and finished products from the factories in Germany and Poland. In recent years, however, the significance of the Asian markets has risen considerably - a trend that has been further amplified by the sale of the factory in Wilhelmshaven and the increasing demand among Asian customers for high-quality seafood.





SALES OFFICES

RG SCANDINAVIA

- Malmö, Sverige

RG DENMARK

- Svenstrup

RG GERMANY

- Bremen (responsible for Germany, the Netherlands, Belgium and all CEE countries)

RG FRANCE

- Paris

RG UK

- Manchester

RG JAPAN

- Tokyo

RG ITALY

- Milano

RG INTERNATIONAL

- Svenstrup (responsible for other markets)

SCANDINAVIA

The Scandinavian countries are the traditional home market for both shell-on prawns and cooked and peeled prawns. Swedes prefer prawns with the shells on, while the Danes prefer them peeled. Sweden and Denmark are also significant markets for plaice and flounder from the production in Koszalin, Poland.



UK

The world's largest market for cooked and peeled prawns is obviously of great importance to Royal Greenland. The British love of fish & chips also goes well with the product portfolio from Koszalin in Poland.



EUROPE

The biggest European markets, Germany and France, will in future come to focus even more on Greenlandic ingredients than before. The French like to eat both lumpfish roe and halibut. In southern Europe, Italy has a great demand for prawns in brine products.



ASIA

In Japan, the local sales organisation has for many years been building up a professional setup for the processing and sale of sushi products, based on prawns, halibut and crab. China has in recent years become a very important halibut market for Royal Greenland.



• Tokyo

PRODUCTION UNITS IN GREENLAND



NUUK
1959

Factory Manager: Theo Didriksen
Primary species: Cod, GL halibut, redfish, wolffish, roe
Products: Roe, whole fish IQF, products for the home market
Capacity: 50 t/day
Cold store capacity: 200 t
Employees: 12-40 low-/peak season
 Godthåb Fiskeindustri taken over in 1990, prawn production closed in 2002.



KANGAMIUT
1944

Factory Manager: Peter Kreutzmann
Primary species: Cod, wolffish, GL halibut, roe
Products: Whole fish, winter dried cod, dried wolffish, roe in barrels
Capacity: 5 t/day
Cold store capacity: 30 t
Employees: 4-16 low-/peak season
 Renovated in 1994/95. Expansion of the freezing capacity and cold store, 12/15 t freezing, 80 t cold store.



ATAMMIK
1992

Factory Manager: Ane Petersen
Primary species: Cod, wolffish, lumpfish roe
Products: Whole fish, salted fish, roe in barrels
Capacity: 3 t freezing-, 4 t salting/day
Cold store capacity: 8 t
Employees: 4-20 low-/roe season
 Expansion of the cold store and freezing capacity, 8-10 t freezing, 4 t salting.



QEQUERTARSUAQ
1983

Factory Manager: Ingvar Motzfeldt
Primary species: Cod, lumpfish roe
Products: Salted fish, cod IQF, cod frozen in blocks, roe in barrels
Capacity: 4 t salted fish-, 18 t fish/day
Cold store capacity: 80 t
Employees: 6-16 low-/peak season



MANITTOQ
unknown

Factory Manager: Pele Nathansen
Primary species: Snow crab, cod
Products: Crab sections, freezing of fish
Capacity: 5 t crab-, 20 t fish/day
Cold store capacity: 500 t
Employees: 5-25 low-/peak season
 Taken over after the AGF bankruptcy in June 2013. Filleting line and production of dried cod for the home market established.



NAPASOO
unknown

Factory Manager: Jens Josefsen – NOT IN OPERATION
Primary species: Lumpfish roe
Products: Roe
Capacity: None
Cold store capacity: No cold store
Employees: 0
 Taken over after the AGF bankruptcy in June 2013. Will open for roe in the season.



PAAMIUT
1920

Factory Manager: Gorm Rævmann
Primary species: Snow crab, cod, roe, other fish
Products: Crab sections, cod fillets, roe, freezing
Capacity: Crab sections 10 t/day, fillets 20 t/day
Cold store capacity: 500 ton
Employees: 10-50 low-/peak season
 Refurbished from cod production to smoke house in 1997. Closed in 2003. Prawn and crab production established in 2004



QASSIMIUT
unknown

Factory Manager: Karl Isaksen – NOT IN OPERATION
Primary species: None
Products: None
Capacity: 0 t/day
Cold store capacity: 10 t
Employees: 0
 Taken over after the AGF bankruptcy in June 2013.



NARSARMIUT
unknown

Factory Manager: Karl Isaksen – NOT IN OPERATION
Primary species: None
Products: None
Capacity: 0 t/day
Cold store capacity: 10 t
Employees: 0
 Taken over after the AGF bankruptcy in June 2013.



NARSAQ
1951

Factory Manager: Niels Sakariassen
Primary species: Lumpfish roe
Products: Roe in barrels
Capacity: Freezing of 20 t/day
Cold store capacity: 600 t
Employees: 1-10 low-/peak season
 Renovated in 1995.



AAPPIILATTOQ
unknown

Factory Manager: Sikesmund Gedionsen – NOT IN OPERATION
Primary species: None
Products: None
Capacity: 0 t/day
Cold store capacity: 20 t
Employees: 0
 Taken over after the AGF bankruptcy in June 2013.



ITTOQQORTOORMIIT
unknown

Factory Manager: None – NOT IN OPERATION
Primary species: None
Products: None
Capacity: 0 t/day
Cold store capacity: 20 t
Employees: 0
 Taken over after the AGF bankruptcy in June 2013.

ROYAL GREENLAND'S FLEET

Royal Greenland's fleet consists of three ocean-going prawn trawlers, two ocean-going trawlers for halibut, cod, etc., two coastal prawn trawlers, and a number of smaller vessels engaged in coastal fishing.

The ocean-going production trawlers are floating factories, equipped for both catching and processing prawns, cod, halibut, haddock, redfish and coalfish. The prawns are cooked and frozen on board, while the fish is filleted and frozen for high-quality sea frozen products, or cleaned for further processing on land. The ocean-going trawlers primarily operate off the coasts of Greenland and in the Barents Sea.

Royal Greenland's trawler division is responsible for operating a modern, hi-tech fleet. We make continual efforts to reduce our fuel consumption and promote the use of gentle catch methods. All trawls used in our own fishing are equipped with sorting grids and panels with a view to limiting bycatch as far as possible.

The smaller vessels that operate in the coastal fishing supply raw materials such as prawns and halibut directly to our land-based factories located along the west coast of Greenland. In addition to our own fleet, we also co-operate closely with local vessels and the 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%



QAQATSIQAQ
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 75%



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%



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%



Royal Greenland trawler Nataarnaq. Photo: RG



ALUK
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%



JENS HENRIK
2001

Length/width: 13,80 x 4,60
Production capacity: 3 tons/day
Catch capacity: 100-200 tons/year
Hold capacity: ca. 12 tons
Crew: 3-5
Trawler type: Coastal line/net vessel
Ownership: RG 100%



TUUGAALIK
2002

Length/width: 66,4 x 14,6 m
Production capacity: 800 tons/day
Catch capacity: 6 -7.000 tons/year
Hold capacity: 800 tons
Crew: 25
Trawler type: Ocean-going halibut-/mackerel trawler
Ownership: RG 25%





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