



KNI A/S

Subsidiary names:
Pilersuisoq A/S (KNI A/S)
Polaroil A/S (KNI A/S)

J. M. Jensenip 2
PO Box 319
3911 Sisimiut

1/4 – 30/9 **Interim Report 2009/2010**

Reg. No. 209,713

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Company data

Company name	KNI A/S
Subsidiary names	Pilersuisoq A/S (KNI A/S) Polaroil A/S (KNI A/S)
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Shareholder

Greenland Home Rule, PO Box 1015, 3900 Nuuk 100 %

Board of Directors

Michael Skourup, Chairman
Vagn H. Andersen, Vice Chairman
Jonas Aronsen
Sofia Geisler
H. P. Lyng-Larsen
Jens Kristian Therkelsen

Executive Management

CEO Søren Lennert Mortensen

Auditors

Deloitte Statsautoriseret Revisionsaktieselskab

Management statement

We have today considered the Interim Report for KNI A/S for 1 April - September 30, 2009.

The Interim Report has been drawn up in accordance with the Annual Accounts Act.

We regard the accounting policies selected as appropriate, that the Interim Report gives a true and fair picture of the parent company and Group's 's assets, liabilities and financial status and cash flows at 30 September 2009 and the results of the parent company and the Group's operations for the first half of 2009/2010.

Our opinion is that the management report gives a true and fair picture of trends in the parent company and the Group's operations and financial issues, the results for the period, the financial situation of the Group and parent company as a whole and a true description of the most significant risks and uncertainties facing the parent company and the Group.

Nuuk, December 1, 2009

Executive Management:

Søren Lennert Mortensen

Board of Directors:

Michael Skourup
Chairman

Vagn H. Andersen
Vice Chairman

Jonas Aronsen

Sofia Geisler

H. P. Lynge-Larsen

Jens Kristian Therkildsen

Management report – First half 2009/2010

Interim Report

Management is of the opinion that all significant information for assessing the company and the Group's financial status, results for the period and financial developments are stated in the interim report and in this review.

Core business

KNI A/S' operations are based on Landsting Regulation No. 4 of June 6, 1997 and Landsting Regulation No. 1 of May 31, 2001 and Landsting Regulation No. 7 of November 14, 2004.

The parent company's core business in 2009 has been:

- Retail sales, and to a limited extent wholesaling, in settlements and twelve towns.
- Distribution and wholesaling of beer and carbonated drinks.
- Imports, distribution and sales of liquid fuels.
- Imports, distribution and sales of lubricants, bottled and industrial gases.
- Sales of services in settlements and outlying districts to relevant service partners.

Operations at subsidiary Neqi A/S proceeded as expected and did not need to draw on any noteworthy resources from the parent company.

Parts of KNI's business cannot be done on commercial and market-based terms. This means that a service contract has been made with Greenland Home Rule for payment for these services. The present service contract runs from January 1, 2008 to December 31, 2011.

In signing the service contract, KNI A/S has undertaken to operate stores in settlements and small towns where it is not possible to run retailing and wholesaling on a profitable basis.

A service contract has also been made for the sale of liquid fuels in Greenland for the period January 1, 2008 to December 31, 2011, for which the company does not receive payment but which does maximize what the company can earn on the oil sold under the service contract.

Under the service contract, KNI A/S operates postal and banking services, helistop and other freight-related community-based tasking in settlements and outlying districts.

All other core business between 1 April to September 30, 2009 was done on commercial terms.

Ownership

KNI A/S is wholly owned by Greenland Home Rule – the share capital is DKK 310m.

On balance sheet date, KNI A/S has had a 100% holding in

Neqi A/S	100 %
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KNI A/S further had the following holdings at balance sheet date:

Akia Sisimiut A/S	50 %
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Other issues

This interim report covers the first half of the fiscal year 2009/2010 from 1 April to 30. September.

Throughout the entire period, KNI A/S management has consisted of CEO Søren Lennert Mortensen.

Senior executives not on the KNI A/S' executive management board during the period were:

CFO Lars Møller-Sørensen - also Deputy CEO.

Chain Manager Frederik Olsen, Pilersuisoq

Energy Manager Peter Grønvold Samuelsen, Polaroil

KNI A/S implemented a new warehousing and logistics module for the ERP system in October 2008 called RCM (Retail Chain Management). The upgrade achieved KNI A/S' desire for an up to date management tool to simplify procurement and logistics, enhanced sales service, integration from store sales with integrated scanning for warehousing, thus giving KNI A/S a unique opportunity to cut inventories.

Parts of the new RCM system are still not working properly and were the reason for some employees having to make absolutely extraordinary efforts for a lengthy period to ensure valid, reliable data for goods flows at the Retail and Wholesale Division Pilersuisoq. In order to ensure full compliance between the physical and system-based inventories, a total stocktake was undertaken in September 2009 and early October 2009 in Pilersuisoq.

By stocktaking date (30/9 2009), all significant IT system issues had been solved. As a result of the major system problems, lower priority was given to drawing up business processes and training staff. One significant precondition for success of the RCM system is timely, correct data processing and accordingly, drawing up business processes and training will be the theme for the second half of 2009/2010.

Despite the implementation problems, the company's view is that the choice of the RCM module was correct and going forward, the new management tool will enable the company to operate up to date, valid controls on inventories, procurement and sales.

The pretax profit for the period of DKK 54.0m is regarded as satisfactory.

Income statement - commentary

The payment KNI A/S receives for supplying goods to settlements, outlying districts and small towns in the first half of 2009/2010 fell by DKK 2.5m compared to the same period last year.

Accordingly, the payment that KNI A/S receives for providing goods to Greenland's outlying areas since 2000 declined from DKK 90.2m on an annualised basis to DKK 40.1m in 2009, a reduction of more than half over the past ten years.

Parent company revenues for the first half of 2009/2010 were down DKK 92.4m on the first half of 2008. The main decline was in the Energy Division Polaroil and was due to lower sales to trawlers, etc.

At September 30, 2009, KNI A/S had drawn DKK 487m on its credit lines compared to DKK 446m at the same date last year.

The company has overdraft facilities of just under DKK 800m, so the company has satisfactory capital resources.

Other external parent company costs compared to the same period last year rose by DKK 0.6m from DKK 76.0m in 2008 to DKK 76.6m in 2009. This was due among other things to expenditure on implementing the RCM system.

Associated companies reported a profit of DKK 0.5m deriving from wholly-owned subsidiary Neqi A/S and the 50% holding in AKIA Sisimiut A/S.

Retail and Wholesale Division - Pilersuisoq

Revenues at the Retail and Wholesale Division in the first half of 2009/2010 were characterized by a moderate decline. Accordingly, revenues at the Retail and Wholesale Division Pilersuisoq fell from DKK 609.6m in 2008 to DKK 604.0m in 2009. The retail and wholesale division made a pretax profit during the period of DKK 10.4m, down from the DKK 15.9m reported for the same period last year.

The general intention is to retain the solidarity pricing policy which up to now has been a goal for the company although where necessary, there is the possibility of price differentiation where indicated for competitive reasons.

The Retail and Wholesale Division Pilersuisoq did not enter new business areas in the first half of 2009/2010.

The Retail and Wholesale Division Pilersuisoq is expected to achieve revenues in 2009/2010 in line with revenues reported in 2008. Profits are expected to be of the order of DKK 14 -18m

Energy Division - Polaroil

Revenues at Energy Division Polaroil for the first half of 2009/2010 amounted to DKK 490.1m compared to DKK 577.0m for the same period last year. The decline was due to lower sales to parts of the trawler fleet (which have switched to heavy-fuel).

Energy Division Polaroil achieved a pretax profit for the first half of 2009/2010 of DKK 28.2m, up from the DKK 19.0m reported for the same period last year.

The company is not expecting that product prices will be adjusted in the current fiscal year. Accordingly, no price increases are expected for oil products during the period up to and including March 2010. In time however, increasing product prices are to be expected.

The company has a range of product, refinery margin and currency hedging contracts which together contribute to its strategy of keeping oil prices in Greenland stable.

The Energy Division is expecting to report a pretax profit of between DKK 30 - 35m in 2009/2010.

Subsidiary - Neqi A/S

Neqi A/S runs a slaughter house business from the company's own facilities in Narsaq. The company's is busiest in the annual lamb slaughter which is normally in September /October. The remainder of the year goes on butchery and processing.

There was a pretax profit for the period 1 April to September 30, 2009 of DKK 0.4m compared to a deficit of DKK 1.2m in the same period last year.

This was in line with forecasts and is regarded as satisfactory given the company's special operating conditions.

In 2009, Neqi A/S has a service contract with Greenland's Home Rule under which the company receives payments of DKK 4.0m under the contract to ensure that sheep farmers can have their lambs slaughtered.

Neqi A/S is expecting the company to report a break-even result for fiscal 2009/2010.

There is some uncertainty about Neqi A/S' future ownership.

At the annual general meeting, KNI was required to check out the options for how KNI A/S could dispose of Neqi A/S on commercial terms. This process has shown however that the possibility of disposing of Neqi A/S would depend on there being a multi-year service contract although it is not at present possible to predict what will happen to Neqi A/S ownership.

Balance sheet - commentary

Fixed assets

Tangible fixed assets amounted to DKK 662.6m at balance sheet date, down by DKK 8.2m on the DKK 670.8m reported at the same time last year.

Financial fixed assets rose from DKK 2.0m in 30/9 2008 to DKK 2.9m, an increase of DKK 0.9m on last year.

Inventories

Parent company Inventories amounted to DKK 981.3m. This was an increase of DKK 60.2m on the same time last year. Inventories in the Retail and Wholesale Division Pilersuisoq rose by DKK 1.4m compared to last year. At the Energy Division Polaroil, inventories were DKK 58.6m up on the same time last year.

Financial instruments

The company's various hedging contracts (oil, crack, forex and interest) at balance sheet date amounted to a negative impact on equity of DKK 69.5m compared to a positive impact of DKK 146.9m at the same time last year. Net adjustments of hedging contracts are made via equity.

Outlook

KNI is expecting to continue to lose revenues in the company's traditional markets following depopulation of settlements and outlying districts. The company does however believe it can restrict the decline in revenues by increasing trade with other areas.

It is expected that in the course of the winter 2009/2010, further activities will be initiated to help improve operations primarily in the Retail and Wholesale Division Pilersuisoq.

Over the summer of 2009, major, complex work was done in identifying potential areas of development and efficiency savings. These activities, small and large, are expected to help the company continue to operate satisfactorily with sensible financial results in consequence.

It is expected that the company's issues with the RCM part of the IT system will have been dealt with by fiscal year-end at the latest. Accordingly, over the next months a range of activities will be implemented to ensure that the system operates as it should. Resources will also be used to draw up descriptions of business processes, business procedures and staff training at the Retail and Wholesale Division Pilersuisoq – so that data registration in the system is timely and correct.

During December 2009 and January 2010, a completely new way of registering stock movements will be introduced so that the company will no longer have to stocktake using manual paper listings, but will instead use electronic handheld terminals that can also scan barcodes, etc. It is expected that when a start is made on using these terminals in mid-January 2010, stocktaking will be more accurate and faster.

At Energy Division Polaroil, it is to be expected that the prices of fuels will rise in time. KNI A/S will however continue to use various financial instruments to keep prices stable.

KNI is expecting to achieve the overall Group pre-tax earnings of between DKK 65 - 70m.

Key figures and ratios

Key figures (DKKm)	2006	2007	2008	31/3 2009	30/9 2009
Revenue	2,071.1	2,068.0	2,281.6	482.2	1,100.9
Operating profit	-145.6	20.4	54.3	-7.0	51.4
Net financials	-16.7	-29.5	-29.4	-9.5	-12.2
Net profit before tax	-235.9	44.0	37.0	-15.1	54.0
Net profit for the year	-152.2	29.1	25.5	-10.5	54.0
Inventories	892.2	918.9	936.1	822.5	991.1
Trade receivables	100.5	95.4	83.6	74.9	84.7
Equity	749.7	953.8	646.9	677.1	830.6
Balance sheet total	1,785.8	2,046.3	1,770.2	1,631.2	1,877.2
Investments in property, plant and equipment	183.8	75.9	80.1	15.6	28.4

Ratios	2006	2007	2008	31/3 2009	30/9 2009
Gross margin	17.8%	18.6%	18.3%	16.6%	20.2%
Profit margin	-7.0%	1.0%	2.4%	-1.5%	4.7%
Liquid ratio	1.4%	1.6%	1.03%	1.03%	1.23%
Return on assets	-8.3%	1.1%	2.9%	-0.4%	3.2%
Return on equity	-17.7%	3.4%	3.2%	-1.6%	7.2%
Equity ratio	42.0%	46.6%	36.5%	41.5%	44.2%

Accounting policies

During the first half of 2009/2010, KNI A/S employed the usual accounting policies. Accounting policies are unchanged compared to the latest annual report although no tax liability has been computed in the interim report and no provisions made for current or deferred tax in accordance with standard practice.

Income statement

1. april 2009 - 30. september 2009

	Note	Parent company		Group	
		2009 (DKK 1000)	1/4 - 30/9 2008 (DKK 1000)	2009 (DKK 1000)	1/4 - 30/9 2008 (DKK 1000)
Net revenues	1	1,094,135	1,186,579	1,100,922	1,198,133
Treasury payments for social services		20,050	22,550	22,050	26,126
Other operating income	2	28,607	31,516	28,618	31,642
Consumables		(875,690)	(969,760)	(878,294)	(977,721)
Other external costs	3	(76,629)	(76,039)	(78,687)	(82,249)
Gross earnings		190,473	194,846	194,609	195,931
Costs of employment	4	(114,752)	(121,076)	(116,606)	(124,358)
Depreciation and write-down on tangible and intangible		(25,425)	(26,325)	(26,625)	(28,470)
Earnings before financials		50,296	47,445	51,377	43,103
Results of affiliates	5	538	(9,160)	(1)	(0)
Reversed provisions for losses in affiliates		0	12,000	0	12,000
Results of associated companies	6	346	0	346	0
Financial income	7	790	5,619	245	801
Financial expenses	8	(12,445)	(14,692)	(12,446)	(14,693)
Product hedging		16,560	0	16,560	0
Interest hedging		(2,049)	4,556	(2,049)	4,556
Pre-tax earnings		54,036	45,768	54,033	45,767

Balance Sheet

30. september 2009

Assets

Note	Parent company		Group	
	2009 (DKK 1000)	30/9 2008 (DKK 1000)	2009 (DKK 1000)	30/9 2008 (DKK 1000)
Property	336,369	346,909	338,391	349,260
Technical plant and machinery	181,974	174,735	187,062	181,761
Operating equipment and stocks	94,991	85,840	95,264	85,960
Investment in progress	49,250	63,359	49,250	63,359
Tangible fixed assets	662,584	670,843	669,967	680,340
Holdings in associated company	2,004	1,372	2,004	1,372
Other accounts receivable	954	668	954	668
Financial fixed assets	2,958	2,040	2,958	2,039
Total fixed assets	665,542	672,883	672,925	682,379
Consumables	2,661	2,482	2,661	2,482
Raw materials and consumables	0	0	10,180	8,490
Retail/wholesale goods	479,292	477,887	478,907	478,341
Liquid fuels etc	499,372	440,744	499,372	440,744
Inventories	981,325	921,113	991,120	930,057
Receivables from sales	84,118	87,108	84,672	88,435
Receivables from affiliated companies	8,684	9,970	0	(0)
Receivables from associated companies	1	0	1	0
Interest hedging	0	5,028	0	5,028
Product hedging	79,140	310,739	79,140	310,739
Other accounts receivable	23,992	12,263	24,044	14,617
Accruals	8,634	4,585	8,634	4,585
Receivables	204,569	429,693	196,491	423,405
Cash funds	16,660	17,128	16,660	17,128
Total current assets	1,202,554	1,367,932	1,204,271	1,370,590
Total assets	1,868,096	2,040,814	1,877,196	2,052,969

Balance Sheet

30. september 2009

Liabilities

Note	Parent company		Group	
	2009 (DKK 1000)	30/9 2008 (DKK 1000)	2009 (DKK 1000)	30/9 2008 (DKK 1000)
Share capital	310,000	310,000	310,000	310,000
Subsidiary acquisition at below book value	500	500	500	500
Special reserve for AGM use	283,163	283,163	283,163	283,163
Retained profit	306,496	271,703	306,496	271,703
Adjustments - derivatives	(69,520)	146,913	(69,520)	146,913
Total equity	830,639	1,012,279	830,639	1,012,279
Provision for deferred tax	27,763	20,775	27,763	20,775
Provision for intercompany losses	1,176	3,602	(0)	0
Provision for losses at affiliates	5,000	5,000	5,000	5,000
Total provisions	33,939	29,377	32,763	25,775
Bank debt	37,500	37,500	37,500	37,500
Mortgage debt	253	415	253	415
Long-term debt	37,753	37,915	37,753	37,915
Bank debt	458,071	363,110	458,071	363,110
Trade accounts payable	307,639	309,571	308,295	310,228
Corporation tax	0	3,735	0	3,735
Other debt	50,354	70,137	54,037	77,603
Interest hedging	14,496	0	14,496	0
Forward contracts USD	134,163	163,826	134,163	163,826
Accruals	1,044	864	6,981	8,497
Short term debt	965,767	911,243	976,043	926,999
Total debt	1,003,520	999,158	1,013,796	1,014,914
Total liabilities	1,868,098	2,040,814	1,877,198	2,052,969
Contingent liabilities, sureties	13			
Fees to auditors appointed by the AGM	14			
Related parties and ownership	15			
Management duties	16			

Equity statement for parent company

	Share capital	Retained profit	Subsidiary - reserve	Lower price on subsidiary acquisition	Special reserve	Adjustments - derivatives	Dividends	Total
	(DKK 1000)	(DKK 1000)	(DKK 1000)	(DKK 1000)	(DKK 1000)	(DKK 1000)	(DKK 1000)	(DKK 1000)
Equity 1 January 2005	300,000	336,811	27,196	500	329,524	(4,047)	20,800	1,010,784
Dividends paid	0	0	0	0	0	0	(20,800)	(20,800)
Capital decrease	(66,361)	0	0	0	0	0	0	(66,361)
Capital increase	20,000	(20,000)	0	0	0	0	0	0
Tax value of goodwill at Arctic Green Food A/S	0	(3,062)	0	0	0	0	0	(3,062)
Capital increase	46,361	0	0	0	(46,361)	0	0	0
Profit/loss for the year	0	46,163	(27,196)	0	0	0	2,000	20,967
Tax value of dividends	0	742	0	0	0	0	0	742
Adjustment - USD forward contract	0	0	0	0	0	23,521	0	23,521
Equity 31 December 2005	300,000	360,654	0	500	283,163	19,474	2,000	965,791
Dividends paid	0	0	0	0	0	0	(2,000)	(2,000)
Capital increase	10,000	0	0	0	0	0	0	10,000
Earnings for the period	0	(152,222)	0	0	0	0	0	(152,222)
Adjustment/rounding off - USD forward contract	0	3	0	0	0	(71,886)	0	(71,883)
Equity 31 December 2006	310,000	208,435	0	500	283,163	(52,412)	0	749,686
Profit/loss for the year	0	29,069	0	0	0	0	0	29,069
Adjustment/rounding off - derivatives	0	0	0	0	0	175,000	0	175,000
Equity 31 December 2007	310,000	237,504	0	500	283,163	122,588	0	953,755
Profit/loss for the year	0	25,451	0	0	0	0	0	25,451
Adjustment/rounding off - derivatives	0	0	0	0	0	(332,353)	0	(332,353)
Equity 31 December 2008	310,000	262,955	0	500	283,163	(209,765)	0	646,852
Profit/loss for the year	0	(10,495)	0	0	0	0	0	(10,495)
Adjustment/rounding off - derivatives	0	0	0	0	0	40,770	0	40,770
Equity 31 March 2009	310,000	252,459	0	500	283,163	(168,996)	0	677,127
Profit/loss for the year	0	54,036	0	0	0	0	0	54,036
Adjustment/rounding off - derivatives	0	0	0	0	0	99,476	0	99,476
Equity 30 September 2009	310,000	306,496	0	500	283,163	(69,520)	0	830,639

Equity statement for the Group

	Share capital	Retained profit	Special reserve	Adjustments - derivatives	Dividends	Total
	(DKK 1000)	(DKK 1000)	(DKK 1000)	(DKK 1000)	(DKK 1000)	(DKK 1000)
Equity 1 January 2005	300,000	364,507	329,524	(4,047)	20,800	1,010,784
Dividends paid	0	0	0	0	(20,800)	(20,800)
Capital decrease	(66,361)	0	0	0	0	(66,361)
Capital increase	20,000	(20,000)	0	0	0	0
Tax value of badwill at Arctic Green Food A/S	0	(3,062)	0	0	0	(3,062)
Capital increase	46,361	0	(46,361)	0	0	0
Profit/loss for the year	0	18,967	0	0	2,000	20,967
Tax value of dividends	0	742	0	0	0	742
Adjustment - USD forward contract	0	0	0	23,521	0	23,521
Equity 31 December 2005	300,000	361,154	283,163	19,474	2,000	965,791
Dividends paid	0	0	0	0	(2,000)	(2,000)
Capital increase	10,000	0	0	0	0	10,000
Earnings for the period	0	(152,222)	0	0	0	(152,222)
Adjustment/rounding off - USD forward contract	0	3	0	(71,886)	0	(71,883)
Equity 31 December 2006	310,000	208,935	283,163	(52,412)	0	749,686
Profit/loss for the year	0	29,069	0	0	0	29,069
Adjustment/rounding off - derivatives	0	0	0	175,000	0	175,000
Equity 31 December 2007	310,000	238,004	283,163	122,588	0	953,755
Profit/loss for the year	0	25,451	0	0	0	25,451
Adjustment/rounding off - derivatives	0	0	0	(332,353)	0	(332,353)
Equity 31 December 2008	310,000	263,455	283,163	(209,765)	0	646,852
Profit/loss for the year	0	(10,495)	0	0	0	(10,495)
Adjustment/rounding off - derivatives	0	0	0	40,770	0	40,770
Equity 31 March 2009	310,000	252,959	283,163	(168,996)	0	677,127
Profit/loss for the year	0	54,033	0	0	0	54,033
Adjustment/rounding off - derivatives	0	0	0	99,476	0	99,476
Equity 30 September 2009	310,000	306,993	283,163	(69,520)	0	830,636

Consolidated cash flow statement

1. april 2009 - 30. september 2009

	2009 (DKK 1000)	31/3 2009 (DKK 1000)
Earnings before financials	51,377	(6,986)
Depreciation and write-down	26,625	15,533
Changes in net working capital	55,642	33,085
Cash flows from operations	133,645	41,632
Interest income etc.	245	600
Interest payments etc.	(12,446)	(10,097)
Product hedging	16,560	0
Interest hedging	(2,049)	1,293
Cash flows from operations	135,955	33,429
Acquisition of tangible fixed assets	(28,392)	(15,617)
Disposal of tangible fixed assets	15,223	1,233
Borrowings - financial fixed assets	(225)	5
Results of associated companies	346	88
Cash flow from investment operations	(13,046)	(14,291)
Changes in liquid assets	122,910	19,139
Liquid assets 1. April 2009	(601,822)	(620,961)
Liquid assets 30. September 2009	(478,912)	(601,822)
Notes to the cash flow statement		
Changes in net working capital		
Changes in inventories	(168,639)	113,597
Changes in receivables	(10,984)	21,508
Changes in payables to suppliers and other debt, etc.	235,265	(102,020)
	55,642	33,085
Liquid assets 30. September 2009		
Bank debt	(495,571)	(617,961)
Liquid assets	16,660	16,138
	(478,912)	(601,822)

Notes to the annual report

	Parent company		Group	
	2009 (DKK 1000)	1/4 - 30/9 2008 (DKK 1000)	2009 (DKK 1000)	1/4 - 30/9 2008 (DKK 1000)
1 Net revenues				
Goods	604,009	609,614	600,920	612,991
Liquid fuels etc	490,126	576,966	490,126	576,966
Feed products	0	0	9,876	8,177
	<u>1,094,135</u>	<u>1,186,579</u>	<u>1,100,922</u>	<u>1,198,133</u>
KNI A/S only operates in a single geographic market				
2 Other operating income				
Service contracts	12,346	12,924	12,346	12,924
Rental income	10,408	13,130	10,417	13,130
Fee income	4,805	3,619	4,805	3,619
Miscellaneous	1,048	1,842	1,050	1,967
	<u>28,607</u>	<u>31,516</u>	<u>28,618</u>	<u>31,641</u>
3 Other external costs				
Service travel	(4,139)	(5,878)	(4,330)	(5,941)
Course - expenses	(1,830)	(2,140)	(1,830)	(2,151)
Marketing costs	3,048	334	3,034	258
Office expenses	(7,751)	(5,492)	(7,792)	(5,514)
Insurance	(4,432)	(2,962)	(4,532)	(3,039)
External services	(15,241)	(15,594)	(15,314)	(15,941)
Acquisitions	(3,564)	(2,549)	(3,676)	(2,655)
Operating equipment	(27,144)	(25,826)	(28,061)	(26,661)
Repairs and maintenance costs	(9,228)	(11,619)	(9,532)	(11,725)
Rent - expenses	(5,065)	(4,185)	(5,067)	(4,185)
Group contribution	300	378	0	78
Miscellaneous	(1,583)	(506)	(1,587)	(4,774)
	<u>(76,629)</u>	<u>(76,039)</u>	<u>(78,687)</u>	<u>(82,249)</u>
4 Costs of employment				
Wages and salaries	(104,698)	(108,929)	(106,405)	(112,096)
Pensions	(5,442)	(5,548)	(5,537)	(5,632)
Other social security expenses	(8)	(34)	(8)	(34)
Other costs of employment	(4,606)	(6,565)	(4,657)	(6,597)
	<u>(114,752)</u>	<u>(121,076)</u>	<u>(116,606)</u>	<u>(124,358)</u>
of which salaries and fees to management and the Board				
Board of Directors	(276)	(707)		
Executive management	(975)	(975)		
Average headcount	<u>873</u>	<u>951</u>	<u>889</u>	<u>965</u>

	Parent company		Group	
	2009	1/4 - 30/9 2008	2009	1/4 - 30/9 2008
	(DKK 1000)	(DKK 1000)	(DKK 1000)	(DKK 1000)
5 Share of earnings in affiliated companies				
Companies wound up	0	(7,747)	0	(0)
Neqi A/S	412	(1,174)	(1)	0
Internal gains - timing differences	126	(238)	0	(0)
	<u>538</u>	<u>(9,160)</u>	<u>(1)</u>	<u>(0)</u>
6 Share of earnings in associated companies				
Akia Sisimiut A/S	346	0	346	0
	<u>346</u>	<u>0</u>	<u>346</u>	<u>0</u>
7 Financial income				
Interest income - contract of sale	314	253	314	253
Interest income - bank	176	548	176	548
Net forex gains/losses	(245)	0	(245)	0
Intra-Group interest	544	4,817	0	0
	<u>790</u>	<u>5,619</u>	<u>245</u>	<u>801</u>
8 Financial expenses				
Interest charges - banks	(11,613)	(15,407)	(11,613)	(15,407)
Interest charges - mortgages	(11)	(10)	(11)	(10)
Other interest expenses	0	0	0	0
Other bank charges	(821)	725	(822)	724
	<u>(12,445)</u>	<u>(14,692)</u>	<u>(12,446)</u>	<u>(14,693)</u>

9 Tangible fixed assets

Parent company

	Property (DKK 1000)	Technical plant and machinery (DKK 1000)	Operating equipment and stocks (DKK 1000)	Investment in progress (DKK 1000)	Total (DKK 1000)
Cost price 1. April 2009	533,219	380,951	291,548	29,488	1,235,206
Additions in year				30,099	30,099
Transferred from WIP	495		8,011	(8,506)	(0)
Disposals in year	(12,370)		(676)	(1,831)	(14,877)
Purchase price 30. September 2009	521,344	380,951	298,882	49,250	1,250,427
Depreciation and write-down - adjustments 1. April 2009	178,332	190,993	190,852	0	560,177
Depreciation and write-down in the period	9,033	7,983	13,716		30,731
Reversed disposals in the period	(2,389)		(676)		(3,066)
Depreciation and write-down 30. September 2009	184,975	198,976	203,891	0	587,843
Book value 30. September 2009	336,369	181,974	94,991	49,250	662,584
Book value 1. April 2009	354,887	189,958	100,696	29,488	675,029

Depreciation and write-down

Depreciation and write-down in the period may be specified thus:

	2009 (DKK 1000)	2008 (DKK 1000)
Property	9,033	8,703
Technical plant and machinery	7,983	7,531
Operating equipment and stocks	13,716	12,165
Losses/(gains) on fixed asset disposals	(5,306)	(2,074)
Total depreciation and write-down in the period	25,425	26,325

Acquisitions under DKK 100,000 in the period were expensed to a total of DKK 3.6m (DKK 6.8m previous year).

Assets are unattached except for ordinary mortgage debt.

9 Tangible fixed assets (cont.)

Group

	Property (DKK 1000)	Technical plant and machinery (DKK 1000)	Operating equipment and stocks (DKK 1000)	Investment in progress (DKK 1000)	Total (DKK 1000)
Cost price 1. April 2009	539,423	399,378	292,970	29,488	1,261,259
Additions in year			124	30,099	30,223
Transferred from WIP	495	0	8,011	(8,506)	(0)
Disposals in year	(12,370)	0	(676)	(1,831)	(14,877)
Purchase price 30. September 2009	527,548	399,378	300,428	49,250	1,276,604
Depreciation and write-down 1. April 2009	182,350	203,364	192,059	0	577,772
Depreciation in the period	9,197	8,952	13,782	0	31,931
Reversed disposals in the period	(2,389)	0	(676)	0	(3,066)
Depreciation and write-down 30. September 2009	189,157	212,316	205,164	0	606,637
Book value 30. September 2009	338,391	187,062	95,264	49,250	669,967
Book value 1. April 2009	357,074	196,014	100,911	29,488	683,487
Depreciation and write-down in the period may be specified thus:			2009 (DKK 1000)	2008 (DKK 1000)	
Property			9,197	8,997	
Technical plant and machinery			8,952	9,269	
Operating equipment and stocks			13,782	12,279	
Losses/(gains) on fixed asset disposals			(5,306)	(2,074)	
Total depreciation and write-down in the period			26,625	28,470	

Acquisitions under DKK 100,000 in the period were expensed to a total of DKK 3.7m (DKK 6.9m previous year).

10 Financial fixed assets

Parent company

	Holdings in affiliated companies	Holdings in associated companies	Other accounts receivable	Total
Cost price 1. April 2009	5,000	1,500	1,076	7,576
Additions in year	0	0	129	129
Disposals in year	0	0	(251)	(251)
Purchase price 30. September 2009	5,000	1,500	954	7,454
Valuations - adjustment 1. April 2009	(6,202)	158	0	(6,045)
Share of profit/loss	412	346	0	758
Valuations - adjustment 30. September 2009	(5,791)	504	0	(5,287)
Internal gains 1. April 2009	(511)	0	0	(511)
Internal gains - timing differences	126	0	0	126
Internal gains 30. September 2009	(385)	0	0	(385)
Book value 30. September 2009	(1,176)	2,004	954	1,783
Book value 1. April 2009	(1,713)	1,658	1,076	1,020

Subsidiaries and associated companies were as follows:

Domicile	Holding %		Shareholders' Capital (DKK 1000)	Equity 30/9 2009 (DKK 1000)
	2009	2009		
Neqi A/S				
Kommuneqarfik Kujalleq	100	100	600	(790)
Akia Sisimiut A/S				
Qeqqata Kommunea	50	50	3,000	3,825

10 Financial fixed assets (cont.)**Group**

	Holdings in associated companies (DKK 1000)	Other accounts receivable (DKK 1000)	Total (DKK 1000)
Cost price 1. April 2009	1,500	1,076	2,576
Additions in year	0	129	129
Disposals in year	0	(251)	(251)
Purchase price 30. September 2009	1,500	954	2,454
Valuations - adjustment 1. April 2009	158	0	158
Share of profit/loss	347	0	347
Valuations - adjustment 30. September 2009	506	0	506
Book value 30. September 2009	2,006	954	2,960
Book value 1. April 2009	1,658	1,076	2,734

Associated companies were as follows:

Domicile	Holding %		Shareholders' Capital (DKK 1000)	Equity 31/3 2009 (DKK 1000)
	2009	2009		
Akia Sisimiut A/S				
Qeqqata Kommunea	50	50	3,000	3,825

11 Share capital

	2009 (DKK 1000)	2008 (DKK 1000)
The parent company's share capital is in shares of DKK 1,000 or multiple thereof	310,000	310,000

No shares have special rights

12 Other debt

	Parent company		Group	
	2009 (DKK 1000)	2008 (DKK 1000)	2009 (DKK 1000)	2008 (DKK 1000)
Holiday pay due	20,621	19,604	20,905	19,887
Withholding tax and pensions, etc - liability	5,647	6,669	6,870	8,867
Other debt	24,086	43,864	28,436	48,849
	50,354	70,137	54,037	77,603

13 Contingent liabilities, other financial obligations and sureties

Outstanding liability on rent and leaseholds totaled DKK 313,000

Sureties totaled DKK 200,000

	Parent company		Group	
	2009 (DKK 1000)	2008 (DKK 1000)	2009 (DKK 1000)	2008 (DKK 1000)
14 Fees to auditors appointed by the AGM				
Audit fees	219	889	304	974
Adjustments - previous years	35	208	35	208
Non-audit fees	0	648	0	648
	<u>254</u>	<u>1,745</u>	<u>339</u>	<u>1,830</u>

15 Related parties and ownership

Controlling influence

Greenland Home Rule

Basis

Sole shareholder

Other related parties

Neqi A/S

Company associated with the KNI Group

Akia Sisimiut A/S

Associated company

Michael Skourup	3900 Nuuk	Chairman of the Board
Vagn H. Andersen	3905 Nuussuaq	Vice Chairman
Jens Kristian Therkelsen	3961 Uummannaq	Board member
Sofia Geisler	3952 Ilulissat	Board member
Jonas Aronsen	3911 Sisimiut	Board member
H.P. Lyngge-Larsen	3911 Sisimiut	Board member
Søren Lennert Mortensen	3911 Sisimiut	CEO

Transactions

Apart from intra-Group transactions eliminated in the consolidated financial statements and ordinary fees - there were no transactions with the Board, management, senior staff, the shareholder, affiliated companies or other related parties.

16 Directorships

Members of the parent company's management held the following directorships in other limited liability companies, except for wholly owned subsidiaries:

Michael Skourup	Kuunnaat Trawl A/S, Chairman of the Board/Director
Vagn H. Andersen	Inuit Service Company A/S - Chairman of the Board Rederifviklingselskabet af 1/4-2006 A/S - Chairman of the Board Arctic Umiaq Line A/S - Board member Malmbjerg Molybdenum A/S - Board member
H. P. Lyngge-Larsen	Akia Sisimiut A/S
Søren Lennert Mortensen	Neqi A/S, Chairman of the Board

Income statement

1. april 2009 - 30. september 2009

Retail and Wholesale Pilersuisoq

	2009	1/4 - 30/9 2008
Net revenues	604,009	609,614
Treasury payments for social services	20,050	22,550
Other operating income	18,253	18,615
Consumables	(461,248)	(459,955)
Other external costs	(63,863)	(66,735)
Gross earnings	117,201	124,089
Costs of employment	(87,795)	(88,880)
Depreciation and write-down	(13,417)	(13,466)
Earnings before financials	15,989	21,743
Financial income	(1)	(0)
Financial expenses	(451)	(232)
Internal interest	(5,158)	(5,568)
Pre-tax earnings	10,379	15,943

Income statement

1. april 2009 - 30. september 2009

Energy Division Polaroil

	2009	1/4 - 30/9 2008
Net revenues	490,126	576,966
Treasury payments for social services	0	0
Other operating income	(268)	300
Consumables	(413,920)	(509,805)
Other external costs	(19,982)	(20,314)
Gross earnings	55,956	47,147
Costs of employment	(12,621)	(14,697)
Depreciation and write-down	(9,351)	(8,942)
Earnings before financials	33,984	23,508
Financial income	57	137
Financial expenses	(19)	423
Internal interest	(5,869)	(5,109)
Pre-tax earnings	28,153	18,958

Income statement

1. april 2009 - 30. september 2009

Shared Service Center

	2009	1/4 - 30/9 2008
Net revenues	0	0
Treasury payments for social services	0	0
Other operating income	10,623	12,600
Consumables	(522)	0
Other external costs	7,212	11,010
Gross earnings	17,313	23,610
Costs of employment	(14,337)	(17,499)
Depreciation and write-down	(2,657)	(3,917)
Earnings before financials	318	2,194
Results of affiliates	538	(8,160)
Debt cancellation - subsidiaries	0	12,000
Results of associated companies	346	0
Financial income	11,759	16,158
Financial expenses	(11,975)	(14,882)
Product hedging	16,560	0
Interest hedging	(2,049)	4,556
Pre-tax earnings	15,497	11,867