

EAC

**PRESENTATION OF
H1 RESULTS 2012**

Presentation by:
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Group CFO Michael Østerlund Madsen

16 August 2012



AGENDA

EAC Group

- Group highlights

Businesses

- Santa Fe Group
- Plumrose

EAC Group

- Key factors impacting H1 financial reporting
- Financial review
- Outlook 2012

Q&A

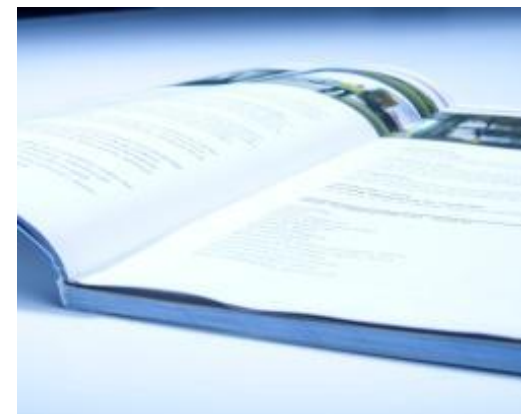


Disclaimer

The outlook for 2012 reflects management's expectations of future events and must be viewed in the context of the business environments and currency markets, which may cause actual results to deviate materially from those projected by EAC.

GROUP HIGHLIGHTS

- Consolidated revenue driven by Interdean acquisition and price increases in Plumrose
- Difficult macro environment begins to affect both businesses
- Dividend payment of DKK 5 per share (DKK 60m excluding treasury shares) in April
- Interim dividend from Plumrose of USD 12m paid in March
- No further dividends or royalties received from Venezuela during H1





Relocation Services driven by growth



EXECUTING THE STRATEGY

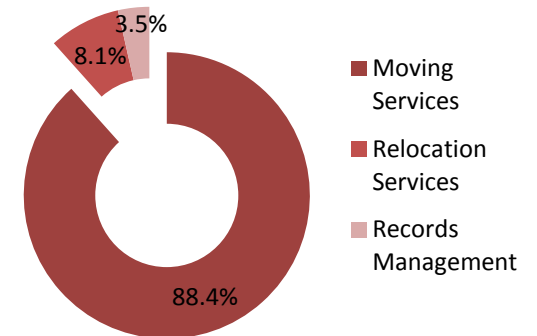
- Integration continues according to plan
- Coordinated sales and marketing activities throughout the Group
- New international blue-chip customers signed on
 - Contracts only gradually taking effect
- As expected Santa Fe Group results affected by both positive and negative synergies



GROWTH IN MOVING SERVICES DRIVEN BY INTERDEAN ACQUISITION

- Australian growth of 3% driven by international business
 - Reduced demand and intense competition in domestic market
- Asia declines by 7.7% due to loss of support from agents now in competition and elimination of intercompany sales
- Europe slightly above 2011
 - Overall market contracted, particularly UK and Switzerland

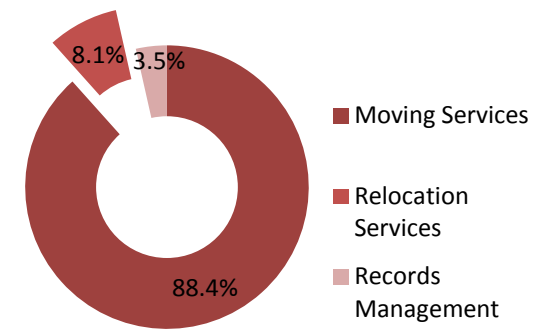
Revenue by business segments, H1 2012



STRONG PERFORMANCE IN RELOCATION SERVICES

- Relocation Services primarily driven by Interdean acquisition
 - Strong underlying growth in Europe and Asia
- Australian decrease due to low demand
- Strong demand and new customers drive double-digit growth in Asia
- Increased activity in Europe due to new focus, dedicated sales and new corporate customers

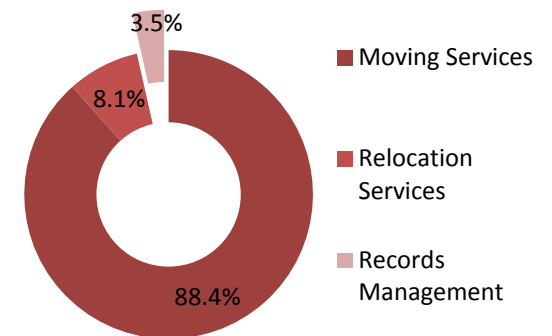
Revenue by business segments, H1 2012



DOUBLE-DIGIT GROWTH IN RECORDS MANAGEMENT

- High activity level results in revenue growth of 19% in LC
 - Volumes up 17.6% through continued build-up of storage levels
- Small operations in Spain and Portugal included in the Santa Fe Group via the Interdean acquisition
- Emerging markets in Asia, Central and Eastern Europe in focus for continued strategic expansion

Revenue by business Segments, H1 2012



INVESTMENTS SUPPORTING GROWTH IN FRANCE

- 6,000 sqm office and warehouse established in Saclay, the technology zone of Paris
- Central location
 - Optimum logistics for moving services
 - Improvement to HR recruitment programme



INCOME STATEMENT

- Revenue growth driven by Interdean acquisition
 - Revenue growth of 1.1% excluding Interdean in local currencies
- EBITDA margin reflects low season and recession in Europe
 - EBITDA margin excluding Europe was 7.4%

DKK million	H1 2012	H1 2011	DKK change	LC change
Revenue	1,162	631	84.2%	70.2%
EBITDA	49	48	2.1%	-7.1%
EBITDA margin (%)	4.2	7.6	-3.4pp	

OUTLOOK 2012

- Revenue of around DKK 2.5bn (in line with the previous outlook)
- EBITDA margin revised to around 7.5% (around 8.5% in previous outlook)
 - Demand for Australian domestic moving services not expected to pick up in H2
 - Continued slow economic growth in Europe and slower phase-in of new contracts
 - Continued FDI flow into Asia and increased activity





Challenging business environment



MARKET DEVELOPMENT AND KEY EVENTS

- No government initiatives to boost consumption
- High inflation erodes purchasing power
 - Demand in consumer goods market continues decline
- Strong brands, marketing and product launches support sales
 - Only slight decrease in volumes of own branded products, growth in all other segments
 - New Plumrose Omega 3 ham well received
- New labour contracts under negotiation for all groups
 - Reduced employee engagement affect capacity utilisation
- General business environment affected by political and economic uncertainties ahead of presidential election in October
- Introduction of price controls on hold
- Venezuela accepted into MERCOSUR



INCOME STATEMENT

- Revenue growth driven by price increases and increased volumes of fresh meat, co-packing, pigs and feed stuff
- EBITDA margin affected by:
 - Increased raw material prices
 - Salary increases for blue-collar workers as of March
 - Increased A&P spending
 - Increased revenue-based taxes and higher effective tax rates
 - Comparison figure benefit from low raw material costs and low pig prices

DKK million	H1 2012*	H1 2011*	DKK change	USD change
Revenue	2,216	1,651	34.2%	24.0%
EBITDA	203	205	-1.0%	-9.0%
EBITDA margin (%)	9.2	12.4	-3.2pp	

* Pro forma (historical accounting principles)



OUTLOOK 2012 REVISED

(IAS 29)

- Revenue at around DKK 6.0bn (around DKK 5.6bn in the previous outlook)
 - Outlook based on DKK/USD 600.00 exchange rate (DKK/USD 560.00 in the previous outlook)
- EBITDA margin around 6.5% (around 9.5% in the previous outlook) due to:
 - Higher costs of sales
 - Increasing raw material costs (feed stuff)
 - Hyperinflationary accounting effect (inventories)
 - Higher labour costs and effect of new labour law
 - Higher other taxes and new levies
 - Soft market and reduced price flexibility
- Large and growing fiscal imbalances imply possible devaluation late 2012 or beginning 2013





H1 – ON PLAN

H2 - MARGINS UNDER
PRESURE

OUTLOOK REVISED



KEY FACTORS IMPACTING H1 FINANCIAL REPORTING

- Plumrose reported under hyperinflation (IAS 29)
 - Translation to DKK at DKK/USD exchange rate 590.42 at end of period (DKK/USD 516.07)
- Acquisition of Interdean and La Montserratina
- Favourable exchange rates relative to DKK



GROUP INCOME STATEMENT

DKK million	Historical H1 2012	Reported H1 2012	Reported H1 2011
Revenue	3,378	3,527	2,332
EBITDA	232	167	177
EBITDA margin (%)	6.9	4.7	7.6
Operating profit (EBIT)	168	53	96
Operating margin (%)	5.0	1.5	4.1
Financials, net	-	-30	-61
Income tax expense	29	56	37
Net loss for the period	-	-31	-2

GROUP BALANCE SHEET

DKK million	Reported 30.06.2012	Reported 31.12.2011
Total assets	6,288	6,095
Working capital employed (WCE)	1,306	1,423
Net interest bearing debt (EOP)	1,361	1,234
EAC's share of equity	2,630	2,680
Cash and cash equivalents	565	629
Equity ratio (%)	41.8	44.0
Return on invested capital (%)	8.0	16.0

OUTLOOK REVISED FOR 2012

- Consolidated revenue of around DKK 8.5bn (around DKK 8.1bn in the previous outlook)
- Consolidated EBITDA margin of around 6.5% (above 8.5% in the previous outlook)
- Outlook based on an average exchange rate of 600.00 DKK/USD (DKK/USD 560.00 in the previous outlook)
- Official exchange rate in Venezuela assumed at VEF/USD 4.30
- Outlook can be affected by uncertain macro-economic and political situation



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Q&A

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