

DANISCO



FOCUS AND FINANCIAL TARGETS

Strategic focus

Danisco is a major international supplier to industry focused on the areas of food ingredients, sugar/sweeteners and flexible packaging.

Danisco is also active in selected parts of the European food markets and in corrugated board packaging. These activities are regarded as falling outside Danisco's focus areas and will be divested.

Financial targets

Ingredients and sweeteners segment: to double net sales of ingredients and sweeteners over the next five years. The target will be reached through continued organic growth at a compounded annual rate (CAGR) of 6-8 per cent over the coming five-year period and through acquisitions.

Danisco is also committed to achieving an operating margin of at least 15 per cent over the next five years

(operating profit before amortisation of goodwill, etc.) through organic growth as well as to increasing ROAIC (operating profit relative to average invested capital) to at least 15 per cent before tax during the period.

Sugar and seed segment: to maintain net sales of sugar and seeds and to increase the cash flow of the business at a compounded annual growth rate (CAGR) of 5-6 per cent during the coming five-year period. Danisco is also committed to increasing ROAIC to at least 12 per cent before tax during the period.

Flexible packaging segment: to improve net sales at a compounded annual growth rate (CAGR) of 6 per cent and to achieve an operating margin of 8 per cent (operating profit before amortisation of goodwill, etc.). Danisco is also committed to increasing ROAIC to at least 9 per cent before tax during the period.

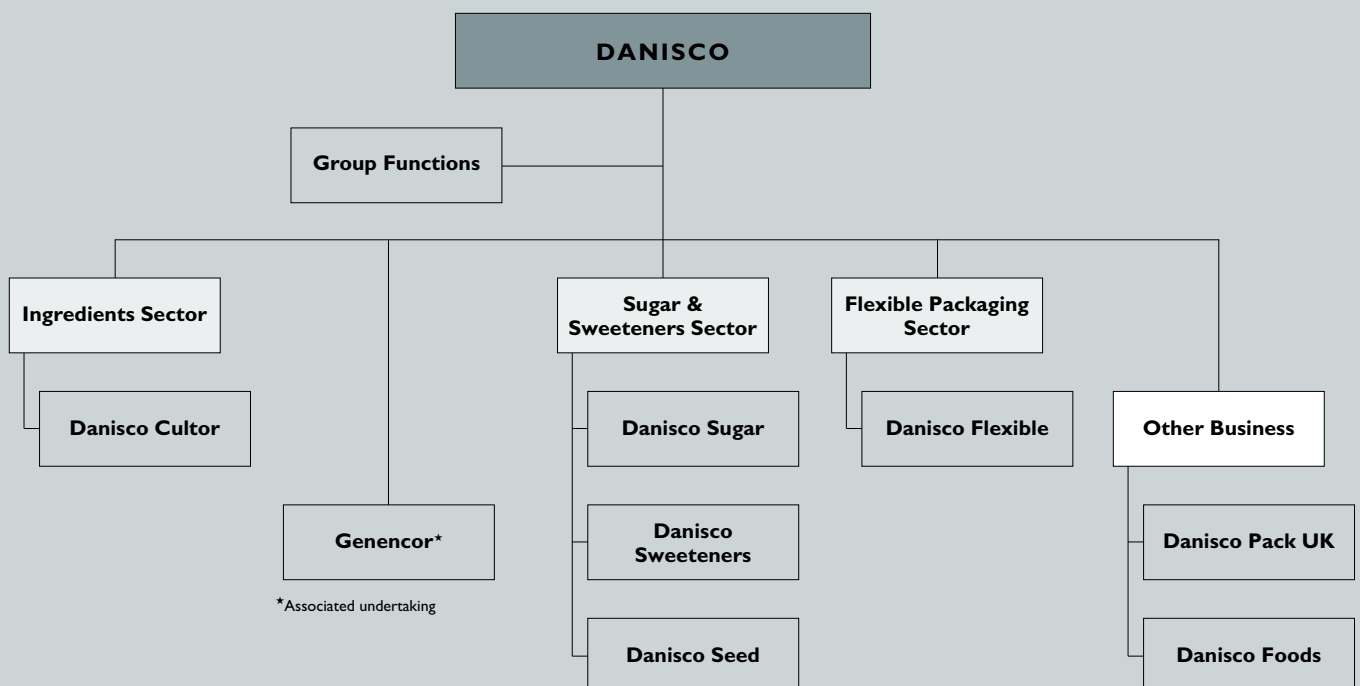
Value creation

Management in Danisco is based on value creation principles, i.e. shareholder value-based management. Danisco will utilise the Group's financial resources and people resources to create value.

The value creation principles will be applied in day-to-day work by involving managers and employees and through regular education and training programmes.

In each of our business areas we will strive for a leading position and create a challenging and rewarding working environment for our employees.

Danisco will be a "good corporate citizen" and a valued neighbour in a social and environmental context wherever we operate.



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KEY FIGURES AND FINANCIAL RATIOS (FIVE-YEAR RECORD)

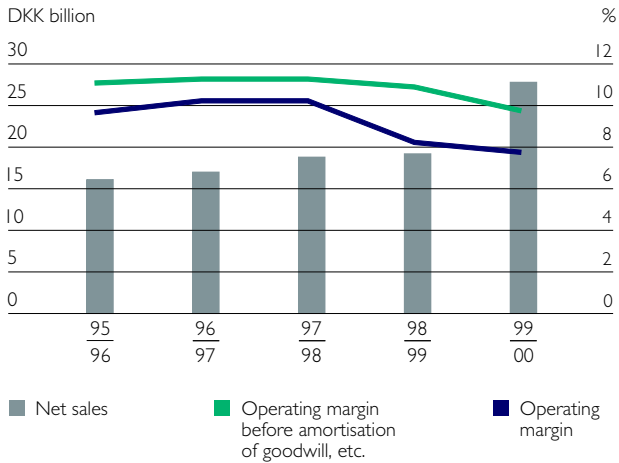
Danisco Group

Profit and loss accounts in DKK million	1995/96	1996/97	1997/98	1998/99	1999/00	
Net sales	16,186	17,002	18,802	19,219	27,829	
<i>Index</i>	<i>100</i>	<i>105</i>	<i>116</i>	<i>119</i>	<i>172</i>	
Operating profit before amortisation of goodwill, etc.	1,834	1,960	2,158	2,133	2,754	
<i>Index</i>	<i>100</i>	<i>107</i>	<i>118</i>	<i>116</i>	<i>150</i>	
Amortisation of goodwill, etc.	245	194	203	546	589	
<i>Index</i>	<i>100</i>	<i>79</i>	<i>83</i>	<i>223</i>	<i>240</i>	
Operating profit	1,589	1,766	1,955	1,587	2,165	
<i>Index</i>	<i>100</i>	<i>111</i>	<i>123</i>	<i>100</i>	<i>136</i>	
Profit on ordinary activities before tax	1,397	1,603	1,785	1,360	1,564	
<i>Index</i>	<i>100</i>	<i>115</i>	<i>128</i>	<i>97</i>	<i>112</i>	
Profit on ordinary activities after tax	852	1,072	1,225	936	871	
<i>Index</i>	<i>100</i>	<i>126</i>	<i>144</i>	<i>110</i>	<i>102</i>	
Danisco's share of the consolidated profit	849	1,070	1,220	927	1,247	
Cash flows in DKK million						
Cash flow from operating activities	1,696	2,016	2,008	1,992	2,342	
Cash flow from investing activities	-1,488	-1,545	-1,831	-3,435	-9,485	
Cash flow from financing activities	-601	-668	-193	1,686	6,590	
Total cash flow	-393	-197	-16	243	-553	
Balance sheets in DKK million						
Total assets	19,247	20,284	21,732	25,614	36,829	
Capital and reserves	9,289	11,278	12,173	11,917	13,345	
Net interest-bearing debt	3,484	2,149	2,828	5,763	12,669	
Invested capital	14,152	15,167	17,001	19,693	27,416	
Financial ratios in %						
Return on average invested capital (ROAIC)	12.1	12.4	12.1	8.9	8.0	
Operating margin	9.8	10.4	10.4	8.3	7.8	
Return on capital and reserves	8.8	10.1	10.4	7.7	6.6	
Solvency ratio	54.2	55.6	56.0	46.5	36.2	
Other data						
Average number of shares	'000	59,922	60,016	59,930	58,566	57,891
Earnings per share before amortisation, continuing activities	DKK	-	-	-	19.94	17.53
Earnings per share, continuing activities	DKK	-	-	-	12.00	9.21
Earnings per share (EPS)	DKK	14.80	18.26	20.35	15.83	14.44
Cash flow per share	DKK	28.30	33.59	33.51	34.01	40.45
Net asset value per share	DKK	174	188	204	205	232
Market price per share	DKK	290	386	426	325	247
Market price/net asset value	DKK	1.67	2.06	2.09	1.58	1.07
Market capitalisation	DKK million	16,058	23,203	25,480	18,852	14,214
Price/earnings ratio	DKK	19.59	21.14	20.93	20.53	17.11
Dividend per share	DKK	4.20	5.00	6.00	6.00	6.00
Pay-out ratio	%	27.4	28.1	29.4	37.5	41.3
Average number of employees		12,638	12,937	13,732	15,413	17,712

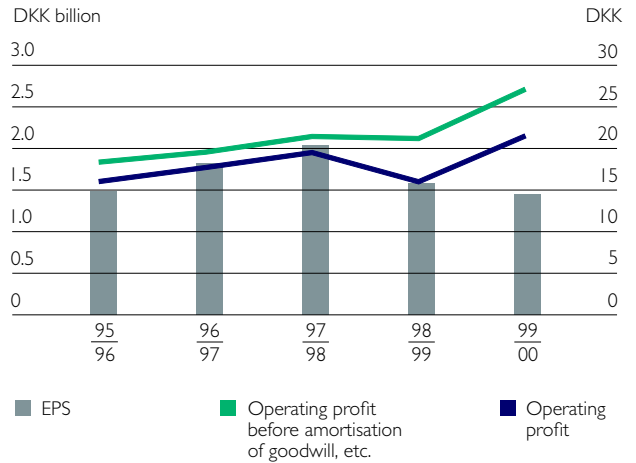
The key figures and financial ratios are calculated according to "Guidelines for Computation of Financial Ratios and Key Figures 1997" issued by the Danish Society of Financial Analysts on the basis of the Group's accounting policies. For calculation of key figures and financial ratios, fully diluted values are applied.

Operating margin	= $\frac{\text{operating profit} \times 100}{\text{net sales}}$	Cash flow per share	= $\frac{\text{cash flow from operating activities}}{\text{average number of shares}}$
Return on capital and reserves	= $\frac{\text{Danisco's share of profit on ordinary activities} \times 100}{\text{average capital and reserves}}$	Net asset value per share	= $\frac{\text{capital and reserves at 30 April}}{\text{number of shares at 30 April}}$
Solvency ratio	= $\frac{\text{capital and reserves} \times 100}{\text{assets total}}$	Market price/net asset value	= $\frac{\text{market price}}{\text{net asset value}}$
Return on average inv. capital (ROAIC)	= $\frac{\text{operating profit} \times 100}{\text{average invested capital}}$	Price/earnings ratio	= $\frac{\text{market price}}{\text{earnings per share}}$
Earnings per share	= $\frac{\text{Danisco's share of profit on ordinary activities}}{\text{average number of shares}}$	Pay-out ratio	= $\frac{\text{dividend paid} \times 100}{\text{Danisco's share of profit on ordinary activities}}$
Invested capital	= working capital, intangible and tangible fixed assets, participating interests in associated undertakings less other provisions.		

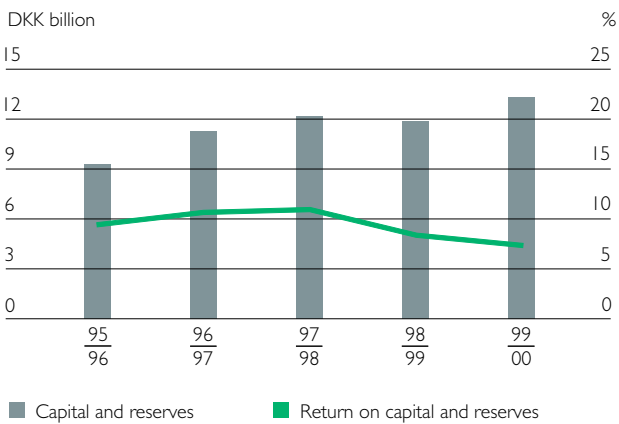
Net sales, operating margin before and after amortisation of goodwill, etc.



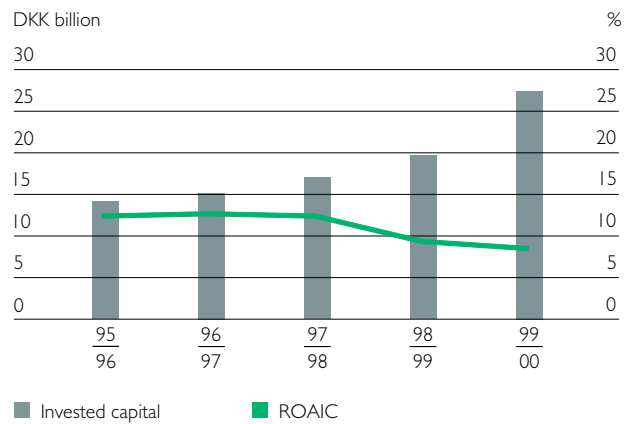
EPS, operating profit before and after amortisation of goodwill, etc.



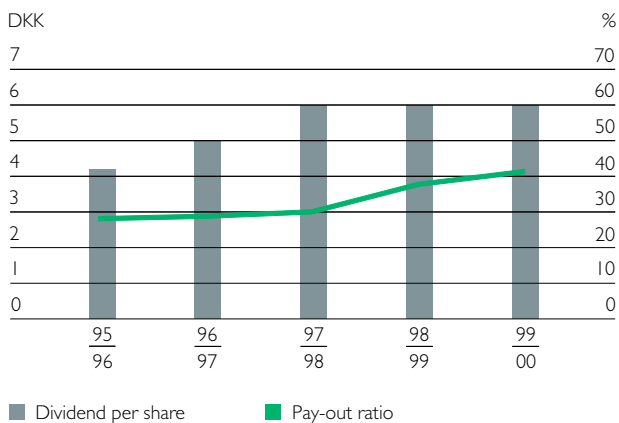
Capital and reserves and return on capital and reserves



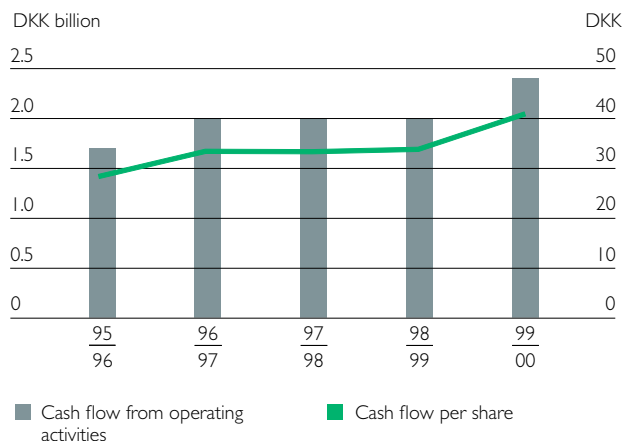
Invested capital and return on average invested capital (ROAIC)



Dividend per share and pay-out ratio



Cash flow from operating activities and cash flow per share



REPORT FOR THE 1999/2000 FINANCIAL YEAR

FOCUS ON GROWTH

It is Danisco's strategy to focus on the links in the food producing value chain that are considered to provide the highest levels of value added by tailoring solutions to customer requirements.

The need for customised ingredients, including innovative sweeteners, is growing and Danisco's businesses are strong players in the ingredients markets.

Through the merger with Cultor in 1999 Danisco created its strategic platform as global market leader in ingredients, including innovative sweeteners, for the food industry and strengthened its position as a leading European sugar producer. Danisco is also a major supplier of advanced packaging solutions to European food producers.

The year was characterised by the extensive restructuring of the Group carried out as part of Danisco's refocusing strategy:

- Substantial investments were made in new activities and efficiency improvements.

- A number of major businesses were divested.
- Market orientation was strengthened and efficiency enhanced through the integration of the acquired companies.

Despite the significant challenges involved, the restructuring and integration process progressed according to plan. On the announcement of the merger with Cultor, it was estimated that earnings would not return to the previous level until after a period of four years due to the effect of divestments and substantial amortisation and financing costs. Yet the benefits fed through faster than originally expected, the positive development continues and the Group remains committed to its strategy.

Growth in net sales and profits

As anticipated, Danisco recorded robust growth in both net sales and profits in the continuing business areas. The integration of Cultor and Sidlaw contributed a considerable part of the increase but healthy organic growth was also achieved, most notably in the ingredients area.

Overall, sales developed favourably and several new products were launched. Sales in the Group's focus areas amounted to DKK 19,342 million. Activities outside the focus areas reported sales of DKK 8,737 million pushing the Group's total sales to DKK 28,079 million in the 1999/2000 financial year.

Operating profit before amortisation of goodwill, etc. was DKK 2,754 million. Of this amount the activities outside the focus areas accounted for DKK 681 million, while the profit from the continuing activities advanced by 30 per cent to DKK 2,073 million.

The refocusing of Danisco has resulted in a DKK 411 million net profit on the sale of undertakings in the profit and loss account for 1999/2000, primarily the DKK 1,786 million profit achieved on the disposal of Danisco

Distillers, Danisco Pack Denmark and Danisco Paper Denmark. The book values of Danisco Pack UK and Danisco Foods have been written down by a total amount of DKK 1,375 million (after tax). The profit on the divestments of Suomen Rehu and Ewos, which were taken over with Cultor, has been adjusted via the acquisition balance sheet for this acquisition.

Tax charged for the year amounted to DKK 681 million, reflecting a tax rate of 33 per cent (before amortisation of goodwill, etc.), against 30 per cent the year before.

Danisco's share of the consolidated profit was DKK 1,247 million, 35 per cent up on 1998/99.

Results exceed estimates made at the beginning of the financial year. Compared with the forecast announced in April 2000, the continuing activities performed to expectations while the performance in the businesses outside the Group's focus areas was generally ahead of expectations. Net financial items were better than anticipated.

The results are thus stronger than projected by Danisco in April 2000.

Increase in cash flow from operating activities

Cash inflow from operating activities was DKK 2,342 million in 1999/2000 (DKK 1,992 million).

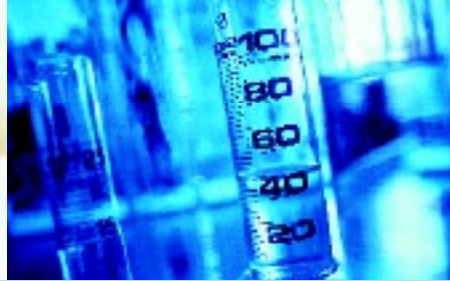
Investing activities accounted for a net amount of DKK 9,485 million (DKK 3,435 million), of which DKK 9,100 million (DKK 2,268 million) was spent on acquisitions.

Cash inflow from financing activities was DKK 6,590 million net (DKK 1,686 million) reflecting an increase in interest-bearing debt of DKK 7,053 million (DKK 2,906 million) and dividends of DKK 348 million (DKK 361 million).

Cash and cash equivalents decreased by DKK 553 million to DKK 608 million (DKK 1,076 million), against an increase of DKK 243 million in 1998/99.

Invested capital and return on average invested capital (ROAIC)





Ingredients and sweeteners segment

In the international food industry demand for ingredients and sweeteners is increasing, and by merging with Cultor, Danisco advanced to a position as the world's leading supplier of innovative, highly functional food ingredients.

Sales in these product areas grew by 96 per cent to DKK 7,146 million. Operating profit before amortisation of goodwill, etc. was DKK 976 million, up 79 per cent on the year before. Ingredients and sweeteners activities thus make up the business area showing the strongest progress.

Continued growth through acquisition of companies that complement or otherwise give an added boost to this business is key to Danisco's strategy.

The markets for ingredients and sweeteners exhibited healthy growth throughout the financial year. Danisco Cultor and Danisco Sweeteners improved profitability throughout the year. In addition to general progress in the market, Danisco Cultor expanded its market share.

Sales to the Asian market of both ingredients and sweeteners grew strongly. Xylitol enjoyed particularly strong demand in Japan.

The overall progress in sales of ingredients was also driven by the expansion of the one-stop supplier concept involving closer integration of sales and marketing functions.

Raw material costs decreased somewhat from the very high levels of the prior year. Leveraging synergies and continuing efficiency initiatives were key priorities in both the sweeteners and the ingredients businesses.

The investment level was high, in particular in the ingredients business, primarily underpinned by the increasing growth of the Asian economies.

The product areas added by Cultor are developing favourably, although sales of some products to be discontinued are declining as anticipated.

While efforts in 1999/2000 concentrated on integrating Danisco Ingredients and Cultor, greater attention can now be devoted to marketing and expansion.

Sugar and seed segment

The sugar products are a conventional range of ingredients used widely in food production in industry, bakeries and households. The sugar activities have generated sustained healthy earnings and a strong cash flow over a long period of years.

Danisco Sugar and Danisco Seed posted sales of DKK 7,985 million (+21 per cent). The increase was attributable to the merger with Cultor. Operating profit before amortisation of goodwill, etc. was DKK 1,093 million (+6 per cent), while operating profit amounting to DKK 968 million (-2 per cent) was in line with forecasts made at the beginning of the year.

On the back of highly favourable weather conditions, sugar production reached an all-time high of 1,293,000 tonnes, against 1,202,000 tonnes the year before.

Sales to the retail trade dropped as projected, but the decline was partly offset by larger sales to industry. Sales to industry were affected by intensified price competition throughout Europe which reduced profitability. In addition, earnings were impacted by a decrease in one-off income, foreign exchange factors and low world market prices.

Over the years, Danisco Sugar has expanded its business by acquiring sugar factories and stakes in sugar operations in the Nordic and Baltic regions. Investments in state-of-the-art production facilities have improved profitability as well.

The extensive investment programme for concentration of production in fewer units will be completed in 2000/01, and in the years ahead cash flow from operating activities will increase.

The EU sugar regime is up for revision every fifth year, next time before the end of the sugar marketing year on 30 June 2001. Negotiations on the regime are expected to commence in the second half of 2000. No major changes are expected, except for a quota reduction in the region of 3-4 per cent for the 2000/01 campaign.

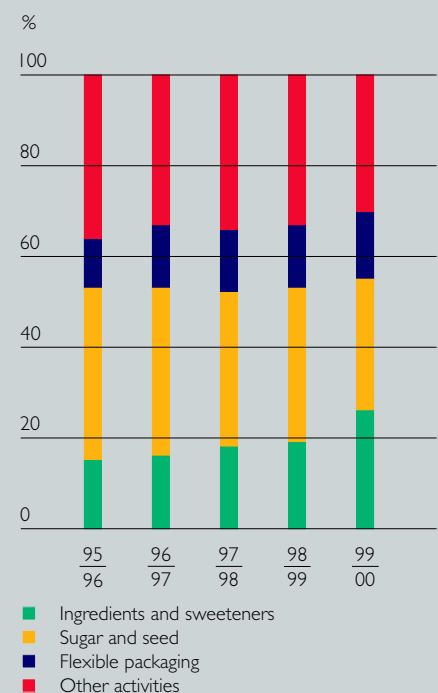
The past few years' record-setting sugar production across Europe has resulted in reduction of acreage in both the EU and central Europe. This slowed down demand for Danisco Seed's products, while competitive pressures increased. As a consequence, Danisco Seed's results were substantially lower than expected.

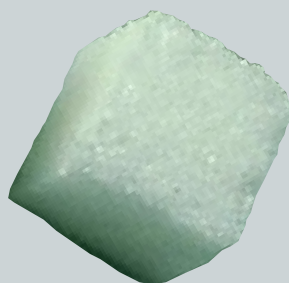
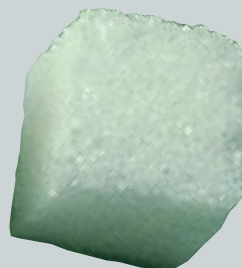
The market environment for flexible packaging will undergo radical changes in the years to come. These changes will place heavy demands on the market

Flexible packaging segment

The market environment for flexible packaging will undergo radical changes in the years to come. These changes will place heavy demands on the market

Net sales by business segment





players due to the ongoing consolidation trend among customers in the food industry. As a natural consequence of this development, Danisco Flexible must continually respond to change and position itself in relation to the consolidation anticipated in the industry. Critical mass and tight cost management will be the platform for profitable growth in the years ahead. Danisco Flexible is considering its approach for strengthening the strategic platform in the future.

Danisco Flexible reported sales of DKK 4,211 million (+56 per cent). The major part of the improvement was attributable to the acquisition of Sidlaw in the fourth quarter of the 1998/99 financial year. Sales met expectations, while operating profit before amortisation of goodwill, etc. dropped considerably below expectations to DKK 123 million (-18 per cent). Operating profit was DKK 62 million (-44 per cent), which was markedly lower than anticipated at the beginning of the year.

For Danisco Flexible the year was characterised by fierce price competition and strong fluctuations in raw material prices. In Europe general excess capacity in the industry put heavy pressure on prices, which undermined the profitability of the Scandinavian operations. Furthermore, during the roll-out of the new SAP system Danisco Flexible had difficulties in maintaining the customer service level. In response to the poor profitability, a series of rationalisation measures were implemented, reducing manning levels by 200 employees during the year.

The integration of Sidlaw went more smoothly than anticipated, and the company achieved a better result than forecast at the time of the acquisition.

Genencor International

Genencor International, in which Danisco was a 50 per cent partner during 1999/2000, is a leading developer

and manufacturer of genetically based biotechnology products, including enzymes.

Danisco and Genencor International have signed a letter of intent for the establishment of a joint development and supply agreement to develop and sell enzymes and other bioingredients for the food industry.

The company's financial year coincides with the calendar year, and 1999 net sales totalled USD 316 million. Operating profit was USD 33 million and net profit USD 18 million. Genencor International is consolidated in Danisco's annual accounts at 50 per cent of the profit for the period 1 May 1999 to 30 April 2000.

In May 2000, Genencor International announced its plans to increase the share capital through an initial public offering and subsequent listing on Nasdaq. The company intends to use the net proceeds from the sale of the new shares to fund research and development activities, to finance acquisitions and for other general corporate

purposes. On 28 April 2000, the company's management exercised options to subscribe for new shares in the company and Danisco's stake was reduced to 48.2 per cent.

At the time of going to press (27 June 2000), no final decision had been made as to the size and timing of the offering. Further information is available at www.freeedgar.com.

Divestments under refocusing strategy

When the merger with Cultor was made public in the spring of 1999, Danisco announced that a number of activities with combined annual net sales of some DKK 10 billion would be divested within a few years.

Already in the 1999/2000 financial year, Danisco sold off five businesses: Suomen Rehu, Danisco Pack Denmark, Danisco Paper Denmark, Danisco Distillers and Ewos. For the financial year these businesses contributed net sales of DKK 4,723 million and an operating profit of DKK 469 million.

At year-end, the group of businesses outside Danisco's focus areas comprised Danisco Foods, which produces and markets frozen vegetables and ready meals as well as condiments, mayonnaise salads and marmalades, and Danisco



Pack UK, a major producer of corrugated board in the UK. Work on planning the disposal of these two businesses continues.

The activities outside Danisco's focus areas are still expected to be divested at a total sales price of around DKK 8 billion. The combined sales price of activities sold so far is in the order of DKK 5.4 billion.

Accounting policies

Except for the implementation of IAS 19 Employee Benefits, no changes have been made to the accounting policies. The effect on figures for the previous years is considered immaterial, and comparative figures, key figures and financial ratios for previous years have therefore not been restated.

Financial review

The Group's net interest-bearing debt grew significantly due to business acquisitions but was reduced by the disposal of activities. Danisco pursues a policy of obtaining a substantial part of the Group's financing via committed facilities, and syndicated credit facilities with maturities of three to five years were thus contracted during the year. The Group's interest payment periods are at the short end and the Group is thus exposed to changes in short interest rates. Financing is obtained in EUR, USD and GBP.

Danisco strives to achieve a gearing where net interest-bearing debt is on a par with capital and reserves as stated in the accounts, with a temporary increase on business acquisitions.

At year-end, capital and reserves were DKK 13,345 million (DKK 11,917 million). The most important movements during the year concerned retained earnings for the year of DKK 902 million (DKK 579 million), net purchases of own shares of DKK 115 million (DKK 833 million) and currency translation of foreign subsidiaries at the exchange rate ruling at year-end of DKK 641 million (DKK 3 million).

Tax

The Group's total net tax on the profit on ordinary activities before tax amounted to DKK 693 million reflecting an effective tax rate of 44 per cent. Before amortisation of goodwill, etc. the tax rate was 33 per cent. The tax rate for 1998/99 was 30 per cent before amortisation of goodwill, etc. and a one-off gain related to a lowering of the Danish tax rate.

Net tax of the Danish tax pooling amounted to DKK 39 million, tax abroad amounting to DKK 654 million. The low Danish tax was primarily attributable to financing costs related to the acquisition of Cultor.

Of the net tax, the focus areas accounted for DKK 551 million at

a tax rate before amortisation of goodwill, etc. of 37 per cent. Net tax of businesses outside the Group's focus areas amounted to DKK 142 million.

The disposal and writedown of businesses outside the focus areas have had no impact on the tax costs referred to above as the net gain was included after tax.

Outlook for 2000/01

In the ingredients and sweeteners segment, sustained healthy growth in net sales and results is anticipated. Danisco remains committed to its strategy. The position in ingredients and sweeteners will be further developed in 2000/01 through higher investments in R&D and new sales functions, among other initiatives.

The sugar and seed businesses are expected to achieve net sales and results on a par with the year ended.

In flexible packaging some progress in net sales is anticipated. Earnings are expected to increase considerably on the back of enhanced efficiency in marketing and production.

The realisation of synergies from the acquisitions of Cultor and Sidlaw is expected to continue as planned and to exceed DKK 300 million in 2000/01.

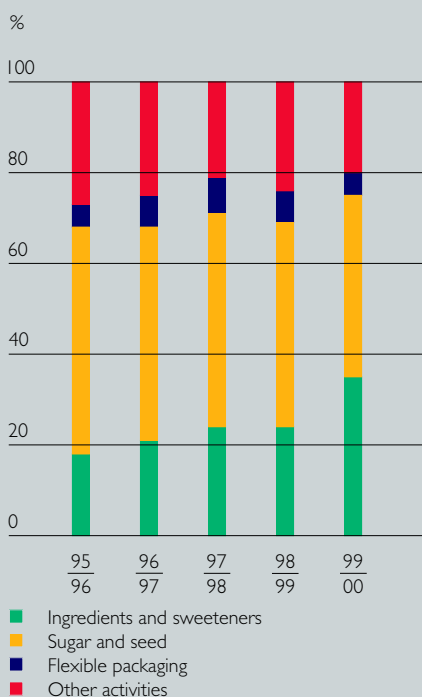
Against this background, operating profit from continuing activities is expected to grow by up to 20 per cent in 2000/01.

Overall results will be affected by the fact that the divested businesses will no longer be included in the consolidated profit and loss account. Nevertheless, it is anticipated that the operating profit of the Group's present businesses can be maintained at the level achieved in 1999/2000.

Based on the current interest rate forecasts, financing costs are expected to be higher than in 1999/2000 despite a lower financing requirement.

Due to seasonality, earnings are lowest during the first quarter of the financial year, the major part being generated

Operating profit before amortisation of goodwill, etc. by business segment





during the third and fourth quarters. The consolidated profit for the first quarter of 2000/01 is expected to be in the order of DKK 135-165 million (DKK 177 million).

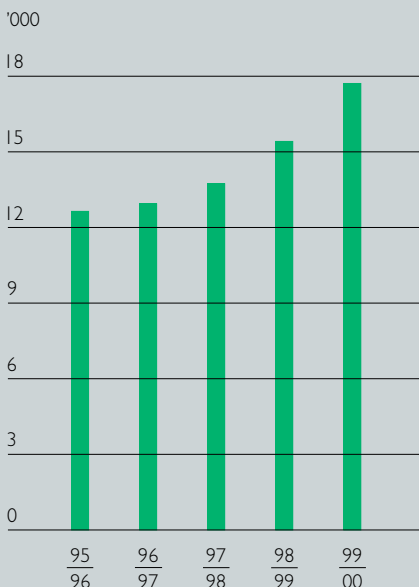
Not allowing for the time of divestment of activities outside the focus areas, the 2000/01 financial year should see a consolidated profit of DKK 800-900 million.

Naturally, the above expectations for the future are associated with uncertainty and risks which may imply that actual results will deviate from forecasts.

Developments after the conclusion of the financial year

Apart from Genencor International's plans for an initial public offering and stock exchange listing, no events have occurred after the conclusion of the financial year that could have a material impact on the company's financial position or development.

Average number of employees



The Board of Directors' decisions and resolutions at the AGM

Danisco's Annual General Meeting will be held on 7 September 2000 at 4:30pm at the Radisson SAS Scandinavia Hotel, 70, Amager Boulevard, DK-2300 Copenhagen S. The agenda for the meeting will be included in the convening notice, which will be sent to shareholders in mid-August.

The Board of Directors proposes that a dividend of DKK 6.00 be paid per share (DKK 6.00 per share).

The Board of Directors further proposes to the Annual General Meeting:

- The changing of a number of secondary names
- The cancellation of the quorum rule in respect of resolutions not proposed or seconded by the Board of Directors (Art. 16.3 of the Articles of Association)
- The renewal of the Board's authorisation in the period until next year's Annual General Meeting to purchase Danisco's own shares up to the amount of 10 per cent of the share capital at market price at the time of purchase with a deviation of up to 10 per cent.

Danisco's Annual Report and Accounts can be found on the Group's Web site at www.danisco.com.

Management

At the Annual General Meeting in September 1999 Managing Director Erik B. Rasmussen retired from the Board of Directors due to the age limit set out in the Rules of Procedure of the Board of Directors. Erik B. Rasmussen had been a director since 1970.

Against the background of the merger with Cultor, the Annual General Meeting elected two Finnish Board members, Heimo Karinen, Chairman and CEO, and Matti Vuoria, Chairman. The meeting also elected Chief Executive Sten Scheibye to the Board of Directors.

As announced last year Executive Vice President Steen Weirsøe left Danisco in the autumn of 1999.

In order to strengthen the technical management of the Danisco Cultor division, Henrik Jansdorf joined the Executive Committee of the division as from 1 July 2000. Responsibility for the management of Danisco Flexible has been taken over by John Durston, former Chief Executive of Sidlaw Plc. John Durston reports to CEO Alf Duch-Pedersen. Following this change, Danisco's Executive Board comprises Alf Duch-Pedersen (CEO), Björn Mattsson (Deputy CEO), Søren Bjerre-Nielsen, Mogens Granborg and Robert H. Mayer.

A new share option programme for the Executive Board and around 100 senior executives will be set up. The programme will thus supplement the present programme, which expires in the current financial year.

Under the new programme a number of options will be allotted successively over a three-year period at increasing prices. Fixing of the exercise price will be based on the price level around 1 May (DKK 250) plus an additional amount to be increased during the three-year period (5 per cent, 10 per cent, 15 per cent). The options will be exercisable during defined periods up to 1 May 2005. The total number of options will represent 800,000-900,000 shares. The agreement means that, in principle, the remuneration of the Executive Board will be fixed for the next three years. The programme will be hedged through the company's holding of own shares.

PROFIT AND LOSS ACCOUNTS

CONTINUING ACTIVITIES | MAY 1999 - 30 APRIL 2000

DKK million	Group	
	1998/99	1999/00
Net sales	12,922	19,201
Cost of sales	9,304	13,952
Gross profit	3,618	5,249
Research and development costs	392	463
Distribution and sales costs	997	1,509
Administrative expenses	797	1,449
Income from associated undertakings	3	179
Other operating income, net	165	66
Operating profit before amortisation of goodwill, etc.	1,600	2,073
Amortisation of goodwill	123	482
Restructuring in acquiring undertaking	343	-
Operating profit	1,134	1,591
Interest payable and similar charges, net	74	472
Profit on ordinary activities before tax	1,060	1,119
Tax on profit on ordinary activities and adjustment of tax for previous years	350	551
Consolidated profit, continuing activities	710	568
Consolidated profit, other activities	226	714
Consolidated profit for the year	936	1,282

Continuing activities are the sum of the primary business segments: ingredients and sweeteners, sugar and seed, flexible packaging and unallocated activities (see page 54).

SHAREHOLDER INFORMATION

Danisco's share capital at 30 April 2000 was DKK 1,164 million and consisted of 58.2 million shares of DKK 20 each.

Danisco has only one class of shares and no special rights attach to any shares. The shares are negotiable, freely transferable and issued to bearer. However, as Danisco wishes to be able to provide investors with information about the company, Danisco shareholders are encouraged to register in the company's Register of Shares. No shareholder can exercise, either by proxy or in his own right, voting rights for more than 7.5 per cent of the share capital.

Share turnover

Danisco's shares are listed on the Copenhagen Stock Exchange and the HEX Helsinki Exchanges.

On the Copenhagen Stock Exchange a total of 48.3 million Danisco shares were traded in 1999/2000 (46.3 million). This corresponds to 83 per cent of the total share capital and around 190,000 shares on average per trading day. This volume was traded at a market value of DKK 13.9 billion, making the share the tenth most traded on the Exchange.

At the beginning of the financial year, the share price was DKK 325 and at year-end DKK 247, reflecting a decrease of 24 per cent. The market value of the company's shares at year-end on 30 April 2000 was DKK 14.4 billion, against DKK 18.9 billion on the same date the year before.

Danisco accounts for 2.4 per cent of the KFX index. The Group represents 1.5 per cent of the market value of the Danish equity market and is the 17th largest company measured in these terms.

The Danisco share was admitted for listing on the HEX Helsinki Exchanges in November 1999 in the form of Finnish Depository Receipts (FDRs). One FDR evidences one Danisco share. During the year, some 73,000 FDRs were traded at a market value of EUR 2.6 million. At 30 April 2000, there were a total of around 750,000 FDRs outstanding, equivalent to about 1.3 per cent of Danisco's total number of shares.

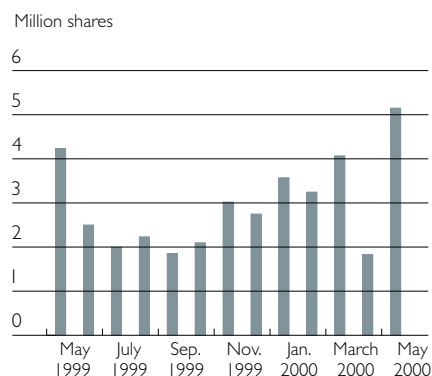
Quoting of Danisco's FDRs started at EUR 39.75 and at year-end the price was EUR 31.50.

Shareholders

At 30 April 2000, more than 38,000 shareholders were registered with the company, representing around 69 per cent of the share capital. Danisco share ownership is very broadly based with shares held by individual as well as institutional investors in and outside Denmark. Investors outside Denmark are estimated to account for some 15 to 20 per cent of the share capital.

The institutional investors include asset management companies, investment funds, pension funds, insurance companies, banks and labour market-related funds. The following three

Monthly turnover of the Danisco share, 1 May 1999 - 31 May 2000



(Danish) shareholders have announced that they each own more than 5 per cent of the share capital: The Labour Market Supplementary Pension Fund (ATP, including the SP and DMP pension schemes), Hillerød, 13.5 per cent; Pensionsforsikringsanstalten A/S (PFA), Copenhagen, more than 5 per cent; and LD Pensions, Copenhagen, 5.7 per cent at 31 December 1999.

Through the past ten years, Danisco has issued employee shares three times:

Issued	No. of shares	Release
Nov. 1990	146,075	Jan. 1996
Nov. 1994	204,409	Jan. 2000
Apr. 1997	343,556	Jan. 2003

Annual General Meeting

Danisco's Annual General Meeting will be held on 7 September 2000 at 4:30pm. The venue is the Radisson SAS Scandinavia Hotel, 70, Amager Boulevard, DK-2300 Copenhagen S.

Dividends

The dividend is approved by the Annual General Meeting. At the coming AGM the Board of Directors of the company will propose a dividend for the 1999/2000 financial year of DKK 6.00 per share of DKK 20 (DKK 6.00 per share).

Dividends will be paid immediately after the AGM (cf. the financial calendar on this page). Danisco does not pay

Financial calendar

07 Sep. 2000	Annual General Meeting
13 Sep. 2000	Payment of share dividends
15 Sep. 2000	Payment of dividends on FDRs
27 Sep. 2000	Accounts for first quarter (May-July)
20 Dec. 2000	Accounts for first half-year (May-Oct.)
20 Mar. 2001	Accounts for third quarter (May-Jan.)
30 Apr. 2001	End of financial year
20 June 2001	Annual Accounts for 2000/01



interim dividends as this is not allowed under the Danish Companies Act.

Investor Relations

Investors, financial analysts and other interested parties are welcome to contact Danisco's Investor Relations Department, Langebrogade 1, PO Box 17, DK-1001 Copenhagen K. Tel.: +45 3266 2000. Fax: +45 3266 2152. E-mail: investor@danisco.com.

Enquiries concerning shareholdings should be addressed to the Shareholders' Secretariat at the same address.

Stock-broking companies following Danisco

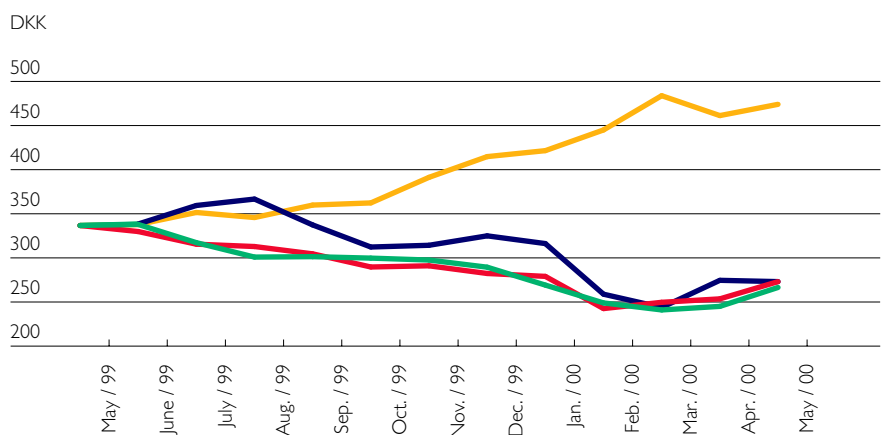
In Denmark: Alfred Berg, Alm. Brand Bank, Aros Securities, BG Bank, Carnegie, Danske Securities, Enskilda Securities, Gudme Raaschou, Svenska Handelsbanken, Jyske Bank and Sydbank.

Outside Denmark: ABG Securities, Crédit Agricole Indosuez Cheuvreux, CS First Boston, Deutsche Bank, Goldman Sachs, HSBC, J.P. Morgan, Mees Pierson, Merita Securities, Morgan Stanley Dean Witter, Paribas Capital Markets, Schroder Salomon Smith Barney, UBS Warburg and Vontobel Bank.

Stock exchange notices from Danisco

14 May	1999	No. 11	Danisco and Cultor: All authority approvals obtained
14 May	1999	No. 12	Danisco and Cultor: Merger in place
18 May	1999	No. 13	Danisco and Cultor: The final result of the Tender Offer
27 May	1999	No. 14	EU competition authorities' inspection of Danisco Sugar
09 June	1999	No. 15	Date of release of Preliminary Announcement of Results for 1998/99
10 June	1999	No. 16	Change in Danisco's Executive Board
24 June	1999	No. 17	Preliminary Announcement of Results for 1998/99
18 Aug.	1999	No. 18	Sugar production 1999
06 Sep.	1999	No. 19	AGM: Extract of Chairman's Report
06 Sep.	1999	No. 20	AGM: Resolutions and elections
09 Sep.	1999	No. 21	Danisco launches synergy plan
11 Oct.	1999	No. 22	Sale of Suomen Rehu
22 Oct.	1999	No. 23	Danisco to list on the HEX Helsinki Exchanges
29 Oct.	1999	No. 24	HEX Helsinki Exchanges approve Danisco's listing application
01 Nov.	1999	No. 25	Sale of Danisco Pack Denmark A/S and Danisco Paper A/S
06 Dec.	1999	No. 26	Date of release of Interim Statement for May-October 1999
17 Dec.	1999	No. 27	New majority shareholder in Danisco Distillers
17 Dec.	1999	No. 28	Interim Statement for May-October 1999
09 Mar.	2000	No. 01	Sale of Ewos and Pesquera Pacific Protein
26 Apr.	2000	No. 02	Disposal of remaining shareholding in Danisco Distillers
			Upward revision of profit expectations for 1999/2000
05 May	2000	No. 03	Genencor International files Registration Statement for IPO

Share price developments | May 1999 - 31 May 2000



- Danisco
- Peer group, ingredients (weighted average)
- Peer group, sugar (weighted average)
- KFX index

Peer group, ingredients: ICI., Intl.Flav.Frag., Hercules, SKW, Rhodia, DSM, Chr. Hansen.

Peer group, sugar: Associated British Foods, Tate and Lyle, Suedzucker, Eridania Béghin-Say, CSM.

BOARD OF DIRECTORS, JUNE 2000



Hugo Schrøder



Anders Knutsen



Bo Berggren



Per Gertsen



Peter Højland



Heimo Karinen



Jon Krabbe



Finn Larsen



Børge A. Pedersen



Sten Scheiby



Matti Vuoria

Hugo Schrøder

*Chairman of the Board.
Managing Director.*

*Deputy Chairman of Incentive A/S
and Chr. Augustinus Fabrikker
Aktieselskab.*

Anders Knutsen

*Deputy Chairman of the Board.
Chief Executive, Bang & Olufsen
Holding a/s.
Chairman of the Board of Ericsson
Diax A/S.
Director of Topdanmark A/S and
SAS Danmark A/S.*

Bo Berggren

*PhD (Tech).
Chairman of the Boards of SAS
Sverige AB, Sweden, Scandinavian
Airlines System and J.D. Stenqvist
AB, Sweden.
Director of Robert Bosch GmbH,
Germany.*

Per Gertsen

Senior Shop Steward, Danisco Sugar.

Peter Højland

*Managing Director, Transmedica A/S.
Chairman of the Boards of BG
Bank A/S, Amrop International
Danmark A/S and Transmedica
Holding A/S.
Deputy Chairman of the Board of
Real Danmark A/S.
Director of Nordicom A/S and
First Services ASA, Norway.*

Heimo Karinen

*Chairman and CEO.
Director of Outokumpu Oyj and
Industrial Insurance Co. Ltd.*

Jon Krabbe

*Landowner.
Managing Director of
Det Classenske Fideicommis.
Chairman of Grønt Center.*

Finn Larsen

*Senior Shop Steward,
Danisco Flexible.*

Børge A. Pedersen

*Senior Shop Steward,
Danisco Cultor.*

Sten Scheiby

*Chief Executive, Coloplast A/S.
Director of Den Danske Bank A/S
and Aktieselskabet Th. Wessel &
Vett, Magasin du Nord.*

Matti Vuoria

*Chairman, Fortum Corporation,
Finland.
Chairman of the Board of
Solidium Oy.
Director of North Transgas Oy.*

EXECUTIVE BOARD, JUNE 2000



Alf Duch-Pedersen



Björn Mattsson



Søren Bjerre-Nielsen



Mogens Granborg



Henrik Jansdorf



Robert H. Mayer

Alf Duch-Pedersen

Chief Executive Officer.
Deputy Chairman of the Board of
Group 4 Falck.
Director of Den Danske Bank A/S.

Björn Mattsson

Deputy Chief Executive Officer.
Chairman of the Boards of Partek
Oyj Abp, Alma-Media Corporation
and Hartwall Abp.
Director of Industrial Mutual
Insurance Company Ltd.

Søren Bjerre-Nielsen

Executive Vice President.
Chief Financial Officer.
Director of VELUX Industri A/S
and member of the Committee
of Directors of Danmarks
Nationalbank.

Mogens Granborg

Executive Vice President.
Sugar & Sweeteners Sector.
Chairman of the Boards of
Monberg & Thorsen Holding A/S,
S. Dyrup & Co. A/S and Dansk
Udviklingsfinansiering A/S.

Henrik Jansdorf

Executive Vice President.
Flexible Packaging Sector.
Chairman of the Board of
dk-TEKNIK ENERGI & MILJØ.

Robert H. Mayer

Executive Vice President.
Ingredients Sector.

INGREDIENTS SECTOR

Danisco's Ingredients Sector comprises the Danisco Cultor division which strives to be the most innovative and efficient supplier of functional ingredients to the international food industry. Danisco Cultor intends to consolidate and strengthen its position in the world market. This will be achieved through: a one-stop supplier strategy based on a broad product portfolio, the continued optimisation of production close to raw materials, a global sales and service network and commitment to research and development.

Danisco Cultor will maintain and develop its competencies as well as its broad and extensive application know-how in order to establish integrated partnerships with customers. Furthermore, Danisco Cultor will maintain and develop its competencies in the form of highly qualified employees combined with a superior quality and service level.

Management

Robert H. Mayer, Executive Vice President, Danisco A/S.

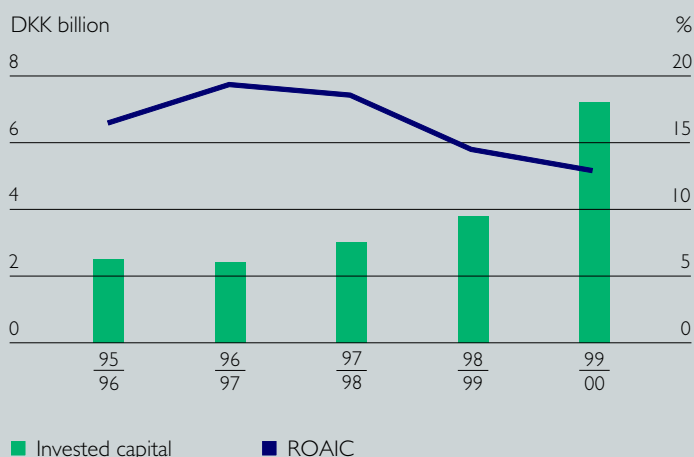
Danisco Cultor: Robert H. Mayer (President), Leif Kjærgaard and Jan Sindesen.

Key figures (DKK million)

	1998/99	1999/00
Sales	3,645	5,807
Operating profit before amortisation of goodwill, etc.	545	826
Operating profit	497	667
Investments (incl. acquisitions)	1,193	2,542
Segment fixed assets, net*	3,169	5,551
Average number of employees	3,105	3,966

* Intangible and tangible fixed assets, participating interests in associated undertakings less other provisions.

Invested capital and return on average invested capital (ROAIC)



DANISCO Cultor

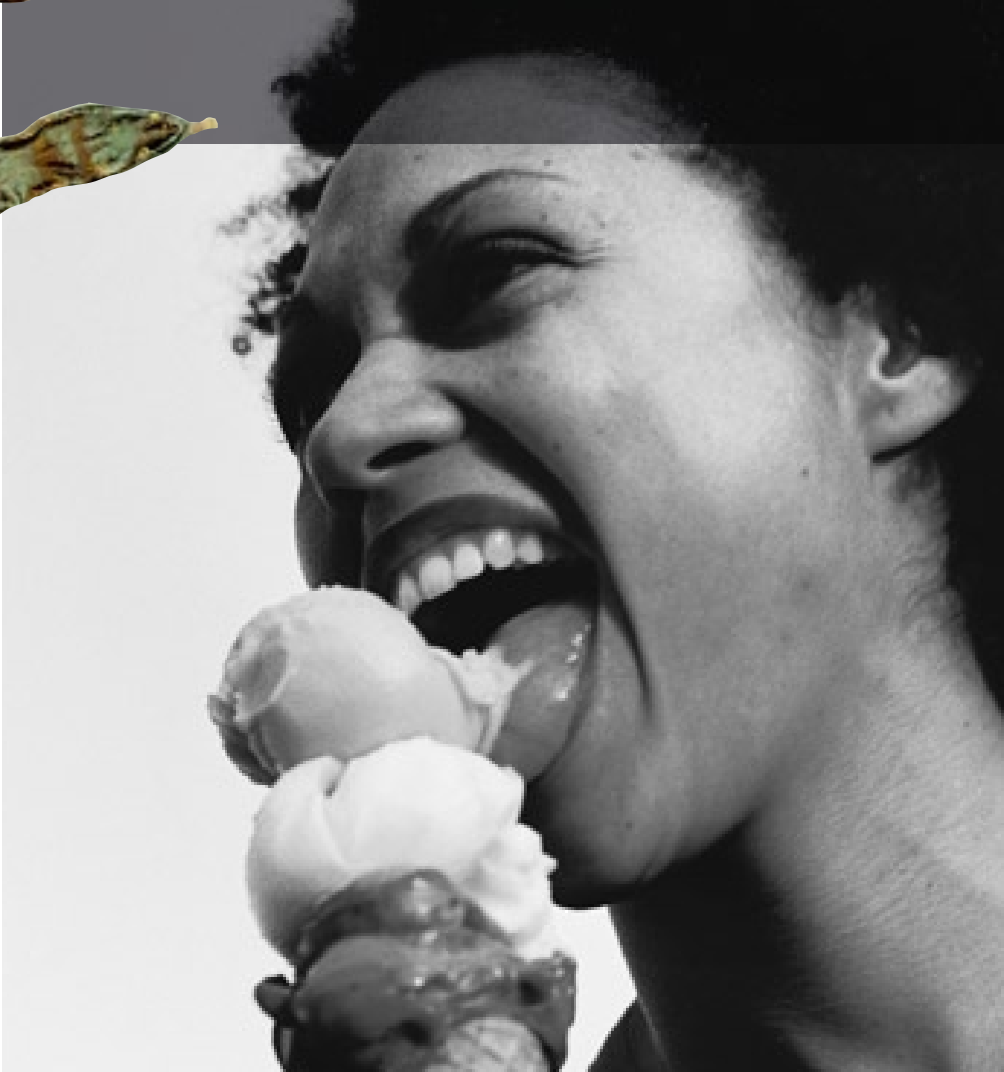
- Operating profit before amortisation of goodwill, etc.: DKK 825.6 million (+51 per cent). The effect of Cultor was 16 percentage points
- Operating profit: DKK 667.0 million (+34 per cent). The effect of Cultor was -3 percentage points
- Intensified product development
- High investment level sustained
- Strong growth in Asia

For the 1999/2000 financial year Danisco Cultor reported sales of DKK 5,807.3 million, an increase of around 59 per cent on the year before. The strong progress in sales and operating profit before amortisation of goodwill, etc. was partly driven by the merger with Cultor but also reflects the highly favourable development recorded by Danisco Cultor. Operating profit was in line with expectations.

Danisco Cultor is Danisco's most international division with own sites in 33 countries and sales to more than 100 countries. Danisco is a global leader in food ingredients and a major supplier of feed ingredients as well. Danisco Cultor has six strategic business units (SBUs) focusing on distinct product categories.

Sales and customer service is handled by three regional organisations: Americas head-quartered in Ardsley, New York; Asia Pacific headquartered in Tokyo, Japan; and Europe headquartered in Brabrand, Denmark.

The regions, in contrast to the SBUs, are focused on industries. They provide customers with sales and technical service on a local basis. They follow the needs of the customer to keep Danisco Cultor



on the cutting edge of developing products that solve problems. To the customers, the regions are the nexus of the one-stop supplier concept.

Increasing demand

The food ingredients markets exhibited moderate growth in demand throughout the financial period. In particular, the Asian market has made strong progress in recovering to the levels seen before the slowdown in 1997/98.

Danisco Cultor improved profitability before amortisation of goodwill, etc. in 1999/2000. In addition to general progress in the ingredients market, market share improved for enzymes, blends to the dairy industry and antimicrobials.

A newly developed product range, AMD Pectin, used mainly in drinking yoghurt and soya-based drinks, accounted for the single largest relative sales increase. The improvement was primarily attributable to the Asian market.

The strong overall progress in sales was fuelled in part by the expansion of the one-stop supplier concept and closer integration of sales and marketing activities.

Raw material prices decreased somewhat from the very high levels of the prior year. In general, average finished product selling prices went up recovering part of the large raw material cost increases of the previous year.

Product development

Danisco Cultor devoted substantial resources to innovation activities during the 1999/2000 financial year, corresponding to around 5 per cent of sales. Danisco Cultor has development cen-

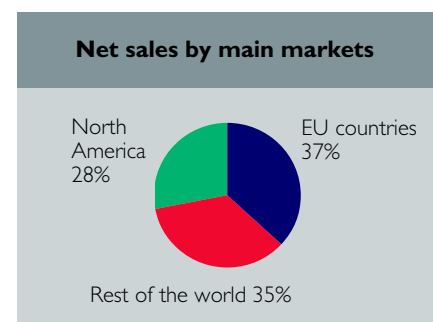
tres in Denmark, the USA, Finland, the UK, Malaysia and China, which gives a global reach with attention to local needs. The division has a total portfolio of some 1,000 active patents and patent applications.

The merger with Cultor added a number of new product areas and opportunities. The natural safety products play a growing role in helping to support the integrity of the food chain. The flavour activities of Cultor enhanced the presence of Danisco in hot and cold beverages, which are being aggressively promoted through the Group's sales network.

Danisco's cooperation with the associated company Genencor International provides further product development opportunities that will drive growth. In

the spring of 2000, the two companies concluded an agreement for the development and manufacture of new bio-ingredients for the food industry. A similar agreement on feed ingredients also exists between the companies.

One of the most significant new product launches was "Freshly Picked Flavourings". This range represents a





considerable improvement on existing flavourings. Developed with the aid of cutting-edge technology, they add a very fresh taste. Freshness will be a key factor in the marketing of foods in the future. The product can be used in a wide variety of applications including dairy and bakery products, beverages and confectionery.

Other important product introductions included the ice cream concept "Around the World", which met with favourable customer response. These innovations enable customers to tailor the taste of their products to the preferences of local markets around the world.

The intensified research effort delivered many other competitive new designs in the areas of pectins, carrageenan,



emulsifiers, enzymes, cultures and combined systems. The year saw significant new launches in each of these product areas.

Substantial investments

Danisco Cultor has also this year invested in new plants and capacity expansion at existing plants. A fair part of the investments was made to eliminate bottlenecks caused by increased production to satisfy rising demand.

The investment programme covered

sites all over the world. Of particular note was a DKK 166 million investment in the emulsifier plant in Kunshan in China as well as continued investment in the Grindsted plant in Denmark. In addition, a site for manufacturing flavourings was inaugurated in India. Expansion projects took place as well in Denmark, the USA, the Czech Republic, Mexico, Malaysia and Brazil.

E-business

In the coming year, Danisco Cultor will launch a number of initiatives regarding e-business that will open up significant opportunities for the division.

Through its e-business activities Danisco Cultor will take advantage of the Internet to enhance the level of customer service and improve the efficiency by which both routine and customised services are delivered to customers.

Continuing rationalisation

Danisco's merger with Cultor has allowed extensive rationalisation. The two companies' sales organisations have been integrated, considerably reducing the number of sales companies and agents worldwide.

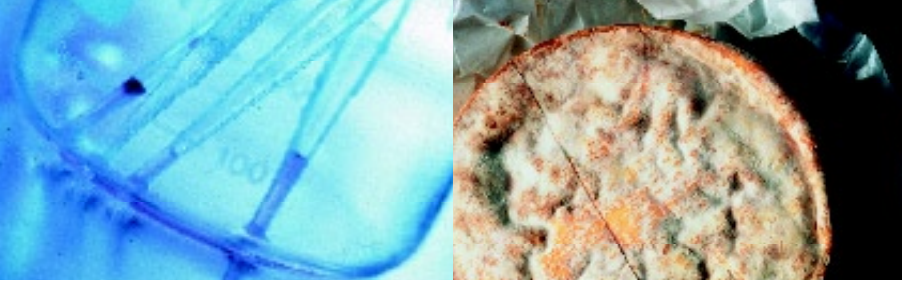
In 1999, Danisco Cultor established a powerful global sales organisation comprising three regions: Americas, Asia Pacific and Europe.

The development departments of Danisco, Wisby and Cultor were combined and organised into two functions: Food Science and BioScience. By eliminating overlapping activities, Danisco Cultor was able to reduce costs while ensuring that innovation resources were maintained at a higher level than either had employed prior to the merger.

Combined, these moves ensured the realisation of the expected synergies of some DKK 60 million in the 1999/2000 financial year.

Outlook for 2000/01

Danisco Cultor expects to improve its performance again in 2000/01 with



The six strategic business units' primary responsibilities include product profitability and profit development, long-term strategies, new product development, capacity investments, production efficiencies and market share development. The SBUs operate as profit centres.

- *SBU Emulsifiers* produces emulsifiers and fat replacers. It is Danisco Cultor's largest SBU in terms of sales. Danisco Cultor is a market leader in emulsifiers, which act as binders of fat and water, sold mainly to the bakery and margarine industries.
- *SBU Flavours* produces flavourings - natural extracts, nature-identical and artificial flavourings - and is in the global top ten in this area. While flavourings are sold to all industries, Danisco Cultor is particularly strong in hot and cold beverages, ice cream, dairy products, margarine and spreads.
- *SBU Textural Ingredients* produces stabilisers such as pectin - of which Danisco Cultor is the world's second-largest supplier - alginate, carrageenan, LBG and guar gum. These products are primarily sold to the beverage and dairy industries.
- *SBU Functional Systems* makes blends of emulsifiers and stabilisers, often combined with other ingredients. Danisco is the world's number one supplier of this type of blends, which are used extensively in the ice cream industry for instance. In addition, sales are rapidly growing in bakery applications.
- *SBU Bioproducts* produces dairy cultures, enzymes, preservatives and other products. Danisco is the world's third largest supplier of dairy cultures. The principal applications are cheese and cultured and acidified dairy products. Probiotics are a rapidly developing area.
- *SBU Feed Ingredients* produces feed ingredients, primarily enzymes and betaine. The ingredients are used mainly in poultry, swine and fish feed products to enhance feed value, improve animal health and nutrition as well as to make the products more appetising and reduce the environmental impact.

organic sales growth of 8 to 10 per cent. The primary drivers will be:

- The one-stop supplier concept
- Efficient distribution to customers
- Innovation
- Technical service
- E-business

In Asia and South America, the past three years have been a period of severe economic turbulence starting with the downturn in 1997. These economies now seem more stable and growth is expected to gain momentum.

Several risks may affect the division's financial performance, including adverse exchange rate movements, raw material cost increases and global economic conditions. Where possible forward

contracts are used to mitigate these effects.

The impact of the rationalisation programme will also benefit the results over the next two financial years. Danisco Cultor anticipates additional synergies of some DKK 140 million in 2000/01.

Growth combined with the continued impact of synergies is expected to lead to a considerable profit improvement in 2000/01.

Danisco Cultor

Key figures in DKK million	1998/99	1999/00
Sales	3,645	5,807
- per employee	1.2	1.5
Average number of employees	3,105	3,966

SUGAR & SWEETENERS SECTOR

Danisco's Sugar & Sweeteners Sector comprises the divisions Danisco Sugar, Danisco Sweeteners and Danisco Seed. Danisco Sugar produces sugar in Denmark, Sweden, Finland, Germany, Lithuania and Poland. Danisco Sweeteners develops and produces natural sweeteners. Danisco Seed develops, produces and sells seeds for beets, oil-seed rape, peas and sunflowers. The sector employs some 4,500 people.

Management

Mogens Granborg, Executive Vice President, Danisco A/S.

Danisco Sugar: Mogens Granborg (President), Esben Andersen, Mats Andersson, Bernt Gustafsson, Aksel Gybel (until end-May 2000) and Jesper R. Thomassen.

Danisco Sweeteners: Pekka Sorsa

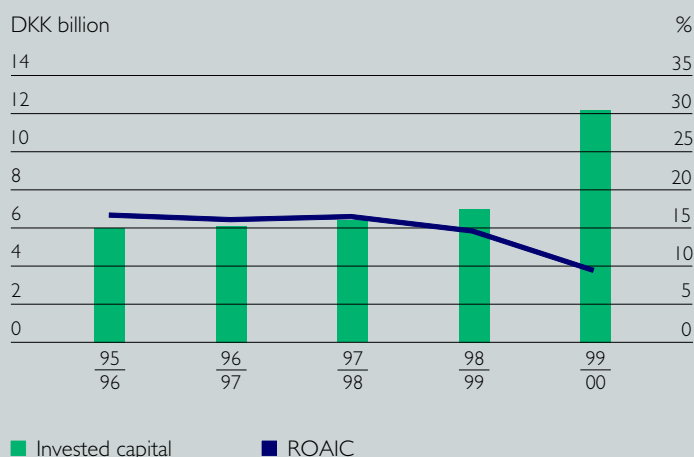
Danisco Seed: Bjarne Skov Jensen

Key figures (DKK million)

	1998/99	1999/00
Sales	6,581	9,186
Operating profit before amortisation of goodwill, etc.	1,032	1,244
Operating profit	983	1,062
Investments (incl. acquisitions)	668	4,225
Segment fixed assets, net*	4,459	8,761
Average number of employees	3,432	4,756

* Intangible and tangible fixed assets, participating interests in associated undertakings less other provisions.

Invested capital and return on average invested capital (ROAIC)



- Operating profit before amortisation of goodwill, etc.: DKK 1,093.3 million (+6 per cent). The effect of Cultor was 17 percentage points
- Operating profit: DKK 968.2 million (-2 per cent). The effect of Cultor was 6 percentage points
- Record sugar production
- No major changes expected in EU sugar regime

Danisco Sugar and Danisco Seed posted sales of DKK 7,985.5 million (+21 per cent), reflecting the addition of Cultor. Operating profit before amortisation of goodwill, etc. was DKK 1,093.3 million (+6 per cent). Operating profit amounted to DKK 968.2 million (-2 per cent), which was in line with expectations.

In addition to its original activities in Denmark, Sweden and Germany, Danisco Sugar now has sugar operations in Finland (Cultor) and sugar factories in Lithuania and Poland as well.

Danisco Sugar today serves the four Nordic markets and produces and sells white sugar, liquid and cube sugar as well as syrup, brown sugar and other specialities. The product portfolio also includes sugar based on organically grown beets. More than 80 per cent of the sugar output is sold to the food industry, while the rest goes to the retail trade. In addition to sugar, the division produces and sells a range of animal feed products.

Danisco Sugar is one of the largest and most efficient sugar producers in the EU. The division has a total EU quota of 1,068,000 tonnes, representing



about 7 per cent of the total EU quota. Added to that comes an EU quota for refining of imported raw sugar in Finland of 60,000 tonnes.

The EU sugar regime is up for revision every fifth year, next time before the end of the sugar marketing year on 30 June 2001. Negotiations on the regime, which should start in the second half of 2000, are expected to take account of such issues as the WTO discussions on liberalisation and the EU enlargement project. In order to comply with applicable WTO agreements, a quota reduction for the 2000/01 campaign in the region of 3 or 4 per cent must be anticipated this year.

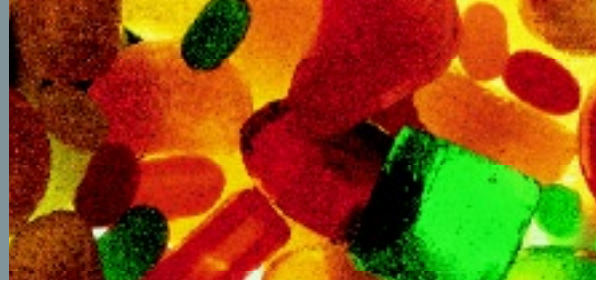
Markets

During the year, emphasis has been on continuing optimisation of customer service through new and efficient logistics solutions, product innovation and application development. Danisco Sugar also remains committed to satisfying consumer demands for a consistent high level of quality. Restructuring in the division's customer base continues and this calls for strong focus on efficiencies and cost minimisation.

Sales showed satisfactory progress. In the Nordic markets, sales to industry developed favourably, most notably in the soft drinks segment. Growth was achieved in all the division's main mar-

Danisco Sugar and Danisco Seed

Key figures in DKK million	1998/99	1999/00
Sales	6,581	7,985
- per employee	1.9	1.8
Average number of employees	3,432	4,377

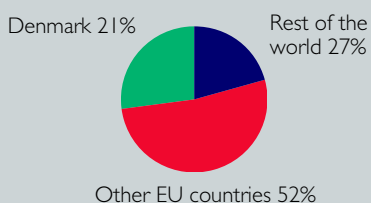


kets, the Swedish market delivering a particularly satisfactory increase.

Sales to the retail trade dropped as projected but the decline was partly offset by larger sales to industry. Sales to industry were affected by intensified price competition throughout Europe which reduced profitability. In addition, earnings were impacted by a decrease in one-off income, foreign exchange factors and low world market prices. Exports grew compared to previous years due to the high sugar production.

Sales of animal feed products rose in terms of volume. Molasses accounted for the strongest sales increase, while dried beet pulp showed a small decline.

Net sales by main markets



Production

On the back of favourable weather conditions, sugar production in Denmark, Sweden, Finland and Germany reached an all-time high again this year, totalling 1,293,000 tonnes (1,202,000 tonnes). In addition, the division produced some 325,000 tonnes of animal feed and 333,000 tonnes of molasses.

Sugar production was satisfactory at all sites. Danisco Sugar produced 552,000 tonnes of sugar in Denmark, 430,000 tonnes in Sweden, 166,000 tonnes in Finland and 145,000 tonnes in Germany. The jointly owned sugar factories in Lithuania and Poland produced 117,000 tonnes and 63,000 tonnes of sugar, respectively.

Prices

Overall, EU sugar prices remained unchanged in euros during the financial year, and the EU Commission has proposed to maintain the prices, initially up to 30 June 2001. This means that the EU's intervention price has largely remained stable for more than twelve years.

However, some price adjustments were implemented as a result of exchange rate movements against the euro. This applied in particular to the Swedish krona, resulting in steep price falls in Sweden. Furthermore, the historically low world sugar price had an adverse impact on the results of excess quota sugar and C sugar exports from the EU.

Animal feed prices were low throughout the year but have started to rebound during the last couple of months.

Investments

Investments in restructuring and streamlining of sugar production in Denmark and Sweden are progressing according to plan and are delivering the efficiency gains anticipated.

The factory at Gørlev in Denmark was closed down after this year's cam-

paign. Beets still grown in the area will be divided among the factories in Assens, Nykøbing and Nakskov.

The investment programme for the Swedish sites at Örtofta and Köpingsborg will be completed in 2001, and Örtofta will be the largest sugar factory in the Nordic countries with the capacity to process 15,000 tonnes of beets daily. The factory at Jorberga will be closed down after the 2000/01 campaign.

In Finland, investments were made before the campaign to expand capacity at the Salo and Säskylä factories to enable them to take over production from the Turenki site, which was closed after the 1998/99 campaign.

Once the restructuring exercise has been completed, investments, compared to prior years, will be at a substantially lower level estimated at some DKK 250 million annually.

Lithuania and Poland

Production in Lithuania was technically satisfactory. The planned rationalisation is expected to take longer than originally anticipated, however, primarily as a result of the local authorities' position on the required restructuring of the sugar industry. Danisco will remain a dominant player in the Lithuanian sugar industry, but will make no major investments in the country until the political foundation is present.

The Polish sites also saw a technically satisfactory campaign. In 1999, the market was characterised by oversupply resulting in difficult trading conditions. Following government intervention in the autumn of 1999, significant recovery was seen in the market. However, conditions are unstable in the Polish market.

The privatisation process is still characterised by uncertainty and so far no tangible results have been seen. In light of the government's very high expectations as regards prices and other financial commitments on the part of investors, investment in the Polish sugar



industry is likely to be a risky long-term venture. Danisco Sugar will continue to monitor developments closely.

Danisco Seed

The past few years' record-setting sugar production across Europe has resulted in reduction of acreage in both the EU (8-10 per cent) and central Europe (10-15 per cent). This slowed down demand for Danisco Seed's products while competitive pressures increased.

Production and breeding

Work on improving seed quality was stepped up. The first results of the past few years' intensified seed technology effort will be commercialised in the coming marketing season.

Danisco Seed is taking part in sugar beet seed trials in all major markets. Significant progress has been made in the development of so-called "clean beets" that provide several important benefits to the growers as well as the sugar industry. The activities are now linked to extensive trial projects.

Genetically modified fodder beets

Danisco Seed develops, produces and markets fodder beets in cooperation with DLF Trifolium A/S. Attention in particular focuses on the GM fodder beet. Following an evaluation procedure by the Danish authorities, the application for marketing authorisation was passed on to the EU Commission with a recommendation for approval.

In response to the general concern about GM products, and wishing to await the revised EU directive to tighten regulation of the area, the EU has postponed decision-making twice.

Danisco Seed has full confidence in its ability to meet the requirements that the revised directive is expected to impose. However, the special environmental benefits and labour-saving properties of the GM fodder beet may prove to be of reduced significance in the

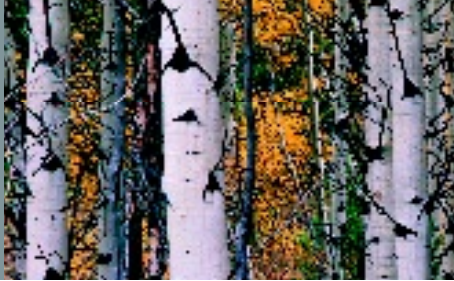
future in the wake of the steep fall in fodder beet sales over the past couple of years, in favour of other crops such as maize.

In 1999, Danisco Seed took part in a comprehensive large-scale trial. The project was aimed at providing the basis for evaluating the fodder beet's impact on the milk yield of dairy cows and occurrence of growth factors in the animals. The results of this trial should be available in 2001.

Outlook for 2000/01

For 2000/01 Danisco Sugar and Danisco Seed should see net sales and profits slightly under 1999/2000. Due to the anticipated quota reductions, lower production and thus sales of quota sugar and seeds are projected. However, for Danisco Sugar this will be countered by reduced production levies and potential efficiency gains enabled by the substantial investments in structural rationalisation made in recent years. For Danisco Seed the decline is expected to be offset by structural adjustments.





DANISCO Sweeteners

- Operating profit before amortisation of goodwill, etc.: DKK 150.5 million (n.a.)
- Operating profit: DKK 94.0 million (n.a.)
- Continued strong demand for xylitol
- Continued rationalisation of production

Danisco Sweeteners recorded sales of DKK 1,338.0 million (n.a.) as forecast. Operating profit before amortisation of goodwill, etc. was DKK 150.5 million (n.a.) and operating profit DKK 94.0 million (n.a.), which was considerably beyond expectations.

Demand for Danisco Sweeteners' products was buoyant in all sales regions. Division performance was significantly better than expected due to healthy demand, increased operating efficiency and favourable exchange rates.

Danisco Sweeteners produces the natural sweeteners xylitol and fructose as well as Litesse®, a bulking agent reducing the calorie content of foods. Danisco Sweeteners is the world's third largest supplier of speciality sweeteners. The products are sold to more than 70 countries through Danisco Cultor's worldwide sales organisation.

Production efficiency was enhanced

through rationalisation and technological improvements.

Xylitol

Danisco Sweeteners is the world's number one producer of xylitol, a natural sweetener extracted from hardwood such as birch trees. The main applications include sugar-free chewing gum, confectionery and toothpaste.

Demand for xylitol remains strong in all regions although growing at a slower pace than in the preceding years. All regions saw intensified price competition from rival suppliers of xylitol and other products. The decline in prices was partly offset by lower production costs.

In Japan demand continued to develop favourably. Since 1997, Japanese manufacturers have launched more than 80 products incorporating xylitol, and several new chewing gums were successfully introduced in the Japanese market during the year ended.

In Europe, Danisco Sweeteners achieved stable growth in the face of increased competition. The US market grew at a lower rate than the year before but still offers ample expansion opportunities due to the positive development in the market for sugar-free gum.

Fructose

Danisco Sweeteners ranks among the top three producers of crystalline fructose worldwide. The division continues to enjoy strong demand for fructose (fruit sugar) in Europe and Japan.

Fructose is derived from fruit, vegetables and plants (honey). Besides adding a sweet taste, fructose enhances flavours and masks the bitter aftertaste often associated with intense sweeteners. Fructose is used in desserts, diabetic products, fruit preparations, sports nutrition, flavourings, beverages and pharmaceuticals.

Litesse®

Danisco Sweeteners is the world's largest supplier of polydextrose products sold worldwide under the Litesse® brand name.

The Litesse® range of low-calorie bulking agents is used in a wide variety of food applications to replace sugar or fat in healthy food formulations. The spring of 2000 saw the launch of an innovative combination of Litesse® and lactitol enabling the manufacture of high-quality sugar-free and reduced sugar chocolate.

Demand for Litesse® remains healthy in all regions although growing at a slower pace than in earlier years.

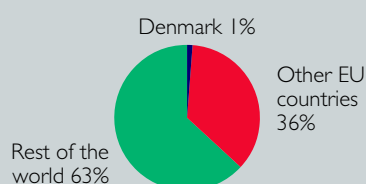
Outlook for 2000/01

In 2000/01, healthy demand and a more efficient cost structure should lead to net sales somewhat above 1999/2000 and a considerably improved operating profit. Especially the fructose and polydextrose businesses are expected to contribute growth during the financial year.

Danisco Sweeteners

Key figures in DKK million	1998/99	1999/00
Sales	–	1,338
- per employee	–	3.5
Average number of employees	–	379

Net sales by main markets



FLEXIBLE PACKAGING SECTOR

Danisco's Flexible Packaging Sector comprises the Danisco Flexible division.

Through organic growth and acquisitions, Danisco Flexible will meet customer demands for advanced flexible packaging solutions. Product development takes place in close cooperation with customers and by leveraging the Group's competencies.

The division has production sites in Denmark, the UK, Spain, Portugal, France, Switzerland and the Netherlands.

Management

Henrik Jansdorf, Executive Vice President, Danisco A/S.

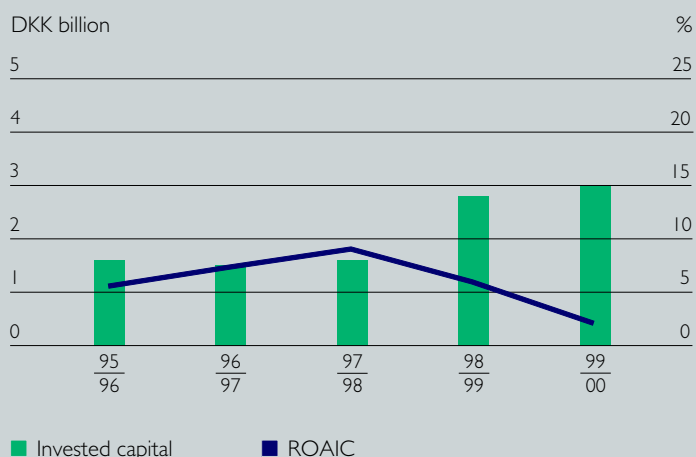
Danisco Flexible: Henrik Jansdorf (President), Tue Tyge Møller, Per Nørgaard, Kaj Taidal, Ian R. Bodie, Jonathan Fowle and Mauricio Bunge.

Key figures (DKK million)

	1998/99	1999/00
Sales	2,696	4,211
Operating profit before amortisation of goodwill, etc.	151	123
Operating profit	110	62
Investments (incl. acquisitions)	1,370	228
Segment fixed assets, net*	2,400	2,465
Average number of employees	3,192	3,258

* Intangible and tangible fixed assets, participating interests in associated undertakings less other provisions.

Invested capital and return on average invested capital (ROAIC)



DANISCO Flexible

- Operating profit before amortisation of goodwill, etc.: DKK 123.5 million (-18 percent). The effect of Sidlaw was 73 percentage points
- Operating profit: DKK 62.3 million (-43 per cent). The effect of Sidlaw was 78 percentage points
- Fierce price competition
- Strong fluctuations in raw material prices
- Launch of Danisco FlexCan™

Danisco Flexible recorded sales of DKK 4,211.0 million in the 1999/2000 financial year, 56 per cent up on the previous year. A major part of the progress was attributable to the acquisition of Sidlaw. Sales met expectations, while operating profit before amortisation of goodwill, etc. dropped considerably below expectations to DKK 123.5 million (-18 per cent). Operating profit was DKK 62.3 million (-43 per cent), which was markedly lower than anticipated.

Markets

The flexible packaging market was generally characterised by excess capacity leading to fierce price competition. Several producers sought to maintain sales volumes by lowering prices.

In terms of volume, demand was on a par with the year before.

Production profitability was further inhibited by strong fluctuations in raw material prices during the year. In the first half-year, the prices of some raw materials dropped by up to 30 per cent. The second half of the year saw considerable price increases fuelled by surging oil prices, among other factors.



Production

Sales to the UK and central European markets advanced while a decline was recorded in Scandinavia and France.

On the strength of an improved profit margin and favourable exchange rate developments Danisco Flexible's Region Northwest Europe was able to deliver a higher-than-expected profit contribution.

In contrast, the performance of the division's other operations fell short of expectations. The reasons for this included the roll-out of a new IT system which caused delivery problems and delayed response to customer demand. The difficulties have now been resolved, and an intense effort is being made to win back lost customers.

Product development

During the year, Danisco Flexible developed a new packaging concept, Danisco FlexCan™, launched in May 2000. Expectations for the product are high.

Danisco FlexCan™ is an ideal packaging solution for a wide range of food and non-food products. It is easy to open and re-close and represents a competitive cost-effective alternative to tin cans, glass containers and other types of packaging.

Rationalisation

Faced with difficult marketing conditions and poor profitability, Danisco Flexible implemented a series of rationalisation and reorganisation measures during the year.

Manning levels were reduced by some 200 employees, of whom 140

worked at Scandinavian sites. Furthermore, the division announced the closure of the LPC production unit in Angoulême in France.

In the autumn of 1999, Danisco Flexible was reorganised. In this exercise, the division's four regions, Scandinavia, Northwest Europe, Southwest Europe and Central Europe, were given profit centre status, and the pan-European sales organisation was split up by returning responsibility for sales to the regions. At the same time, an International Key Account function was created to serve the division's largest customers. A number of division functions were set up as well to coordinate IT, marketing and product development activities.

Outlook for 2000/01

The flexible packaging market is expected to see sustained growth, ultimately at the expense of more conventional packaging. Furthermore, Danisco Flexible is likely to win back lost customers and attract new business, for instance on the strength of innovations such as Danisco FlexCan™. Price competition is expected to remain stiff however.

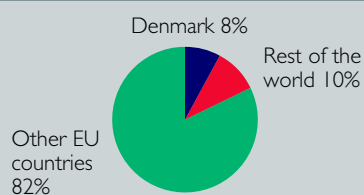
Raw material prices should follow a more steady trend compared with the preceding year while remaining at the high end. The implementation of the division's new organisation and IT systems has been accomplished and there are plans for further rationalisation.

Against this background, Danisco Flexible expects progress in net sales and profits.

Danisco Flexible

Key figures in DKK million	1998/99	1999/00
Sales	2,696	4,211
- per employee	0.8	1.3
Average number of employees	3,192	3,258

Net sales by main markets



OTHER BUSINESS

In Danisco, Other Business comprises the activities outside the Group's focus areas. When the refocused strategy was made public in the spring of 1999, Danisco announced that these businesses would be divested during the next couple of years.

At the beginning of the financial year, the sector consisted of the following divisions with combined annual net sales of some DKK 10 billion:

- Suomen Rehu
- Danisco Distillers
- Ewos
- Danisco Pack
- Danisco Foods

Many of these operations hold a leading position in their respective markets with a good level of profitability.

Already in the 1999/2000 financial year, Danisco sold off five of the businesses: Suomen Rehu, Danisco Pack Denmark, Danisco Paper Denmark, Danisco Distillers and Ewos. For the financial year these businesses contributed net sales of DKK 4,723 million and an operating profit of DKK 469 million. At year-end, Other Business thus comprised Danisco Foods and Danisco Pack UK.

Danisco Foods

Danisco Foods produces and markets frozen vegetables and ready meals.

Other products include soups, condiments (such as mustard and mayonnaise), mayonnaise salads and marmalades. These are marketed under the division's own brands, such as Frigodan®, Mette Munk®, Bähncke® and Skælskør®, and as private labels to supermarket chains.

Danisco Foods is one of Europe's major producers and suppliers of frozen food and dry products. The division is the market leader in a number of product areas, such as frozen vegetables, in

Denmark and in several other European countries.

Vegetables are produced and processed in Denmark, Spain and the Netherlands, while the bulk of other production is located in Denmark. In addition to the Danish market, products are exported to the other Nordic countries, Germany, the UK, Spain, Italy and North America.

Danisco Foods has annual net sales of around DKK 2.2 billion, of which more than 50 per cent comes from outside Denmark. The division employs some 1,500 people, of whom more than half work outside Denmark.

Danisco Pack UK

Danisco Pack UK is one of Britain's leading producers of corrugated packaging specialising in delivering innovative packaging solutions to its customers. Independent research consistently confirms the company's top ranking for quality and service.

The division operates two paper mills producing recycled paper, a paper merchant operation and a small waste paper recovery unit plus seven corrugated factories and twenty-two box making plants. This enables Danisco Pack UK to offer an extensive product range and national coverage with exceptional service levels.

Recycled waste paper represents 100 per cent of raw material for the paper mills and in excess of 75 per cent for the corrugated operations. The finished product can also be recycled once again. This process helps reduce the overall environmental impact of packaging.

Danisco Pack UK generates annual net sales of some DKK 1.9 billion and employs around 1,850 people in the UK.

SUSTAINABLE DEVELOPMENT



Danisco strives to create long-term value on an economically, socially and environmentally sustainable basis. Danisco's approach to sustainability is based on safety and health, quality and environmental management, as well as ethical and product safety issues.

Policy and objectives

Danisco's policy for safety, health, environment and quality (SHEQ) aims at taking account of the impact of the Group's products and production processes throughout the value chain, extending from raw materials to packaging and product usage. The policy also emphasises the importance of cooperation and interaction with the stakeholders and understanding their views as key elements in accomplishing Danisco's goals and those of the company's stakeholders.

This approach to sustainability is supported by Group-level objectives, which also serve as tools for implementing the SHEQ Policy. The objectives include implementing the SHEQ Policy throughout the Group, introducing an on-line environmental database and developing audit programmes and standard operational procedures. The sectors will also continue to work on the systematic implementation of documented environmental and quality management systems.

Organisation

The primary responsibility for continuous development and compliance with the SHEQ Policy and objectives rests with Danisco's sectors and divisions. The Sustainable Development organisation, headed by a Vice President and supported by a SHEQ Team, is responsible for managing the implementation of objectives and assisting the sectors and divisions in their activities regarding sustainability.

Networks among and within divisions have been created to promote the

implementation of objectives, internal know-how, synergies and transfer of best practices.

Management

For Danisco, as a major player in the food production value chain, well-established and documented management systems on safety, health, environment and quality are crucial tools to ensure raw material safety, traceability and supplier qualification.

Danisco has prioritised the implementation of documented environmental and quality management systems based on the ISO 14001 and ISO 9000 standards series. Most recently, the Swedish sugar factories received ISO 14001 certification in December 1999. The Danish, Finnish and German sugar factories are working towards ISO 14001 certification as well, the Finnish and German sites expecting this to be accomplished in the autumn of 2000.

To support the implementation of the management systems and to be able to compile environmental performance data, Danisco has set up an advanced on-line environmental database, which includes the most significant indicators for the Group's businesses. As part of the roll-out procedure, 60 environmental officers representing all major sites were trained in the use of the database during the spring of 2000. The database will serve as a tool for benchmarking data and identifying best practice as well as aid the tracking of environmental expenditures and expenses.

Danisco has improved the collection of health and safety indicators by following the Responsible Care requirements and other international recommendations. These indicators are also registered in the environmental database.

Internal and external audits play an important role in Danisco's approach to sustainable development, fulfilling SHEQ requirements, risk evaluation and legal compliance. Audits are also

conducted in connection with acquisitions and divestments. Cross-audits are used as an internal tool to evaluate the effectiveness of the management systems and to implement best practice.

While Danisco strives to extend reporting on sustainability, the Group continues to fulfil the national statutory reporting requirements like green accounting in Denmark and environmental reporting to the Swedish authorities.

EU White Paper on Food Safety

The increasing complexity of the food industry's production processes, including a high level of outsourcing and the global interdependence of up- and downstream partners, requires food companies to incorporate the sustainability concept into the whole value chain. Reflecting this, Danisco's approach to sustainability goes beyond SHEQ matters and includes ethical and product safety issues as well.

As expected, the EU White Paper on Food Safety, published in January 2000, supports the ongoing development in the food industry by introducing additional means to ensure high standards for human health and consumer protection.

Danisco is in favour of measures which will ensure that the introduction of novel foods and feeds into the marketplace respects consumer health and environmental safety, while avoiding barriers to innovation. Consequently, Danisco promotes clearly structured and predictable product approval procedures for innovations, based on scientific decision-making. The Group also supports the establishment of a strong and independent European Food Authority, the tasks of which should include science-based product approvals in the area of life sciences.

Tracing GM materials

Danisco strives to fulfil the customers'



Danisco's knowledge about the impact of its products and production throughout the value chain from raw materials to product usage is an essential element in the Group's SHEQ Policy. Here some of the Group's environmental officers are being trained in the use of Danisco's new on-line environmental database, which will serve as a tool for reducing the overall environmental impact of the Group's activities.

requirements for documentation and traceability of genetically modified (GM) materials. A special GM working group has been formed to ensure that Danisco

- ➔ knows the GM status of its raw materials through direct and continued contact with its suppliers,
- ➔ knows the requirements of its customers through open dialogue,
- ➔ knows the GM status of its finished products through control of raw materials and production, and minimised risk of cross mixing of materials, and
- ➔ conveys the information to its customers in a globally consistent and controlled manner with the aim of balancing what is required with what is possible, given the nature of the issue.

Dialogue with stakeholders

The food industry is heavily dependent on agricultural production, as well as on the eating habits and health and safety concerns of consumers. Together with other stakeholders, consumers are voicing increasing demands for products to meet not only higher quality and environmental, but also ethical and social standards. Danisco believes that the stakeholder dialogue and cooperation with players in different parts of the food producing chain are key elements in accomplishing the company's own goals as well as those of its stakeholders.

Danisco's task is to act and be seen as a responsible corporate member of the societies in which the Group operates, respecting the values and concerns

of the communities that make up these societies.

Danisco is currently conducting a project to identify the issues that the company finds important for the stakeholder value creation. In this process, Danisco will also create a set of objectives and targets for this work and define key performance indicators. The project will facilitate the work on developing Danisco's own values as well.

GENENCOR INTERNATIONAL



Genencor International's headquarters located in Palo Alto just south of San Francisco, California.

Genencor International is a leading developer and manufacturer of genetically based biotechnology products, including enzymes. The company leverages its biotechnology platform primarily by partnering with customers. Its main facilities are based in Palo Alto, California, and Rochester, New York, in the USA and in Leiden in the Netherlands.

Danisco has a 48.2 per cent shareholding in Genencor. A similar stake is held by Eastman Chemical Company, USA, and the rest of the shares are owned by the company's management. Danisco took over its stake in the company when acquiring Cultor in 1999.

Genencor International has the technological know-how and management capability to become a globally leading supplier of biotechnology products and processes to industrial, agricultural and health care companies. The company creates technological platforms in cleaning products, grain processing, denim processing, food and animal feed.

Since it was founded in 1982, Genencor International has built up a portfolio of 3,000 patents and patent applications covering proprietary as well as licence-based rights. The company's

financial year coincides with the calendar year, and 1999 net sales totalled USD 316 million. Operating profit was USD 33 million and net profit USD 18 million. Genencor International is consolidated in Danisco's profit and loss account at 50 per cent of the profit for the period 1 May 1999 to 30 April 2000. On 28 April 2000, the company's management exercised options to subscribe for new shares in the company and Danisco's stake was reduced to 48.2 per cent.

Danisco and Genencor International have signed a letter of intent for the establishment of a joint development and supply agreement to develop and sell enzymes and other bioingredients for the food industry.

On 5 May 2000, Genencor International filed a Registration Statement with the US Securities and Exchange Commission (SEC) for an initial public offering to increase the company's share capital and obtain Nasdaq listing.

The company intends to use the net proceeds from the sale of the new shares to fund research and development activities, to finance acquisitions and for other general corporate purposes.

At the time of going to press (27 June 2000), no final decision had been made as to the size and timing of the offering. Further information is available at www.freedgar.com.

Danisco wishes to continue its working relationship with Genencor International and presently intends to retain a significant stake in the company.

Genencor International, Inc.
925 Page Mill Road
Palo Alto, CA 94304, USA
Tel. +1 650 846 7500
www.genencor.com

FINANCIAL RISK MANAGEMENT

Given the international scope of the Group's business activities, Danisco's results and capital and reserves are affected by various financial risks, such as liquidity, interest rate and exchange rate risks.

Liquidity and interest rate risks are managed centrally, while decisions on exchange risk hedging are handled by the various divisions based on commercial parameters. The divisions' hedging transactions are made via Group Treasury, which undertakes internal equalisation and external hedging of open positions.

Hedging via financial instruments at Danisco is regulated by instructions issued by the Board of Directors and the Executive Board. The instructions specify risk limits for Group Treasury, the types of financial instruments to be traded, transaction partners and reporting of actual positions compared with the fixed risk limits.

Financial instruments are used for hedging commercial risks only, and where several types of financial instruments are available for hedging a specific position, simplicity is a decisive factor in the choice of financial instrument.

Liquidity risk

Danisco's funding is primarily handled by Group Treasury on the basis of the divisions' investing and operational liquidity requirements. The divisions' excess liquidity is equalised internally through inter-company accounts and cash pools.

Local conditions may have the effect that subsidiaries' funding is not obtained through Group Treasury but directly from one or more of Danisco's principal bankers by agreement with Group Treasury.

Danisco's liquidity reserves consist of bank deposits as well as committed and uncommitted credit facilities with major financial institutions. To a lesser extent, liquidity reserves are in some periods placed in money market instruments or bonds.

At 30 April 2000, the maturity struc-

ture of committed credit facilities were as follows (value expressed in DKK million):

Maturity	Amount
0-1 year	5,564
1-2 years	531
2-5 years	7,521
>5 years	1,207
<i>In total</i>	<i>14,823</i>

At 30 April 2000, the Group's net interest-bearing debt amounted to DKK 12,669 million against DKK 5,763 million the previous year.

At the end of the financial year, Danisco had obtained a credit facility of EUR 750 million (DKK 5.6 billion) with Commerzbank, Den Danske Bank, Svenska Handelsbanken and Unibank to replace the syndicated bridging facility of originally EUR 1 billion (DKK 7.4 billion) obtained in the spring of 1999 for the acquisition of Cultor. This facility was replaced on 11 May 2000 by a syndicated five-year loan of EUR 750 million. This amount corresponds to the outstanding debt of the syndicated bridging facility and the other committed credit facilities falling due within the coming year. Two private placements totalling USD 194 million (DKK 1.6 billion) obtained by Danisco Finland Oy (formerly Cultor Oy) and falling due in 2003-2008 are based on borrowing terms relating to Cultor's consolidated accounts. It is the intention either to have these loans transferred to Danisco A/S or alternatively to repay them.

Danisco's liquidity reserves amounted to around DKK 5.5 billion as at 30 April 2000. In addition to this, the remaining proceeds of DKK 1.5 billion from the sale of Danisco Distillers will fall due in September 2000.

Interest rate risk

Danisco's primary interest rate risk relates to interest-bearing debt, as the

Group had no substantial long-term interest-bearing assets at 30 April 2000.

According to Danisco's interest rate policy, the Group primarily raises loans at the short end of the interest rate curve (0-6 months). The actual placement on the interest rate curve is decided on the basis of the inclination of the curve and the projected interest rate trend.

However, the said private placements of USD 194 million carry fixed interest to maturity. The duration will be reviewed when the future status of the loans has been determined.

As at 30 April 2000, the average term to maturity of the Group's loans (excluding private placements) was approximately three months. Seven per cent of Danisco's interest-bearing debt had fixed interest rate terms of more than two years.

The policy pursued implies that changes in interest rates will appear quickly in the profit and loss account. On the other hand, changes in interest rates will not lead to major changes in the present value of interest-bearing debt.

Funding is obtained at market rates with the addition of a margin reflecting Danisco's financial strength.

Danisco's bank funding is carried out in currencies which depend on the Group's investments and activities. At 30 April 2000, the net bank funding was mainly denominated in the following currencies: EUR, GBP and USD, of which EUR accounted for around 70 per cent.

At year-end, the three-month market rates were as follows:

% p.a.	30 Apr. 1999	30 Apr. 2000
EUR	2.60	4.26
GBP	5.25	6.48
USD	5.00	5.73
DKK	3.00	5.04

Exchange risk

Exchange risks occur as a consequence of Danisco's international business operations.



Danisco pursues a policy of limiting the impact of exchange rate movements on results and the Group's financial position. The exchange risk is limited by having investments and operating costs in the relevant currencies and through active currency management via money market and forward exchange transactions.

Danisco's investments in the form of capital and reserves in subsidiaries abroad are hedged on a selective basis. A considerable part of Danisco's investments in the euro zone is funded in euros. Investments in the UK are hedged in part due to return requirements applying to acquisitions, or - in relation to businesses outside the focus areas - due to the expected short-term nature of the investments.

The divisions are responsible for monitoring the currency positions that materialise as a result of commercial and financial transactions made in non-local currencies. Hedging transactions are made as either money market or forward exchange transactions, which are contracted with Group Treasury.

Danisco's largest currency transaction exposure is in euros. The Danish krone is moving within a very narrow band relative to the euro.

Apart from the euro exposure, Danisco's largest currency transaction exposures are in GBP and USD. Danisco's USD exposure is to a large degree offset by raw material and energy purchases fixed in USD, although payment is effected in other currencies.

Danisco concludes forward exchange contracts to hedge future transactions concerning purchase and sale of goods. It is not Danisco's policy to enter into forward contracts with maturities beyond 12 months, and gains and losses are recognised as hedged transactions are realised.

The most important currencies in which Group Treasury has concluded forward exchange contracts as at 30

April 2000 to offset the Group's exchange risk and loans in foreign currency were (million):

	Currency	Equivalent DKK value
<i>EUR</i>	-594	-4,430
<i>USD</i>	445	3,653
<i>GBP</i>	-254	-3,262
<i>JPY</i>	-5,693	-438
<i>SEK</i>	-177	-162

At the end of the financial year, the average term to maturity was just under one month, and the maturity structure corresponds to the underlying hedged transactions.

Credit risk

Primary financial instruments include trade debtors, bank deposits and securities. The amounts of the mentioned balance sheet items are identical with the maximum credit risk.

Cash and cash equivalents are deposited with financial institutions with high ratings, and Danisco's trade debtors are distributed in such a manner that the Group's credit risk is not considered extraordinary.

Danisco reduces the credit risk of derivatives, including forward exchange contracts, by dealing only with banks with high ratings.

Price risk

Danisco's broad spectrum of purchases and products, including sugar, raw materials, energy, etc., involves a normal commercial price-related risk. Opportunities to incorporate increases in selling prices depend on factors such as the prevailing competitive conditions.

It is Danisco's policy that long-term contracts with customers and suppliers should provide for the right of renegotiation in the event of major changes in raw material prices. Depending on the prevailing competitive environment, such a clause may not always be possible.

AUDITORS' REPORT AND SIGNATURES

Copenhagen, 27 June 2000

EXECUTIVE BOARD

Alf Duch-Pedersen
Chief Executive Officer

Björn Mattsson

Søren Bjerre-Nielsen

Mogens Granborg

Henrik Jansdorf

Robert H. Mayer

BOARD OF DIRECTORS

Hugo Schrøder
Chairman of the Board

Anders Knutsen
Deputy Chairman of the Board

Bo Berggren

Per Gertsen

Peter Højland

Jon Krabbe

Heimo Karinen

Finn Larsen

Børge A. Pedersen

Sten Scheibye

Matti Vuoria

Copenhagen, 27 June 2000

Auditors' report

We have audited the consolidated accounts and the annual accounts of Danisco A/S for 1999/2000 as presented by the management.

Basis of opinion

We have planned and conducted our audit in accordance with generally accepted auditing standards to obtain reasonable assurance as to whether the

accounts are free of material misstatement. Based on an evaluation of materiality and risk our audit has included an examination of evidence supporting the amounts and disclosures in the accounts. We have assessed the accounting policies applied and the estimates made by the management as well as evaluated the overall presentation of the accounts.

Our audit has not given rise to qualifications.

Opinion

In our opinion, the consolidated accounts and the annual accounts have been presented in accordance with the accounting provisions of Danish legislation and the International Accounting Standards (IAS) and give a true and fair view of the group's and the parent company's assets and liabilities, financial position and result.

Deloitte & Touche
*Statsautoriseret
Revisionsaktieselskab*

Ernst & Young
*Statsautoriseret
Revisionsaktieselskab*

Henning Møller
H. P. Møller Christiansen
State-Authorised Public Accountants

John Lundin
Ole Neerup
State-Authorised Public Accountants

ACCOUNTING POLICIES

BASIS OF PREPARATION

The accounts of the parent company and the consolidated accounts have been drawn up in accordance with the Danish Company Accounts Act, International Accounting Standards (IAS) and the requirements of the Copenhagen Stock Exchange relating to the presentation of accounts by listed companies.

IAS 19 (revised 1998) Employee Benefits became effective during the financial year and has been applied to the preparation of the accounts. In addition, the following standards, the implementation of which is not yet required, have been applied as from the 1998/99 financial year: IAS 22 (revised 1998) Business Combinations, IAS 36 Impairment of Assets, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IAS 38 Intangible Assets.

The Annual Report is an integral part of the Annual Accounts.

Effects of changes in accounting policies for 1999/2000

The accounting policies for defined benefit pension plans have been amended to the effect that net pension assets are recognised in the balance sheet.

In conjunction with the introduction of IAS 19 (revised 1998) all material benefit plans were reviewed for the purpose of valuation and recognition of net pension assets in accordance with this standard. As a result, the effect on figures for previous years is considered immaterial, and comparative figures, key figures and financial ratios for previous years have therefore not been restated.

Basis of consolidation

The consolidated accounts include Danisco A/S (parent company) and all undertakings (subsidiary undertakings) in which the parent company, directly or indirectly, holds more than 50 per

cent of the voting rights or otherwise has a controlling interest. Undertakings in which the Group holds between 20 per cent and 50 per cent of the voting rights and has a significant but not a controlling interest are regarded as associated undertakings. An overview of the subsidiary undertakings of the Group is provided on pages 57 and 58.

The Group accounts comprise the consolidated audited accounts of the parent company and the individual subsidiary undertakings, which have all been prepared in accordance with the Group's accounting policies. Inter-company income and expenditure, shareholdings, balances and dividends as well as unrealised internal profits and losses have been eliminated.

On the acquisition of new undertakings the purchase method is applied, according to which assets and liabilities of newly-acquired undertakings are restated at their fair value at the date of acquisition. Provision is made for obligations concerning declared restructuring in the acquired undertaking in connection with the acquisition. The related tax effect is taken into account. Any excess cost of acquisition over the fair value of the net assets acquired is capitalised as goodwill or consolidated goodwill in the acquisition year and amortised systematically in the profit and loss account after an individual assessment of the estimated life of the asset up to a maximum of 20 years.

Where the real value of acquired assets or liabilities subsequently proves to differ from the computed values at the time of acquisition, goodwill is adjusted until the end of the financial year following the year of acquisition if the new higher value does not exceed anticipated future income. All other adjustments are charged to the profit and loss account.

Newly-acquired subsidiary undertakings and associated undertakings are included in the consolidated accounts as from the date of acquisition.

On the winding up or disposal of subsidiary undertakings an undertaking's profit is consolidated in the profit and loss account on a line-by-line basis until the date of disposal. Any profit or loss is computed as the difference between the sales sum and the carrying amount of the net asset at the time of disposal, including non-amortised goodwill and expected costs of disposal, and is stated in the profit and loss account.

Foreign currency translation

Transactions in foreign currencies (e.g. purchases/sales) are translated into the local currency at monthly average rates of exchange or at forward rates. The monthly average rates of exchange are used for practical reasons, as these reflect approximately the rates of exchange at the date of transaction.

Any differences in exchange rates arising between the average monthly rate and the rate at the date of payment are stated in the profit and loss account as a financial item.

Debtors and creditors in foreign currencies are translated into the local currency at the exchange rates ruling at the balance sheet date or at forward rates. The difference between the rate of exchange at the balance sheet date or the forward rate and the rate of exchange at the time when the debtor or the creditor was incurred is included in the profit and loss account as a financial item.

Tangible fixed assets purchased in foreign currencies are translated into the local currency at the rates of exchange at the date of transaction or at forward rates.

The profit and loss accounts of independent foreign subsidiary undertakings and foreign associated undertakings are translated into Danish kroner at monthly average rates of exchange, and the balance sheets are translated at the exchange rates ruling at the balance sheet date. Exchange rate differences occurring on the translation of opening net investments of foreign subsidiary



undertakings at the rates of exchange ruling at the balance sheet date are stated under capital and reserves. The same applies to the exchange rate differences following the translation of results from a monthly average rate of exchange to the exchange rate at the balance sheet date.

All present subsidiary undertakings are considered independent.

In the case of accounts with foreign subsidiary undertakings which in reality are an addition to or deduction from the capital and reserves of subsidiary undertakings, exchange adjustments are taken to reserves. The same applies to exchange differences concerning the hedging of capital and reserves of foreign subsidiary undertakings.

Government grants

Government grants include grants for research and development as well as investment grants, etc. Research and development grants are recorded in the profit and loss account on a systematic basis to match the related costs. Investment grants are set off against the cost of the subsidised assets.

Pensions

Danisco has entered into post-employment pension plans with a significant proportion of the Group's employees.

Under defined contribution plans, Danisco pays fixed contributions on a current basis into a separate recognised pension fund and will have no legal or constructive obligation to pay further contributions.

Such fixed contributions are recognised in the profit and loss account on the due date and any contributions payable are included in the balance sheet as other debt.

Under defined benefit plans, Danisco is obligated to pay certain benefits upon retirement (e.g. a fixed amount or a percentage of the yearly salary at the time of retirement). Obligations concerning defined benefit plans are computed on

a systematic basis by actuarial discounting of the pension obligation to their present values with the addition of the operating costs for the period. The present value is calculated on the basis of actuarial assumptions concerning future developments in interest rates, inflation, mortality, invalidity, etc.

Provision for the most recent actuarial valuation less the market value of assets held as part of the plan is made in the balance sheet as provisions for pensions and similar liabilities. If the net amount is an asset it is recognised as pension assets in the balance sheet. Actuarial gains or losses are stated and amortised in the profit and loss account over the expected average remaining working lives of the employees participating in the plan. If the net cumulative gains or losses represent less than 10 per cent of the present value of the defined benefit obligation, they are not recognised. Past service costs (costs due to changes in the benefits payable) are recognised and charged to the profit and loss account if the employees have already earned the right to the changed benefits. Otherwise past service costs are recognised and amortised in the profit and loss account over the period in which the employees earn that right.

Equity compensation benefits and other benefits

The Executive Board and a number of senior executives participate in a share option programme. As from the date when the participating executives are entitled to exercise their options and until the termination of the programme, provision is made for the option obligation in the balance sheet under other provisions. The option obligation is calculated as the difference between the market price of the underlying shares ruling at the balance sheet date and the exercise price of the share options.

PROFIT AND LOSS ACCOUNT

Net sales

Net sales comprise sales invoiced during the year less returned goods and discounts granted in connection with sales. Refunds received from the EU are included in net sales.

Cost of sales

Cost of sales includes costs incurred to achieve the net sales of the year. Cost of sales includes raw materials, consumables, direct labour and indirect production costs such as maintenance and depreciation of production plant and operations as well as administration and factory management.

Research and development costs

Research and development costs include costs, salaries and depreciation directly or indirectly attributable to the research and development activities of the Group. Research costs are charged to the profit and loss account in the year in which they are incurred.

The main part of the Group's development costs is similarly charged to the profit and loss account in the year in which it is incurred, as it has been defrayed to sustain earnings on a continuous basis.

Clearly defined and identifiable development projects in which the technical degree of exploitation, adequate resources and potential market or development possibility in the undertaking are recognisable, and where it is the intention to produce, market or execute the project, are capitalised when a correlation exists between the costs incurred and future benefits.

Distribution and sales costs

Distribution and sales costs comprise costs incurred on the distribution and sale of the products of the Group, salaries for sales personnel, advertising and exhibition costs, depreciation, etc.

Administrative expenses

Administrative expenses comprise the expenses of the administrative staff and the management, including offices, salaries and depreciation, etc.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature in relation to the activities of the Group, including losses on the sale of intangible and tangible fixed assets.

Other operating income

Other operating income comprises income of a secondary nature in relation to the activities of the Group, including government grants for research and development, profits on the sale of intangible and tangible fixed assets and rental income.

Amortisation of goodwill

Amortisation of goodwill includes amortisation for the year and write-downs, if any.

Restructuring in acquiring undertaking

Restructuring costs incurred in conjunction with acquisitions and related to the acquiring undertaking are provided for and recorded in the profit and loss account. In contrast, restructuring costs related to the acquired undertaking are included in the acquisition price.

Income from subsidiary and associated undertakings

The relevant proportion of each subsidiary undertaking's profit or loss less unrealised inter-company profits is recorded separately in the parent company's profit and loss account. The proportion of the subsidiary undertaking's tax is charged to current tax on the profit for the year.

The relevant proportion of each associated undertaking's profit or loss less the relevant proportion of inter-

company profits is recorded in the profit and loss accounts of both the parent company and the Group. Any proportion of extraordinary items is recorded separately, and the proportion of tax is charged to current tax on the profit for the year.

Financial items

Interest receivable and payable is included in the profit and loss account with the amounts relating to the financial year.

Borrowing costs are fully charged in the period in which they are incurred. Financial items also include financial costs incurred on finance leases and writedown of financial fixed assets as well as realised and unrealised capital gains and losses from exchange and price adjustments of financial instruments, investments and items in foreign currencies.

Premiums received or paid in respect of financial instruments are accrued as financial items.

Taxation

In Denmark Danisco A/S is taxed on a pooled basis with certain wholly-owned Danish and foreign subsidiary undertakings. The parent company provides for and pays the aggregate Danish tax of the taxable income of these undertakings, and provision for deferred tax for the Danish undertakings is made by the parent company. The undertakings subject to tax pooling are included in the Danish on-account tax scheme.

The expected tax on the taxable income for the year, adjusted for the change in provisions for deferred tax for the year, is charged to the profit and loss account. Withholding taxes relating to repatriation of dividends from foreign subsidiary undertakings are charged in the year in which the dividend is declared.

Provision is made for deferred tax according to the balance sheet liability method in respect of all temporary dif-

ferences between the tax base of an asset or liability and its carrying amount in the balance sheet. Furthermore, deferred tax is provided for reversal of tax benefits arising from losses in foreign undertakings that will crystallise as tax if they are sold or withdraw from Danish tax pooling.

Provision is not made for taxation arising on any sale of shares of subsidiary undertakings, if the shares are not expected to be sold within a short period.

The tax base of tax losses carried forward is included in the statement of deferred tax if the losses are likely to be utilised within a reasonable period.

Expected tax of deductible provisions affecting goodwill or consolidated goodwill is included in deferred tax.

Provision is not made for deferred tax of goodwill or consolidated goodwill unless the goodwill is tax-deductible.

In countries where deferred tax applies, it is provided at the estimated tax rate of each country. Changes in deferred tax due to changes in tax rates are charged to the profit and loss account.

BALANCE SHEET

Intangible fixed assets

Intangible fixed assets are valued at cost less accumulated depreciation and write-downs. Amortisation and depreciation are provided according to the straight-line method based on the estimated useful lives of the assets which are:

<i>Goodwill, consolidated goodwill</i>	<i>up to 20 years</i>
<i>Development projects</i>	<i>3-5 years</i>
<i>Leasehold improvements</i>	<i>5-20 years</i>
<i>Patents, licences, trademarks and other rights</i>	<i>up to 20 years</i>
<i>Software</i>	<i>up to 3 years</i>

Short-life assets and less valuable assets are charged to the profit and loss account in the year of acquisition.

The amortisation period of up to 20 years for goodwill and consolidated goodwill is determined on the basis of



the management's experience within the Group's business areas. In the opinion of the Group management, it reflects the best estimate of the useful lives of acquired undertakings.

The accounting treatment on the sale of undertakings or assets to which goodwill is incidental is described under "Basis of consolidation".

The profit or loss on the sale of other intangible fixed assets is computed as the difference between the sales price less sales costs and the carrying amount at the time of sale and stated in the profit and loss account as other operating income or expenses, as the case may be.

Tangible fixed assets

Land and buildings are entered at purchase price or cost less accumulated depreciation and writedowns.

Plant and machinery and other fixtures, fittings, tools and equipment are stated at purchase price or at cost less accumulated depreciation and writedowns.

Cost of tangible fixed assets includes costs of materials, components, sub-supplier services, direct labour and indirect production costs. Interest and other borrowing costs are not included.

Depreciation is provided according to the straight-line method over the estimated useful lives of the assets to expected residual value. The useful lives of major assets are fixed individually, while the lives of other assets are fixed in respect of groups of uniform assets. Estimated useful lives of the latter are:

<i>Buildings</i>	<i>20-40 years</i>
<i>Plant and machinery</i>	<i>10-20 years</i>
<i>Fixtures, fittings, tools and equipment</i>	<i>3-7 years</i>

Expenditure relating to repairs or maintenance of tangible fixed assets is included either as indirect production costs or directly in the profit and loss account.

Short-life assets, less valuable assets

and minor expenditure for improvement are charged to the profit and loss account in the year of acquisition.

Profit or loss arising on the disposal or retirement of tangible fixed assets is computed as the difference between the sales price net of dismantling, disposal and reestablishment costs and the carrying amount, and included in the profit and loss account as other operating income or expenses.

Finance leases are recorded in the balance sheet at the lower of fair value and the present value of future lease rentals at the time of leasing. When computing the present value the interest rate implicit in the lease is applied as the discount rate or an approximated value. Finance leases are depreciated like the Group's other tangible fixed assets.

The residual lease obligation is capitalised and recorded in the balance sheet under creditors and the interest on the lease rental is charged to the profit and loss account.

Lease payments under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Impairment

An impairment test is conducted in respect of the carrying value of intangible and tangible fixed assets in the preparation of the annual accounts. Where writedown is required, the carrying value is written down to the higher of net present realisable value and utility value.

Goodwill and consolidated goodwill are written down in the profit and loss account in those cases where the carrying value exceeds the expected future net income from the undertaking or the assets to which the goodwill or the consolidated goodwill is incidental.

Financial fixed assets

Participating interests in subsidiary undertakings are valued in the accounts of the parent company according to the

equity method. This implies that participating interests are stated in the balance sheets at the relevant proportion of their net asset value, and that the parent company's share of the results is included in the profit and loss account less unrealised inter-company profits.

Subsidiary undertakings with a negative net asset value are recorded at zero, and amounts owed by these subsidiary undertakings are written down by the parent company's share of the negative net asset value. Should the negative net asset value exceed the amounts owed, the remaining amount is recorded under provisions.

Participating interests in associated undertakings are also valued in the accounts of the parent company and the consolidated accounts also according to the equity method less the relevant proportion of unrealised inter-company profits.

Under capital and reserves net revaluation of participating interests in subsidiary and associated undertakings is transferred to reserves for subsidiary undertakings according to the equity method to the extent the revaluation exceeds the dividend received from the undertakings.

The value of other investments and capital participation, mainly including mortgages and shares acquired for permanent ownership, is fixed at cost less writedowns due to permanent reduction in value. Realised capital gains/losses and writedowns are recorded in the profit and loss account.

Other receivables include long-term lending and other long-term receivables, which are recorded after an individual assessment of potential risk.

Stocks

Stocks are valued on a first-in-first-out basis and at purchase price or at cost. Where the purchase price or cost exceeds the net realisable value, it is written down to the lower value.



Cost of sales includes raw materials, consumables, direct labour and indirect production costs, such as maintenance and depreciation of production plant and operations, as well as administration and factory management.

Obsolete items, including slow-moving items, are written down to net realisable value.

Debtors

Debtors are recorded after an individual assessment of potential risk.

Investments and capital participation

Investments and capital participation recorded under current assets mainly comprise listed bonds and shares stated at market price at the balance sheet date. Realised as well as unrealised gains and losses on securities are included in the profit and loss account.

Own shares

On the purchase or sale of own shares the purchase or sales consideration is taken to other reserves.

Capital reduction through cancellation of own shares reduces the share capital by an amount equivalent to the nominal value of the shares.

Other provisions

Other provisions primarily relate to obligations concerning acquisitions and restructuring. Provision is made where an obligation rests on the Group as a result of events in the financial year or previous years, and where it is probable that meeting the obligation will involve use of the company's financial resources.

Other provisions in connection with acquisitions include provisions related to the acquired company which had been resolved at the time of acquisition at the latest and which are included in the computation of the cost of acquisition and of goodwill or consolidated goodwill.

Other provisions for restructuring comprise provisions concerning the acquiring undertaking in connection with acquisitions, as well as provisions concerning resolutions on restructuring of existing business units. Such provisions are charged to the profit and loss account.

Creditors

Creditors are recorded at nominal value. Financial instruments to hedge interest on long-term financing are stated at purchase price.

Other financial instruments

With regard to forward exchange contracts entered into to hedge balance sheet assets and creditors in foreign currencies, the forward rate of exchange is used for valuation of the hedged transactions. Therefore, such forward exchange contracts are not stated as separate items.

Premiums received or paid on forward exchange contracts are stated in the profit and loss account during their term.

Gains and losses on forward exchange contracts concluded to hedge income and expenditure of future years are deferred until such income and expenditure are realised.

Gains or losses on forward exchange contracts concluded to hedge new capital investments are included in the cost of the investment.

CASH FLOW STATEMENT

The cash flow statement for the Group, which is prepared according to the indirect method, shows the Group's cash flows from operating, investing and financing activities as well as the Group's cash position at the beginning and end of the year.

Cash flows from operating activities are computed as Danisco's share of the consolidated profit for the year adjusted for non-cash operating items, change in

working capital and paid corporation tax.

Cash flows from investing activities comprise payments made on the purchase and disposal of undertakings and activities and the purchase and disposal of tangible and financial assets.

Cash flows from financing activities comprise changes in the size or structure of the Group's share capital and incidental costs as well as loans, repayments of principals of interest-bearing debt and payment of dividends.

Cash and cash equivalents comprise deposits with banks and investments with immaterial price exposure.

INFORMATION BY SEGMENT

Information by segment is provided on business segments and geographic markets. Information by segment follows the Group's accounting policies and internal financial management.

Fixed assets are defined as intangible fixed assets, tangible fixed assets and participating interests in associated undertakings less other provisions.

Current assets are defined as stocks, trade debtors, other debtors, prepayments and accrued income.

Non-interest bearing debt is defined as provisions for pensions and similar liabilities, trade creditors, other debt and accruals.

Invested capital is defined as the sum of fixed assets and current assets less non-interest bearing debt.

Cash flow comprises operating and investing activities.

PROFIT AND LOSS ACCOUNTS

I MAY 1999 - 30 APRIL 2000

Parent company				Group	
1998/99	1999/00	Note	DKK million	1998/99	1999/00
9,211	6,207	1	Net sales	19,219	27,829
6,921	4,547	2-3	Cost of sales	13,850	20,498
2,290	1,660		Gross profit	5,369	7,331
283	261	2-3	Research and development costs	378	510
883	526	2-3	Distribution and sales costs	1,937	2,434
572	454	2-4	Administrative expenses	1,166	1,865
20	32		Other operating expenses	51	164
230	43		Other operating income	296	205
3	18	12	Income from associated undertakings	3	191
765	448		Operating profit before amortisation of goodwill, etc.	2,136	2,754
68	40	3/11/12	Amortisation of goodwill	203	589
326	-		Restructuring in acquiring undertaking	343	-
371	408		Operating profit	1,590	2,165
955	1,612	5	Income from participating interests in subsidiary undertakings	-	-
15	13	6	Income from other investments and capital participation	15	14
315	518	7	Interest receivable and similar income	134	314
305	733	8	Interest payable and similar charges	379	929
1,351	1,818		Profit on ordinary activities before tax	1,360	1,564
483	681	9	Tax on profit on ordinary activities	512	681
59	-12	9	Adjustment of tax for previous years	88	-12
927	1,125		Profit on ordinary activities	936	871
-	1,498	10	Gain on disposal of divisions	-	1,786
-	-1,375	3/10	Writedown of fixed assets	-	-1,375
927	1,248		Consolidated profit for the year	936	1,282
-	1		Profit attributable to minority shareholders	9	35
927	1,247		Danisco's share of the consolidated profit	927	1,247
		22	Earnings per share (EPS) DKK	15.83	14.44
			Proposed appropriation of profit for the year:		
			Dividend DKK 6.00 per share	348	345
			Reserves	579	902
				927	1,247

BALANCE SHEETS AT 30 APRIL 2000

Parent company		Assets		Group	
30 April 1999	30 April 2000	Note	DKK million	30 April 1999	30 April 2000
			Fixed assets		
			<i>Intangible fixed assets</i>		
695	379	11	Goodwill	3,526	7,444
116	154	11	Other intangible fixed assets	335	656
811	533		Total	3,861	8,100
			<i>Tangible fixed assets</i>		
1,546	1,107	11	Land and buildings	3,812	3,683
2,220	1,584	11	Plant and machinery	6,464	6,315
256	199	11	Fixtures, fittings, tools and equipment	458	635
377	399	11	Prepayments for tangible fixed assets and assets under construction	585	827
-	-	11	Leased equipment and plant	18	94
4,399	3,289		Total	11,337	11,554
			<i>Financial fixed assets</i>		
7,604	15,486	12	Participating interests in subsidiary undertakings	-	-
26	391	12	Loans to subsidiary undertakings	-	-
4	5	12	Participating interests in associated undertakings	4	2,094
2	322	12	Other investments and capital participation	7	339
-	-	15	Own shares	-	-
-	-	16	Pension assets	-	52
-	-	17	Deferred tax assets	45	168
59	39	12	Other receivables	63	59
7,695	16,243		Total	119	2,712
12,905	20,065		Fixed assets total	15,317	22,366
			Current assets		
			<i>Stocks</i>		
456	277	13	Raw materials and consumables	998	1,176
94	83	13	Work in progress	227	315
1,637	1,366	13	Finished goods and goods for resale	3,619	4,555
4	-	13	Prepayments for goods	53	72
2,191	1,726		Total	4,897	6,118
			<i>Debtors</i>		
1,018	619	14	Trade debtors	3,382	4,113
6,529	8,568	14	Amounts owed by subsidiary undertakings	-	-
-	3		Amounts owed by associated undertakings	-	3
574	1,871	20	Other debtors	793	3,178
19	13		Prepayments and accrued income	99	164
8,140	11,074		Total	4,274	7,458
89	80		Investments and capital participation	95	279
425	46		Cash and cash equivalents	1,076	608
10,845	12,926		Current assets total	10,342	14,463
23,750	32,991		Assets total	25,659	36,829

Parent company		Liabilities		Group	
30 April 1999	30 April 2000	Note	DKK million	30 April 1999	30 April 2000
			Capital and reserves		
1,164	1,164		Share capital	1,164	1,164
234	-		Reserve according to the equity method	-	-
10,519	12,181		Other reserves	10,753	12,181
11,917	13,345		Capital and reserves total	11,917	13,345
-	-		Minority interests	95	249
			Provisions		
-	-	16	Provisions for pensions and similar liabilities	287	330
1,046	734	17	Provisions for deferred tax	1,603	1,508
455	468	18	Other provisions	740	1,084
1,501	1,202		Provisions total	2,630	2,922
			Creditors		
			<i>Amounts falling due after more than one year</i>		
265	290	19	Mortgage debt	275	312
2,680	6,863	19	Bank debt	2,833	8,586
40	36	19	Other creditors	119	54
-	-		Capitalised lease obligations	-	18
2,985	7,189		Total	3,227	8,970
			<i>Amounts falling due within one year</i>		
73	14		Mortgage debt	75	18
2,871	5,375		Bank debt	3,538	6,545
34	35		Other creditors	94	127
547	318		Trade creditors	1,596	1,925
-	-		Capitalised lease obligations	49	14
2,375	4,371		Amounts owed to subsidiary undertakings	-	-
-	-	20	Corporation tax	38	-
1,094	721	21	Other debt	1,968	1,988
5	76		Accruals	84	381
348	345		Dividend for the financial year	348	345
7,347	11,255		Total	7,790	11,343
10,332	18,444		Creditors total	11,017	20,313
23,750	32,991		Liabilities total	25,659	36,829

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CHANGES IN CAPITAL AND RESERVES

Parent company

DKK million	Share capital	Share premium account	Reserve according to equity method	Other reserves	Capital and reserves total
Balance at 1 May 1998	1,202	1,404	606	8,961	12,173
Profit for the year			661	266	927
Dividend paid				-348	-348
Share premium account transferred to distributable reserves		-1,404		1,404	-
Writedown of share capital through purchase of own shares	-38			-821	-859
Purchase of own shares				-132	-132
Sale of own shares				158	158
Exchange adjustments			57	-60	-3
Other adjustments of capital and reserves			-7	8	1
Dividend paid from subsidiary undertakings			-1,083	1,083	-
Balance at 1 May 1999	1,164	-	234	10,519	11,917
Profit for the year			952	295	1,247
Dividend set aside				-345	-345
Purchase of own shares *)				-115	-115
Exchange adjustments, etc.				641	641
Dividend paid from subsidiary undertakings			-1,186	1,186	-
Balance at 30 April 2000	1,164	-	-	12,181	13,345

Group

DKK million	Share capital	Share premium account		Other reserves	Capital and reserves total
Balance at 1 May 1998	1,202	1,404		9,567	12,173
Profit for the year				927	927
Dividend paid				-348	-348
Share premium account transferred to distributable reserves		-1,404		1,404	-
Writedown of share capital through purchase of own shares	-38			-821	-859
Purchase of own shares				-132	-132
Sale of own shares				158	158
Exchange adjustments				-3	-3
Other adjustments of capital and reserves				1	1
Balance at 1 May 1999	1,164	-		10,753	11,917
Profit for the year				1,247	1,247
Dividend set aside				-345	-345
Purchase of own shares *)				-115	-115
Exchange adjustments, etc.				641	641
Balance at 30 April 2000	1,164	-		12,181	13,345

The share capital of DKK 1,164,435,580 is made up of 58,221,779 shares of DKK 20 each, which is unchanged compared to 1 May 1999.

*) Note 15

CASH FLOW STATEMENTS | MAY 1999 - 30 APRIL 2000

		Group	
Note	DKK million	1998/99	1999/00
Cash flow from operating activities			
	Profit for the year	927	1,247
27	Adjustments	1,934	2,576
28	Change in working capital	-240	-389
Cash flow from operating activities before financial items		2,621	3,434
Income from other investments and capital participation		8	8
Interest receivable and similar income		104	262
Interest payable and similar charges		-341	-844
Interest payment, net		-229	-574
Cash flow from ordinary activities		2,392	2,860
20	Corporation tax paid	-400	-518
Cash flow from operating activities		1,992	2,342
Cash flow from investing activities			
29	Purchase of undertakings and activities	-2,268	-9,100
29	Sale of undertakings and activities	110	3,533
30	Purchase of tangible fixed assets	-1,174	-1,606
30	Sale of tangible fixed assets, etc.	105	311
Purchase of intangible fixed assets, net		-176	-139
Purchase of financial assets, net		-32	-398
Amount receivable concerning sale of activities		-	-2,086
Cash flow from investing activities		-3,435	-9,485
Net cash outflow/inflow from operating and investing activities		-1,443	-7,143
Cash flow from financing activities			
31	Change in financial liabilities	2,906	7,053
Buy-back of own shares		-859	-115
Dividend paid		-361	-348
Cash flow from financing activities		1,686	6,590
Decrease/Increase in cash and cash equivalents		243	-553
Cash and cash equivalents at 1 May		816	1,076
Exchange adjustment of cash and cash equivalents		17	85
Cash and cash equivalents at 30 April		1,076	608

NOTES TO THE PROFIT AND LOSS ACCOUNTS

Parent company			Group	
1998/99	1999/00	DKK million	1998/99	1999/00
I. Net sales				
<i>Breakdown by business segment:</i>				
See business segments (primary segments) page 54.				
<i>Breakdown by market:</i>				
4,146	2,081	Denmark	4,469	3,507
2,538	1,958	Other EU countries	9,839	14,640
1,042	996	Rest of western Europe	1,208	2,291
694	341	Eastern Europe	1,030	1,071
208	196	North America	1,010	2,375
154	161	Central and South America	566	1,748
429	474	Rest of the world	1,097	2,197
9,211	6,207	Total	19,219	27,829
5,065	4,126	Net sales in non-Danish markets total	14,750	24,322
55.0%	66.5%	corresponding to	76.7%	87.4%
2. Staff costs				
2	2	Directors' emoluments	2	2
15	15	Remuneration to management	15	20
1,711	852	Wages and salaries	3,307	4,222
115	72	Pension costs, social security costs, etc.	481	1,954
1,843	941	Total	3,805	6,198
6,166	3,814	Average number of employees	15,413	17,712
6,032	3,556	Number of employees at 30 April	15,939	15,793
Share options				
In December 1997, the Executive Board and a number of senior executives were offered an option total of 133,513 shares from the company's own holding at a price of DKK 471 in three six-week periods between the release of the Preliminary Announcement of Results for the 1999/2000 financial year and 1 February 2001. The company's obligation at the end of the financial year amounts to DKK 0 million.				
A bonus agreement has been concluded with a number of other employees.				
Provisions for these obligations are made on a continuous basis.				
After the conclusion of the financial year, the Board of Directors has adopted a new share option programme. For further information see page 8.				
3. Depreciation and writedowns				
<i>Depreciation for the year included in the costs below:</i>				
315	233	Cost of sales	753	1,123
15	16	Research and development costs	24	29
18	12	Distribution and sales costs	49	55
70	78	Administrative expenses	109	233
68	40	Amortisation of goodwill	203	589
486	379	Total	1,138	2,029

Parent company			Group	
1998/99	1999/00	DKK million	1998/99	1999/00
3. ...continued				
<i>Writedowns for the year included in the costs below:</i>				
-	-	Other operating expenses	3	-
-	-	Writedown of fixed assets	-	1,495
-	-	Total	3	1,495
4. Fees for auditors elected by the Annual General Meeting				
<i>Deloitte & Touche</i>				
5	4	Audit fee	15	18
5	14	Other fees	11	27
<i>Ernst & Young</i>				
1	-	Audit fee	2	2
2	2	Other fees	2	4
5. Income from participating interests in subsidiary undertakings				
1,143	2,338	Profits in subsidiary undertakings before taxation	-	-
188	726	Losses in subsidiary undertakings before taxation	-	-
955	1,612	Total	-	-
6. Income from other investments and capital participation				
1	3	Share dividend	1	5
7	3	Realised price adjustment of shares	7	3
7	7	Unrealised price adjustment of shares	7	6
15	13	Total	15	14
7. Interest receivable and similar income				
246	339	Financial accounts with subsidiary undertakings	-	-
38	26	Bank deposits	70	106
8	16	Other receivables	30	35
3	-	Unrealised gain on financial instruments	5	1
-	60	Realised gain on financial instruments	-	-
16	35	Unrealised exchange gain	11	40
4	42	Realised exchange gain	18	132
315	518	Total	134	314
8. Interest payable and similar charges				
90	103	Financial accounts with subsidiary undertakings	-	-
33	26	Mortgage debt	37	31
129	467	Bank debt and similar capital procurement	240	760
10	8	Unrealised loss on financial instruments	12	10
23	96	Realised loss on financial instruments	48	124
10	-	Unrealised exchange loss	12	4
10	33	Realised exchange loss	30	-
305	733	Total	379	929

NOTES TO THE PROFIT AND LOSS ACCOUNTS

Parent company			Group	
1998/99	1999/00	DKK million	1998/99	1999/00
9. Tax				
157	37	Current tax on the profit for the year	364	603
-30	-10	Change in deferred tax on the profit for the year	91	75
-	-	Other taxes, exchange adjustment, etc.	-5	3
3	12	Adjustment concerning previous years	-26	12
294	654	Tax in undertakings not subject to tax pooling	-	-
424	693	Total	424	693
<i>The tax breaks down as follows:</i>				
483	681	Tax on profit on ordinary activities	512	681
-62	-	Adjustment of deferred tax for previous years due to change in Danish corporation tax rate	-62	-
3	12	Adjustment of tax for previous years	-26	12
424	693	Total	424	693
Applicable tax rate				
		Danish corporation tax rate	32%	32%
		Effect of difference in tax rate compared with 32%	1%	1%
		Non-taxable income and non-deductible expenses	1%	-1%
		Utilisation of non-capitalised tax losses	-1%	-
		Effect of changed Danish corporation tax rate	-4%	-
		Other, incl. adjustment concerning previous years	-3%	1%
		Effective tax rate before deductible amortisation of goodwill	26%	33%
		Non-deductible amortisation of goodwill	5%	11%
		Effective tax rate	31%	44%
The effect for the parent company is not shown separately as the tax costs of the parent company and the Group are identical.				
10. Gain and writedowns on disposal of divisions				
<i>Gain on disposal of divisions after tax:</i>				
-	1,208	Gain on disposal of Danisco Distillers	-	1,511
-	290	Gain on disposal of Danisco Pack Denmark and Danisco Paper Denmark	-	275
-	1,498	Total	-	1,786
<i>Writedown of goodwill and tangible fixed assets:</i>				
-	-1,000	Writedown of goodwill and tangible fixed assets, Danisco Foods	-	-1,000
-	120	Tax effect of writedown, Dansico Foods	-	120
-	-495	Writedown of goodwill, Danisco Pack UK	-	-495
-	-1,375	Total	-	-1,375

The assets have been written down to estimated realisable value.

NOTES TO THE BALANCE SHEETS

Parent company

II. Intangible fixed assets

DKK million	Goodwill	Soft-ware	Patents and licences	Product develop-ment	Other	Total
Cost at 1 May 1999	1,390	85	12	34	8	1,529
Additions during the year	-	52	-	11	-	63
Disposals during the year	-579	-	-1	-	-4	-584
Carried forward to/from other items	-	-	-	1	-	1
Total	811	137	11	46	4	1,009

Depreciation and writedowns

at 1 May 1999	695	3	11	5	4	718
Depreciation for disposals of the year	-303	-	-1	-	-	-304
Depreciation for the year	40	17	-	5	-	62
Writedowns for the year, etc.	-	-	-	-	-	-
Total	432	20	10	10	4	476

Balance at 30 April 2000 **379** **117** **1** **36** **-** **533**

II. Tangible fixed assets

Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Prepaym. and assets under construction	Total
2,740	5,162	859	377	9,138
43	170	87	167	467
-694	-1,505	-273	-144	-2,616
-23	-65	6	-1	-83
2,066	3,762	679	399	6,906

1,194	2,942	603	-	4,739
-293	-877	-187	-	-1,357
72	176	69	-	317
-14	-63	-5	-	-82
959	2,178	480	-	3,617

Balance at 30 April 2000 **1,107** **1,584** **199** **399** **3,289**

Group

II. Intangible fixed assets

DKK million	Goodwill	Soft-ware	Patents and licences	Product develop-ment	Other	Total
Cost at 1 May 1999	4,927	102	177	41	54	5,301
Exchange adj. of opening value, etc.	257	-	25	-	44	326
Additions due to new activities	5,704	2	112	-	129	5,947
Additions during the year	-	112	9	11	55	187
Disposals due to sale of activities	-853	-	-2	-	-35	-890
Disposals during the year	-	-	-	-	-5	-5
Carried forward to/from other items	-	-	-17	-5	22	-
Total	10,035	216	304	47	264	10,866

Depreciation and writedowns

at 1 May 1999	1,401	3	31	5	-	1,440
Exchange adj. of opening value, etc.	51	-	4	-	2	57
Disposals due to sale of activities	-223	-	-	-	-1	-224
Depreciation for disposals of the year	-8	-	-	-	-	-8
Depreciation for the year	539	25	48	5	25	642
Writedowns for the year, etc.	831	-	-	-	28	859
Total	2,591	28	83	10	54	2,766

Balance at 30 April 2000 **7,444** **188** **221** **37** **210** **8,100**

II. Tangible fixed assets

Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Prepaym. and assets under construction	Leased equipment and plant	Total
5,628	11,632	1,223	585	19	19,087
247	617	69	25	35	993
767	1,457	83	90	23	2,420
114	768	212	511	1	1,606
-1,002	-2,478	-190	-21	-	-3,691
-61	-108	-128	-175	-	-472
15	-46	164	-188	55	-
5,708	11,842	1,433	827	133	19,943

1,816	5,168	765	-	1	7,750
61	259	34	-	7	361
-330	-1,015	-121	-	-	-1,466
-18	-104	-107	-	-	-229
221	875	211	-	30	1,337
275	344	16	-	1	636
2,025	5,527	798	-	39	8,389

Balance at 30 April 2000 **3,683** **6,315** **635** **827** **94** **11,554**

NOTES TO THE BALANCE SHEETS

Parent company			Group		
30 April 1999	30 April 2000	DKK million	30 April 1999	30 April 2000	
11. ...continued					
Information on fixed assets					
46	-	Contractual obligations	46	-	
342	304	Mortgages	362	344	
658	401	Book value of pledged assets	658	454	
-	-	Property outside Denmark	1,625	2,256	
1,583	1,091	Danish property at latest official valuation	1,812	1,363	

Parent company						Group		
12. Financial fixed assets								
DKK million	Participating interests in subsidiary undertakings	Loans to subsidiary undertakings	Participating interests in associated undertakings	Other investments and capital participation	Other receivables	Participating interests in associated undertakings	Other investments and capital participation	Other receivables
Cost at 1 May 1999	7,370	29	1	5	59	1	11	65
Additions during the year	10,557	391	-	320	1	2,078	384	23
Disposals during the year	-2,315	-29	-	-	-21	-35	-53	-21
Total	15,612	391	1	325	39	2,044	342	67
Changes at 1 May 1999	234	-3	3	-3	-	3	-4	-2
Profit for the year	-374	-	-	-	-	109	-	-
Dividends paid and declared	-1,186	-	-	-	-	-	-	-
Exchange adjustments	896	-	-	-	-	-62	-	-
Disposals during the year	365	-	-	-	-	-	2	-6
Other	-61	3	1	-	-	-	-1	-
Total	-126	-	4	-3	-	50	-3	-8
Balance at 30 April 2000	15,486	391	5	322	39	2,094	339	59

The book value of participating interests in subsidiary undertakings includes goodwill of DKK 7,065 million (1998/99 DKK 2,831 million). Amortisation of this goodwill for the year amounts to DKK 549 million (1998/99 DKK 135 million).

The book value of participating interests in associated undertakings includes goodwill of DKK 995 million (1998/99 DKK 0 million). Amortisation of this goodwill for the year amounts to DKK 50 million (1998/99 DKK 0 million).

Participating interests in associated undertakings

Undertaking	Currency	Share capital in currency ('000)	Danisco's share of profit for the financial year*	Danisco's share of capital	Parent company book value	Group book value
		100%	DKK million	30 April 2000	DKK million	DKK million
Sejet Planteforædling I/S	DKK	10,000	-	25%	5	5
De Danske Spritfabrikker A/S	DKK	10,409	19	0%	-	-
Genencor International, Inc.	USD	97,000	177	48%	-	2,086
Cerenes Oy	FIM	50	2	25%	-	3
Pacific Aqua Salmon Farmers Ltd.	CAD	1	-7	-	-	-
Total			191		5	2,094

* Profit before tax and amortisation of Danisco's acquired goodwill.

Parent company		Group		
30 April 1999	30 April 2000	DKK million	30 April 1999	30 April 2000
13. Stocks				
Stocks included at net realisable value are only recorded to a negligible extent and the Group has not pledged stocks as security for debt.				
14. Trade debtors and amounts owed by subsidiary undertakings				
1,018	619	Trade debtors	3,382	4,113
All debtors are expected to be paid within one year.				
6,529	8,568	Amounts owed by subsidiary undertakings	-	-
Of the amounts owed by subsidiary undertakings DKK 60 million will fall due after one year.				
15. Own shares				
			Nom. value (DKK '000)	% of share capital
		Number		
		Holding at 1 May 1999	215,000	0.37
		Purchase	460,000	0.79
		Holding at 30 April 2000	675,000	1.16
Market value of own shares at 30 April 2000 amounts to DKK 167 million. The amount paid for purchases of own shares during the year was DKK 115 million and has been taken to capital and reserves.				
The Group has purchased own shares with a view to enhancing financial flexibility, including to cover the option programme.				
The holding includes 133,513 shares, which cover the obligation incurred under the option agreement of December 1997 with the Executive Board and a number of senior executives.				
16. Provisions for pensions and similar liabilities				
The pension obligations of Danish companies are covered through insurance. Certain foreign companies are also covered through insurance. Foreign companies that are not or only partially covered through insurance (defined benefit plans), primarily in the UK, Sweden, the Netherlands and France, compute their non-insurance pension obligations at the actuarial present value at the balance sheet date.				
<i>Defined contribution plans:</i>				
-	-	Costs for current financial year	133	243
-	-	Total	133	243

NOTES TO THE BALANCE SHEETS

Parent company			Group	
30 April 1999	30 April 2000	DKK million	30 April 1999	30 April 2000
		16. ...continued		
		<i>Defined benefit plans:</i>		
-	-	Costs for current financial year	56	46
-	-	Interest costs	-	91
-	-	Expected return on plan assets	-	-95
-	-	Total	56	42
		<i>Provisions for the Group's obligation under defined benefit plans are as follows:</i>		
-	-	Present value of funded obligations	1,499	1,764
-	-	Unrecognised actuarial gains and losses	-	8
-	-	Fair value of plan assets	-1,212	-1,494
-	-	Total	287	278
		<i>Movements in the net liability were as follows:</i>		
.	-	Liability at 1 May	239	287
-	-	Exchange adjustments	10	30
-	-	Other adjustments	-	-45
-	-	Additions concerning new activities	64	6
-	-	Amounts charged during the period	56	42
-	-	Contributions	-62	-42
-	-	Balance at 30 April	287	278
		Pension assets	-	52
		Pension liability	287	330

Defined benefit plans in the UK are covered in separate pension funds. The actuarial value of net underfunding is recorded in the consolidated balance sheet at 30 April 2000 at DKK 23 million (1998/99 DKK 2 million). Net underfunding is the fair value of the assets amounting to DKK 1,494 million less the present value of the obligations of DKK 1,511 million as actuarial losses of DKK 6 million on the plans have not been charged. No allowance has been made for staff turnover. In the consolidated profit and loss account for 1999/2000 the plans are charged at DKK 29 million (1998/99 DKK 3 million).

Defined benefit plans in Sweden are not covered. The actuarial value of the obligation is stated in the consolidated balance sheet at 30 April 2000 at DKK 229 million (1998/99 DKK 231 million). Actuarial losses of DKK 1 million concerning the plans have not been charged. The actuarial computation is based on an interest rate of 5.5 per cent p.a., a rate of pay increase of 1.5 per cent p.a. and a pension increase of 1.5 per cent p.a. No allowance has been made for staff turnover. In the consolidated profit and loss account for 1999/2000 the plans are charged at DKK 13 million (1998/99 DKK 53 million).

Danisco operates defined benefit plans in the Netherlands and France as well. The actuarial value of underfunding is recorded in the consolidated balance sheet at 30 April 2000 at DKK 9 million (1998/99 DKK 7 million).

Parent company		DKK million	Group	
30 April 1999	30 April 2000		30 April 1999	30 April 2000
17. Provisions for deferred tax				
1,092	1,046	Deferred tax at 1 May	1,548	1,558
-16	25	Adjustment for deferred tax at 1 May	-52	33
1,076	1,071	Adjusted deferred tax at 1 May	1,496	1,591
-	-245	Tax concerning new/sold undertakings and other adjustments	-29	-206
-62	-	Adjustment due to change in Danish corporation tax rate	-62	-
-	-82	Effect of writedown of fixed assets	-	-120
32	- 10	Change in deferred tax concerning the profit for the year	153	75
1,046	734	Balance at 30 April	1,558	1,340

Specification of deferred tax 30 April 2000	Deferred tax assets	Deferred tax liabilities	Deferred tax, net
Intangible fixed assets	50	60	10
Tangible fixed assets	198	1,302	1,104
Financial fixed assets	-	45	45
Current assets	95	152	57
Amounts falling due within one year	152	228	76
Amounts falling due after more than one year	216	159	- 57
Tax loss carried forward, net	128	-	- 128
Non-capitalised tax assets in balance sheet items	-233	-	233
Tax assets / liabilities	606	1,946	1,340
Offset between legal entities and jurisdictions	-438	-438	-
Deferred tax at 30 April 2000	168	1,508	1,340
Deferred tax at 30 April 1999 amounted to	45	1,603	1,558

The tax base of non-capitalised tax losses carried forward amounts to DKK 458 million (1998/99 DKK 190 million). Around 70 per cent of this will be either used or lost within the next five years. Deferred tax on investments in subsidiaries not recorded as a liability amounts to DKK 75 million (1998/99 DKK 108 million).

18. Other provisions

Other provisions total					Other provisions total
		Acquisitions	Restructuring	Other	
455	Other provisions at 1 May 1999	195	331	214	740
-	Exchange adjustment of opening value	17	-	14	31
13	Provisions for the year	411	26	132	569
-	Provisions spent during the year	-105	-44	-30	-179
-	Reversed provisions concerning previous periods	-38	-15	-24	-77
468	Other provisions at 30 April 2000	480	298	306	1,084

NOTES TO THE BALANCE SHEETS

Parent company			Group	
30 April 1999	30 April 2000	DKK million	30 April 1999	30 April 2000
18. ...continued				
Provisions in connection with acquisitions primarily relate to Cultor, acquired in the financial year ended, and Sidlaw, acquired at the end of the 1998/99 financial year. The provisions are to cover costs for restructuring of acquired undertakings.				
Provisions for restructuring concern existing Danisco businesses. In the Sugar & Sweeteners Sector provision has been made for the adopted closure of sugar factories in Sweden (Jordberga) and Denmark (Gørlev) and for restructuring of other sugar factories.				
Other provisions mainly include provisions in connection with divestment of businesses, pending proceedings, etc.				
19. Mortgage debt, bank debt and other creditors				
200	171	Mortgage debt falling due after five years	201	181
-	-	Bank debt falling due after five years	53	46
14	12	Other creditors falling due after five years	44	12
20. Corporation tax				
-60	-78	Tax owing at 1 May	64	38
19	-13	Adjustments concerning previous years	11	-3
-	-	Tax concerning new/sold undertakings	-1	-207
157	37	Current tax on profit for the year	364	603
-194	-5	Tax paid during the year	-400	-518
-78	-59	Balance at 30 April	38	-87
Tax receivable has been recognised as other receivables under current assets in the balance sheet.				
21. Other debt				
247	247	Production and absorption levies owing for sugar	425	440
221	131	Staff-related amounts owing (wages, salaries, holiday pay, etc.)	457	411
316	134	VAT and other taxes owing	471	348
310	209	Other items	615	789
1,094	721	Total	1,968	1,988
22. Earnings per share (EPS)				
-	-	Profit on ordinary activities	936	871
-	-	Profit attributable to minority shareholders	9	35
-	-	Danisco's share of profit on ordinary activities	927	836
-	-	Weighted average number of shares	60,058,567	58,221,779
-	-	Adjustment, weighted average number of own shares	1,492,725	330,861
-	-	Earnings per share (EPS) in DKK	15.83	14.44

Parent company			Group	
30 April 1999	30 April 2000	DKK million	30 April 1999	30 April 2000
		23. Contingent liabilities		
225	281	Guarantees and other financial commitments	482	487
		Operating leases		
-	-	Lease payments due within one year	11	35
-	-	Lease payments due within five years	17	53
-	-	Lease payments due after five years	15	30
-	-	Total	43	118

Certain claims have been raised against Danisco. In the opinion of the management, the outcome of these proceedings will not affect the financial position of the Group.

24. Financial instruments

Danisco uses forward contracts for managing interest rate and exchange risks.

Currency	30 April 1999		30 April 2000	
	Settlement value	Market value	Settlement value	Market value
DKK	4,262	4,242	4,861	4,848
EUR	-907	-900	-4,438	-4,430
USD	-344	-341	3,659	3,653
GBP	-2,814	-2,797	-3,264	-3,262
Other	-230	-277	-794	-792
Total	-33	-73	24	17

The net market value was DKK 17 million. The average remaining term to maturity is one month. At 30 April 2000, there were no forward rate agreements (FRA) and interest rate swaps.

25. Related parties

Related parties in Danisco comprise the Board of Directors and the Executive Board only.

Danisco has made no transactions with related parties in the financial year ended.

26. Government grants

During the year ended, Danisco received government grants for research and development of DKK 15 million (1998/99 DKK 10 million) and for investments of DKK 6 million (1998/99 DKK 8 million).

NOTES TO THE CASH FLOW STATEMENTS

DKK million	Group	
	30 April 1999	30 April 2000
27. Adjustments		
Depreciation and amortisation for the year	1,138	1,980
Writedowns for the year included in the profit and loss account	26	1,375
Profit on sale of undertakings and activities	-89	-1,786
Profit/loss on disposal of tangible fixed assets	-44	-24
Income from associated undertakings	-3	-191
Income from other investments and capital participation, etc.	-15	-14
Interest receivable and similar income	-134	-314
Interest payable and similar charges	379	929
Provisions for pensions and similar liabilities and other provisions	230	14
Tax on profit for the year	424	693
Non-financial prepayments and accruals, etc.	22	-86
Total	1,934	2,576
28. Change in working capital		
Change in stocks	25	-197
Change in debtors	-318	641
Change in trade creditors, etc.	53	-833
Total	-240	-389
29. Purchase and sale of undertakings and activities		
<i>Purchase of undertakings and activities:</i>		
In the 1999/2000 financial year Danisco acquired Cultor Group (Finland)		
Intangible fixed assets	-122	-476
Tangible fixed assets	-1,156	-2,420
Financial fixed assets	-6	-2,117
Stocks	-371	-1,328
Debtors and prepayments	-498	-2,090
Cash and cash equivalents	-214	-503
Minority interests	100	169
Provisions for pensions and similar liabilities and other provisions	178	248
Provisions for deferred tax	-21	73
Financial liabilities	293	2,712
Non-interest bearing debt	509	1,667
Corporation tax	17	-67
Net assets	-1,291	-4,132
Goodwill on purchase of undertakings and activities	-1,191	-5,471
Adjustment of cash and cash equivalents	214	503
Cash purchase amount	-2,268	-9,100
Financial liabilities	-293	-2,712
Purchase amount total	-2,561	-11,812

Group

DKK million

30 April 1999 30 April 2000

29. ...continued**Sale of undertakings and activities:**

In the 1999/2000 financial year Danisco disposed of Suomen Rehu, Danisco Pack Denmark, Danisco Paper Denmark, Danisco Distillers and Ewos.

Intangible fixed assets	6	666
Tangible fixed assets	39	2,225
Financial fixed assets	-	188
Stocks	55	636
Debtors and prepayments	54	1,205
Cash and cash equivalents	18	275
Minority interests	-6	-
Provisions for pensions and similar liabilities and other provisions	-	-18
Provisions for deferred tax	-8	-283
Financial liabilities	-8	-1,817
Non-interest bearing debt	-91	-927
Accruals	-2	-
Corporation tax	-18	-128
Net assets	39	2,022
Profit/loss on disposals included in the profit and loss account	89	1,786
Adjustment of cash and cash equivalents	-18	-275
Cash sales amount	110	3,533
Financial liabilities	8	1,817
Sales amount total	118	5,350

30. Purchase and sale of tangible fixed assets

Ingredients and sweeteners	-305	-331
Sugar and seed	-381	-692
Flexible packaging	-316	-228
Other activities	-124	-321
Group Functions	-48	-34
Sale of tangible fixed assets and investment grants	105	311
Purchase and sale of tangible fixed assets total	-1,069	-1,295

31. Change in financial liabilities

Financial liabilities at 1 May	-3,724	-6,934
Exchange adjustment of financial liabilities at 1 May	-19	-771
Financial liabilities in undertakings sold	8	1,817
Financial liabilities assumed on purchase of undertakings and activities	-293	-2,712
Financial liabilities at 30 April	6,934	15,653
Change in financial liabilities at 30 April	2,906	7,053

BUSINESS SEGMENTS (PRIMARY SEGMENTS)

Ingredients and sweeteners

DKK million	95/96	96/97	97/98	98/99	99/00
Sales	2,401	2,695	3,375	3,645	7,146
Internal sales	-8	-6	-6	-5	-31
Net sales	2,393	2,689	3,369	3,640	7,115
Operating profit before amortisation of goodwill, etc.	360	440	548	545	976
Operating profit	351	432	526	497	761
Segment fixed assets, net	1,472	1,692	2,234	3,224	7,556
Segment working capital	615	727	844	920	2,027
Invested capital	2,087	2,419	3,078	4,144	9,583
Cash flow	409	100	-133	-569	-4,678
Investments, tangible fixed assets	158	299	277	305	331
Investments, acquisitions	12	-	452	888	3,390
Depreciation and amortisation	144	150	191	235	647
Operating margin (EBITA)	15%	16%	16%	15%	14%
Operating margin (EBIT)	15%	16%	16%	14%	11%
ROAIC	17%	20%	19%	15%	11%

Flexible packaging

DKK million	95/96	96/97	97/98	98/99	99/00
Sales	1,819	2,332	2,631	2,696	4,211
Internal sales	-16	-13	-14	-13	-7
Net sales	1,803	2,319	2,617	2,683	4,204
Operating profit before amortisation of goodwill, etc.	104	147	192	151	123
Operating profit	67	109	154	110	62
Segment fixed assets, net	1,320	1,281	1,200	2,485	2,465
Segment working capital	304	283	420	377	587
Invested capital	1,624	1,564	1,620	2,862	3,052
Cash flow	-357	169	98	-1,132	-128
Investments, tangible fixed assets	67	82	140	138	228
Investments, acquisitions	445	259	-	1,232	-
Depreciation and amortisation	93	106	120	164	284
Operating margin (EBITA)	6%	6%	7%	6%	3%
Operating margin (EBIT)	4%	5%	6%	4%	1%
ROAIC	3%	7%	9%	6%	2%

Reconciliation 1999/2000

DKK million	Ingredients and sweeteners	Sugar and seed	Flexible packaging	Unallocated	Continuing activities	Other activities	Group
Sales	7,146	7,985	4,211	-	19,342	8,737	28,079
Internal sales	-31	-202	-7	99	-141	-10	-151
Inter-company elimination	-	-	-	-	-	-	-99
Net sales	7,115	7,783	4,204	99	19,201	8,727	27,829
Operating profit before amortisation of goodwill, etc.	976	1,093	123	-119	2,073	681	2,754
Amortisation of goodwill, etc.	-215	-125	-61	-81	-482	-107	-589
Operating profit	761	968	62	-200	1,591	574	2,165
Financial items	-	-	-	472	472	129	601
Profit on ordinary activities before tax	-	-	-	-	1,119	445	1,564
Tax	-	-	-	551	551	142	693
Gain on sale of divisions and writedown of fixed assets	-	-	-	-	-	411	411
Consolidated profit for the year	-	-	-	-	568	714	1,282
Profit attributable to minority shareholders	-	-	-	35	35	-	35
Danisco's share of the consolidated profit	-	-	-	-	533	714	1,247
Segment fixed assets	7,803	6,936	2,691	2,923	20,353	1,394	21,747
Segment current assets	3,243	4,730	1,559	88	9,620	1,513	11,133
Financial and interest-bearing assets	-	-	-	250	250	3,699	3,949
Assets total	-	-	-	-	30,223	6,606	36,829
Segment provisions	247	180	226	271	924	160	1,084
Segment creditors, etc.	1,216	1,601	972	-130	3,659	721	4,380
Financial liabilities	-	-	-	10,660	10,660	5,512	16,172
Tax, dividends, etc.	-	-	-	1,386	1,386	213	1,599
Capital and reserves	-	-	-	13,594	13,594	-	13,594
Liabilities total	-	-	-	-	30,223	6,606	36,829
Invested capital	9,583	9,885	3,052	2,870	25,390	2,026	27,416
Cash flow	-4,678	-1,779	-128	-3,060	-9,645	4,087	-5,558
Investments, tangible fixed assets	331	692	228	34	1,285	321	1,606
Investments, acquisitions	3,390	2,355	-	4,145	9,890	1,922	11,812

Inter-company sales in the Group are based on market value.

GEOGRAPHIC SEGMENTS (SECONDARY SEGMENTS)

DKK million	Fixed assets		Current assets		Assets total		Investment in tang. fixed assets		Acquisitions	
	98/99	99/00	98/99	99/00	98/99	99/00	98/99	99/00	98/99	99/00
Denmark	6,557	6,322	3,669	4,411	10,226	10,733	560	568	102	10
Other EU countries	6,833	10,801	4,305	5,980	11,138	16,781	414	797	1,783	7,239
Rest of western Europe	110	178	160	808	270	986	13	38	-	235
Eastern Europe	299	343	380	427	679	770	7	32	287	8
North America	932	1,134	415	879	1,347	2,013	38	86	311	3,381
Central and South America	168	570	139	480	307	1,050	53	85	-	848
Rest of the world	299	306	103	591	402	897	89	-	78	91
Total	15,198	19,654	9,171	13,576	24,369	33,230	1,174	1,606	2,561	11,812

The above information has been specified by location of assets. Specification of net sales by geographic markets is provided in Note 1. Danisco applies EU standards for specification of geographic segments.

Geographic segment	Countries, apart from Denmark, where Danisco has production or sales units
Other EU countries	Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, UK
Rest of western Europe	Iceland, Norway, Switzerland
Eastern Europe	Croatia, Czech Republic, Estonia, Lithuania, Poland, Russia, Slovakia, Yugoslavia
North America	Canada, USA
Central and South America	Argentina, Brazil, Chile, Colombia, Mexico
Rest of the world	China, India, Japan, Korea, Malaysia, South Africa, Thailand

KEY FIGURES AND FINANCIAL RATIOS (NINE-YEAR RECORD)

Danisco Group

Profit and loss accounts in DKK million	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	
Net sales	13,469	13,027	12,840	14,193	16,186	17,002	18,802	19,219	27,829	
<i>Index</i>	100	97	95	105	120	126	140	143	207	
Operating profit before amortisation of goodwill, etc.	1,224	1,194	1,350	1,650	1,834	1,960	2,158	2,133	2,754	
<i>Index</i>	100	98	110	135	150	160	176	174	225	
Amortisation of goodwill, etc.	191	157	168	196	245	194	203	546	589	
<i>Index</i>	100	83	88	103	129	102	107	286	309	
Operating profit	1,033	1,037	1,182	1,454	1,589	1,766	1,955	1,587	2,165	
<i>Index</i>	100	100	114	141	154	171	189	154	210	
Profit on ordinary activities before tax	851	715	865	1,147	1,397	1,603	1,785	1,360	1,564	
<i>Index</i>	100	84	102	135	164	188	210	160	184	
Profit on ordinary activities after tax	637	619	500	751	852	1,072	1,225	936	871	
<i>Index</i>	100	97	79	118	134	169	192	146	137	
Danisco's share of the consolidated profit	643	419	499	750	849	1,070	1,220	927	1,247	
Cash flows in DKK million										
Cash flow from operating activities	-	1,745	1,675	1,775	1,696	2,016	2,008	1,992	2,342	
Cash flow from investing activities	-	-2,228	-1,625	-354	-1,488	-1,545	-1,831	-3,435	-9,485	
Cash flow from financing activities	-	888	584	-1,618	-601	-668	-193	1,686	6,590	
Total cash flow	-	405	634	-197	-393	-197	-16	243	-553	
Balance sheets in DKK million										
Total assets	17,720	17,013	18,806	18,043	19,247	20,284	21,732	25,614	36,829	
Capital and reserves	7,599	7,805	8,169	8,524	9,289	11,278	12,173	11,917	13,345	
Net interest-bearing debt	-	-	-	-	3,484	2,149	2,828	5,763	12,669	
Invested capital	12,475	12,452	13,077	12,868	14,152	15,167	17,001	19,693	27,416	
Financial ratios in %										
Return on average invested capital (ROAIC)	-	8.3	9.3	11.5	12.1	12.4	12.1	8.9	8.0	
Operating margin	7.7	8.0	9.2	10.2	9.8	10.4	10.4	8.3	7.8	
Return on capital and reserves	-	8.0	5.9	8.3	8.8	10.1	10.4	7.7	6.6	
Solvency ratio	42.9	45.9	49.6	53.6	54.2	55.6	56.0	46.5	36.2	
Other data										
Average number of shares	'000	55,155	55,155	57,436	59,820	59,922	60,016	59,930	58,566	57,891
Earnings per share before amortisation, continuing activities	DKK	-	-	-	-	-	-	-	19.94	17.53
Earnings per share, continuing activities	DKK	-	-	-	-	-	-	-	12.00	9.21
Earnings per share (EPS)	DKK	11.49	11.16	8.81	13.16	14.80	18.26	20.35	15.83	14.44
Cash flow per share	DKK	-	31.64	29.16	29.67	28.30	33.59	33.51	34.01	40.45
Net asset value per share	DKK	138	142	156	161	174	188	204	205	232
Market price per share	DKK	162	159	198	217	290	386	426	325	247
Market price/net asset value	DKK	1.18	1.12	1.27	1.34	1.67	2.06	2.09	1.58	1.07
Market capitalisation	DKK million	8,935	8,770	10,921	12,013	16,058	23,203	25,480	18,852	14,214
Price/earnings ratio	DKK	14.10	14.25	22.48	16.48	19.59	21.14	20.93	20.53	17.11
Dividend per share	DKK	2.40	2.40	2.80	3.20	4.20	5.00	6.00	6.00	6.00
Pay-out ratio	%	20.9	21.5	31.0	23.6	27.4	28.1	29.4	37.5	41.3
Average number of employees		14,019	11,455	11,055	14,413	12,638	12,937	13,732	15,413	17,712

SUBSIDIARY UNDERTAKINGS

Undertakings ¹	Currency	Nominal capital ²	Danisco's share %
<i>Ingredients Sector</i>			
Danisco Cultor			
A/S Syntetic, Denmark	DKK	35,300	100
Aplin & Barrett Ltd., UK	GBP	2,129	100
Biotechnologisches Laboratorium GbmH & Co., Germany	DEM	210	100
Biotechnologisches Laboratorium GmbH, Germany	DEM	51	100
Borthwicks Flavours & Fragrances (Asia) Ltd., UK	GBP	2,060	100
Broadland Foods Ltd., UK	GBP	417	100
Broadland Foods Partnership, UK	GBP	412	75
Busch Johannsen Anlagen GmbH, Germany	DEM	51	100
Busch Johannsen Grundbesitz GmbH & Co., KG, Germany	DEM	2,004	100
Busch Johannsen Grundbesitz GmbH, Germany	DEM	51	100
Calchautvet S.A., France	FRF	20,700	100
Cultor (China) Company Ltd., China	USD	2,100	100
Cultor Food Science B.V., Netherlands	NLG	191,476	100
Cultor Food Science Canada Ltd., Canada	CAD	2,200	100
Cultor Food Science do Brasil Ltda., Brazil	BRL	0	100
Cultor Food Science Mexico S.A. de C.V., Mexico	MXP	1,848	100
Cultor France S.A., France	FRF	100	100
**Cultor France Holding S.A., France	FRF	5,797	100
**Cultor Holland B.V., Netherlands	NLG	40	100
Cultor US Inc., USA	USD	110,000	100
Danisco Cultor (China) Co. Ltd., China	CHN	19,000	95
Danisco Cultor (Holding) Ltd., UK	GBP	5,897	100
Danisco Cultor (Production) Ltd., UK	GBP	151	100
Danisco Cultor (Switzerland) AG, Switzerland	CHF	600	100
Danisco Cultor (UK) Ltd., UK	GMP	500	100
Danisco Cultor America Inc., USA	USD	129,685	100
Danisco Cultor Argentina S.A., Argentina	ARS	12	100
Danisco Cultor Brasil Ltda., Brazil	BRL	3,927	100
Danisco Cultor Columbia, Columbia	COP	25,000	100
Danisco Cultor GmbH, Germany	DEM	400	100
Danisco Cultor Italia s.r.l., Italy	LTL	190,000	100
Danisco Cultor Japan Ltd., Japan	JPY	720,000	100
Danisco Cultor Landerneau S.A., France	FRF	5,300	100
Danisco Cultor Mexicana S.A. de C.V., Mexico	MXP	98,560	100
Danisco Cultor Mexico, S.A. de C.V., Mexico	MXP	1,142	100
Danisco Cultor Niebuß GmbH, Germany	DEM	50	100
Danisco Cultor Norway A/S, Norway	NOK	50	100
Danisco Cultor Tønder A/S, Denmark	DKK	2,100	100
Danisco Cultor America Inc., USA	USD	21,917	100
Danisco Ingredients (India) Pvt.Ltd., India	INR	70,000	74
Danisco Ingredients (Malaysia) Sdn. Bhd., Malaysia	MYR	67,000	100
Danisco Ingredients Austria GmbH, Austria	ATS	500	100
Danisco Ingredients Belgium B.V.B.A., Belgium	BEF	750	100
Danisco Ingredients Beteiligungsgesellschaft MBH, Germany	DEM	50	100
Danisco Ingredients Bohemia a.s., Czech Republic	CZK	175,000	100
Danisco Ingredients Canada Inc., Canada	CAD	459	100
Danisco Ingredients Chile S.A., Ltda., Chile	CLP	9,429,878	100
Danisco Ingredients España S.A., Spain	ESP	59,400	100
Danisco Ingredients France S.A.R.L., France	FRF	1,000	100
Danisco Ingredients Holland B.V., Netherlands	NLG	20	100
Danisco Ingredients Japan Ltd., Japan	JPY	10,000	100
Danisco Ingredients Sp.z.o.o., Poland	PLN	200	100

Undertakings ¹	Currency	Nominal capital ²	Danisco's share %
Danisco Ingredients Sweden AB, Sweden	SEK	15,000	100
Finfeeds Finland Oy, Finland	FIM	8,000	100
Finfeeds International Pte. Ltd., Singapore	SGD	100	100
**Finfeeds International Ltd., UK	GBP	11	100
Finfeeds International, Inc., USA	USD	10	100
Finfeeds Oy, Vaasa, Finland	FIM	15	100
Finnsugar Bioproducts, Inc., USA	USD	201	100
Flavoring AB, Sweden	SEK	4,000	100
Major International Ltd., UK	GBP	50	50
Pierre Chauvet Inc., France	FRF	500	100
Wisby Biofermentation GmbH, Germany	DEM	51	100
Wisby England Ltd., UK	GBP	10	100
Wisby Fermovac GmbH, Germany	DEM	50	100
Wisby Ges.mbh Austria, Austria	ATS	500	100
Wisby GmbH Switzerland, Switzerland	CHF	20	100
Wisby Inc. USA, USA	USD	100	100
Wisby Poland S.P., Poland	PLN	20	100
ZAO Flavoring & Co., Russia	RUR	264	100

Sugar & Sweeteners Sector

Danisco Sugar			
AB Bungenäs Kalkbrott, Sweden	SEK	600	100
AB Kedainiai Cukrus, Lithuania	LTL	67,068	73.6
AB Panevezys Cukrus, Lithuania	LTL	24,772	68.2
Danisco Holding Sverige AB, Sweden	SEK	100,000	100
Danisco Sugar AB, Sweden	SEK	400,000	100
Danisco Sugar GmbH, Germany	DEM	15,000	100
Danisco Sugar hf, Iceland	ISK	400	100
Danisco Sugar Ingolf Wessenberg & Co. AS, Norway	NOK	50	50
Danisco Sugar Polska S.A., Poland	PLN	100	100
Danisco Sugar UAB, Lithuania	LTL	10	100
Danisco Sugar UK (Ltd.), UK	GBP	80	100
Danish Sugar AB, Sweden	SEK	100	100
Neson Oy, Finland	FIM	11,000	100
RoIDan Sp.z o.o., Poland	PLN	95,361	49
Roma Kloster Fastighets AB, Sweden	SEK	100	100
Sohkar Oy, Finland	FIM	269,000	100
SSA Tryck AB, Sweden	SEK	1,000	100
Sucros Oy, Finland	FIM	350,000	80
Suomen Sokeri Oy, Finland	FIM	230,000	100
Danisco Sweeteners			
Danisco Sweeteners GmbH, Austria	ATS	500	100
Xyrofin (UK) Ltd., UK	GBP	1	100
Xyrofin AG, Switzerland	CHF	5,500	100
Xyrofin Oy, Finland	FIM	107,000	100
Danisco Seed			
Danisco Seed Austria Ges.mbh, Austria	ATS	10,650	100
Danisco Seed GmbH, Germany	DEM	1,000	100
Danisco Seed Italia S.p.A., Italy	ITL	200,000	100
Danisco Seed Poland Sp.z o.o., Poland	PLN	4	100
Danisco Seed Romania, Romania	USD	5	100
Danisco Seed U.K. Ltd, UK	GBP	40	100

Undertakings¹	Currency	Nominal capital*	Danisco's share %
Danisco Semences S.A., France	FRF	2,800	100
Danisco Semillas S.A., Spain	ESP	20,000	100
Maribo Seed International ApS, Denmark	DKK	125	100

Flexible Packaging Sector

Danisco Flexible

Danisco Flexible Belgium B.V.B.A., Belgium	BEF	750	100
Danisco Flexible Deutschland GmbH, Germany	DEM	50	100
Danisco Flexible España SA, Spain	ESP	626,417	100
Danisco Flexible Finland OY, Finland	FIM	50	100
Danisco Flexible France S.A., France	FRF	85,000	100
Danisco Flexible Impalsa S.A., Spain	ESP	150,000	100
Danisco Flexible Ltd., UK	GBP	15,719	100
Danisco Flexible Nederland B.V., Netherlands	NLG	200	100
Danisco Flexible Neocel Embalagens Lda, Portugal	PTE	328,000	100
Danisco Flexible Norge AS, Norway	NOK	50	100
Danisco Flexible Sverige AB, Sweden	SEK	150	100
Danisco Flexible UK Ltd., UK	GBP	845	100
Envi BV, Netherlands	NLG	1,800	100
ETAG Emme Tiefdruckformen AG, Switzerland	CHF	2,000	100
Hapece BV, Netherlands	NLG	12	100
Schüpbach AG, Switzerland	CHF	9,000	100
Sidlaw France SA, France	FRF	94,800	100
Sidlaw Group plc., UK	GBP	17,378	100
Sidlaw International Holding, UK	GBP	23,744	100
Sidlaw Packaging Espana SA, Spain	ESP	2,749,952	100

Other Business

Danisco Pack UK

Danisco Pack Ltd., UK	GBP	35,000	100
Danisco Pack (UK) Ltd., UK	GBP	17,300	100
Danisco Paper Ltd., UK	GBP	11,759	100
Trentside Recycling Ltd., UK	GBP	10	100

Danisco Foods

Danisco Foods (B.T.) B.V., Netherlands	NLG	20,000	100
Danisco Foods A/S, Denmark	DKK	10,000	100
Danisco Foods AB, Sweden	SEK	550	100
Danisco Foods Albacete S.A., Spain	ESP	615,000	100
Danisco Foods B.V., Netherlands	NLG	47	100
Danisco Foods Distribution A/S, Denmark	DKK	6,000	100
Danisco Foods GmbH, Germany	DEM	250	100
Danisco Foods Ireland Ltd., Ireland	IEP	10	100
Danisco Foods Ltd., UK	GBP	805	100
Danisco Foods S.A., Spain	ESP	909,547	100
Danisco Foods S.A.R.L., France	FRF	50	100
Danisco Foods Slovensko, Slovakia	SKK	100	100
Danisco Foods SPOL S.R.O., Czech Republic	CZK	104,292	100
Taffel Foods Ejendomsselskab A/S, Denmark	DKK	7,000	100

Undertakings¹	Currency	Nominal capital*	Danisco's share %
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Other undertakings

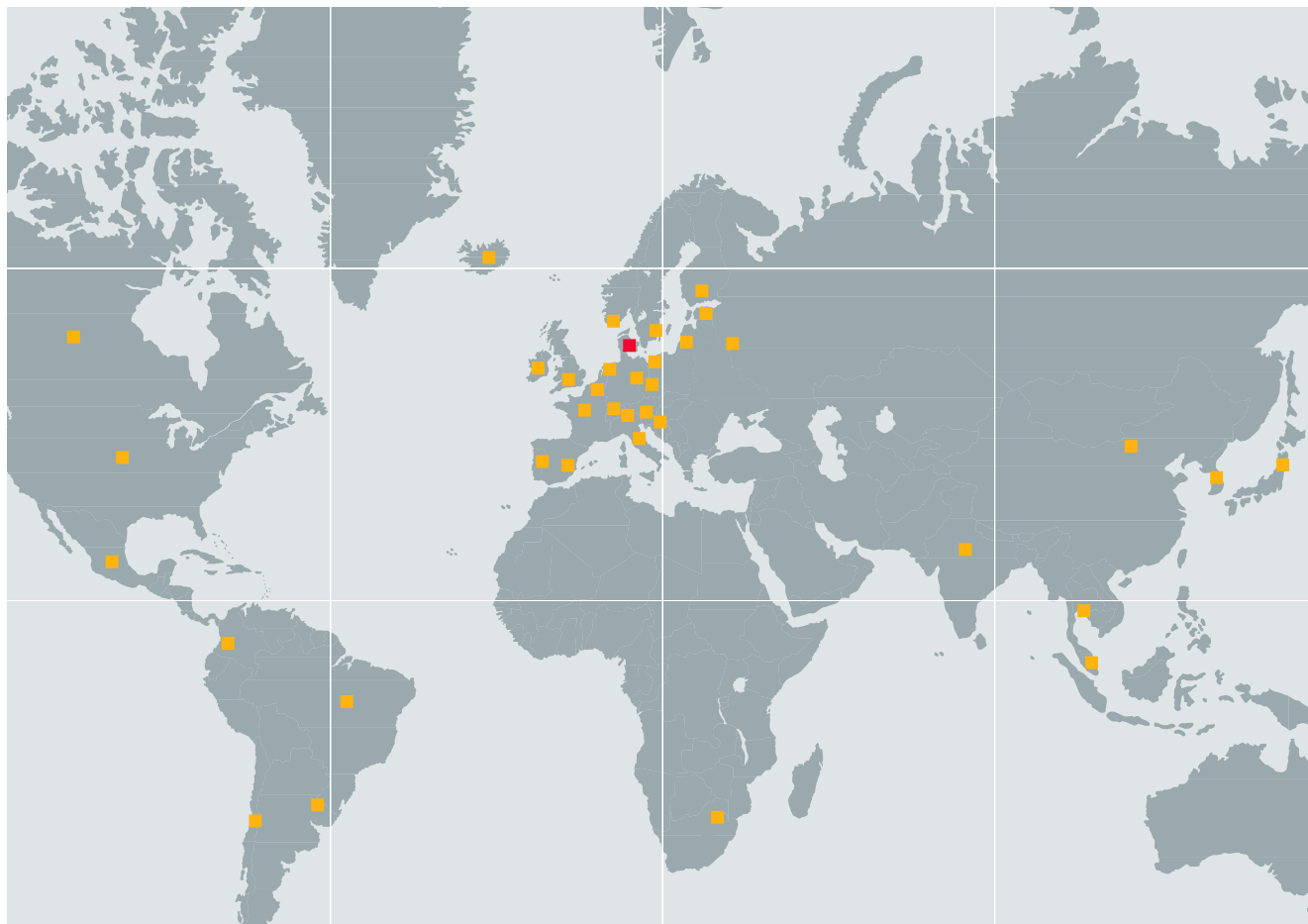
Cometra A/S, Denmark	DKK	15,000	100
Cultor Norge A.S., Norway	NOK	46,000	100
**Cultor UK Ltd., UK	GBP	8,600	100
**Danisco Beteiligungsgesellschaft mbH, Germany	DEM	15,000	100
**Danisco Holding Holland BV, Netherlands	NLG	43	100
Danisco Energi A/S, Denmark	DKK	5,000	100
**Danisco Finland OY (Former Cultor OY), Finland	FIM	416,506	100
Danisco Flexible Leasing A/S, Denmark	DKK	10,500	100
**Danisco Holding France SAS, France	FRF	30,000	100
Ditlev Lunk ApS, Denmark	DKK	130	100
Ejendomsanpartselskabet matr. nr. 4f, Herstedøster by, Herstedøster, Denmark	DKK	200	100
Ejendomsanpartselskabet matr. nr. 1 acn, Vestermarken, Odense Jorder, Denmark	DKK	200	100
Ergofinn OY, Finland	FIM	209,170	100
Exfeed Oy (Former Suomen Rehu), Finland	FIM	147,368	100
Farmline int., Ltd. UK, UK	GBP	564	99.99
Danisco Finance Plc., Ireland	DKK	10,000	100
**Finnsugar Cultor Sverige AB, Sweden	SEK	30,000	100
Jans Agency (Eurowine agency) ApS, Denmark	DKK	125	100
Kiinteistö Oy Keilaranta 9, Finland	FIM	75,000	100
Naantalin Juurikkaantuottajat Oy, Finland	FIM	8,370	100
Nave A/S, Norway	NOK	60	50
Salon Juurikkaantuottajat Oy, Finland	FIM	7,560	100
Turengin Juurikkaantuottajat Oy, Finland	FIM	12,150	100
Ydernæs I A/S, Denmark	DKK	600	100

1) Undertaking with activities in the financial year – for a list of associated undertakings see note 12

*) Nominal share capital in 1,000 units

***) The undertaking is a holding company for a number of subsidiaries

INTERNATIONAL PRESENCE



Headquarters

Denmark

Representative offices

China

Russia

Ingredients

Sector

Denmark

Argentina

Austria

Belgium

Brazil

Canada

Chile

China

Colombia

Croatia

Czech Republic

Finland

France

Germany

India

Ireland

Italy

Japan

Malaysia

Mexico

Netherlands

Norway

Poland

Russia

South Africa

South Korea

Spain

Sweden

Switzerland

Thailand

United Kingdom

USA

Yugoslavia

Sugar & Sweeteners

Sector

Denmark

Austria

Estonia

Finland

France

Germany

Iceland

Italy

Lithuania

Norway

Poland

Spain

Sweden

United Kingdom

USA

Flexible Packaging

Sector

Denmark

Belgium

Finland

France

Germany

Netherlands

Norway

Portugal

Spain

Sweden

Switzerland

United Kingdom

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Denmark

Czech Republic

France

Germany

Ireland

Netherlands

Spain

Sweden

United Kingdom

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GROUP FUNCTIONS

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Executive Office/Political Affairs

Lasse Skovby Rasmussen

Group Communications

Anders Hundahl

Group Finance

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Group Human Resources

Klaus Friis-Hansen

Group IT

Verner Jensen

Investor Relations

Michael von Bülow

Legal Affairs

Juha Kurkinen

Other Business

Juha Järvinen

Design and production
Boje & Mobeck as

Print
Boje & Mobeck, PrintDivision