

# Notes on the accounts 2006

Unless otherwise indicated, all figures are stated in DKK '000

## NOTE 1 – Segment information, group

### Activities – primary segment

Areas of activity	Chemical industry		Agricultural machinery		Insulation materials		Other activities and intragroup eliminations		Group	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Revenue	4,031,643	4,016,517	905,653	1,032,926	245,504	200,905	700	-	5,183,500	5,250,348
Operating profit/loss	17,720	457,885	3,080	37,723	11,384	(1,412)	(10,591)	(11,835)	21,593	482,361
Assets	4,002,972	4,237,269	1,037,985	1,265,460	266,851	243,799	334,243	118,259	5,642,051	5,864,787
Liabilities	2,394,546	2,322,931	726,141	919,108	171,866	161,347	45,613	(125,939)	3,338,166	3,277,447
Investments in intangible assets, property, plant and equipment	204,964	122,527	49,539	30,159	9,795	13,209	13,780	406	278,078	166,301
Depreciation and amortisation	163,003	180,857	42,318	43,523	17,978	17,300	1,389	344	224,688	242,024
Impairment losses and write-downs	3,242	-	-	-	-	-	-	-	3,242	-
Share of profit/loss in associates	-	-	-	-	4,891	4,403	-	-	4,891	4,403
Investments in associates	-	-	-	-	(2,556)	(6,237)	-	-	(2,556)	(6,237)

Revenue between the segments is immaterial (DKK 1.4 million).

### Geographically - secondary segment

	NAFTA countries		Europe		Others		Group	
	2006	2005	2006	2005	2006	2005	2006	2005
Revenue	1,213,748	1,281,296	1,992,236	1,998,464	1,977,516	1,970,588	5,183,500	5,250,348
Assets	500,606	658,717	3,632,877	3,616,548	1,508,568	1,589,522	5,642,051	5,864,787
Investments in intangible assets, property, plant and equipment	6,642	3,437	255,523	155,295	15,913	7,569	278,078	166,301

Revenue by geographical location of customers. The carrying amounts and purchases of assets are distributed according to the physical location of the assets.

## NOTE 2 – Expenses

### Cost of sales

Cost of sales includes the following main items:

	Group		Parent	
	2006	2005	2006	2005
Cost of sales for the year	3,417,878	3,207,187	-	-
Impairment losses for the year relating to cost of sales	3,282	6,248	-	-
Reversed impairment losses relating to cost of sales	0	(766)	-	-

### Staff costs

Staff costs include the following main items:

	Group		Parent	
	2006	2005	2006	2005
Wages and salaries	763,841	759,137	5,723	7,968
Profit-sharing	13,734	20,525	23	30
Share-based payments	701	5,056	-	-
Severance payments	6,015	-	-	-
Retirement benefit contributions	46,536	41,425	349	358
Remuneration for the Board of Directors	2,375	2,375	2,375	2,375
Social security expenses	68,856	72,360	34	35
Other staff costs	15,233	12,694	-	-
<b>Total staff costs</b>	<b>917,291</b>	<b>913,572</b>	<b>8,504</b>	<b>10,766</b>

### Staff costs are recognised as follows:

	Group		Parent	
	2006	2005	2006	2005
Cost of sales	499,919	512,945	-	-
Sales and distribution costs	208,246	188,471	-	-
Administrative expenses	118,429	115,332	8,504	10,766
Research and development costs	90,697	96,825	-	-
<b>Total staff costs</b>	<b>917,291</b>	<b>913,572</b>	<b>8,504</b>	<b>10,766</b>

Remuneration for the Board of Executives of Auriga Industries A/S amounts to DKK 8.687 million (DKK 8.555 million in 2005). Moreover, cf. the description in Note 3, a provision of DKK 0.701 million has been made for bonus payments relating to 2006 (DKK 4.940 million in 2005). To this should be added the acquisition of shares in the company via share options with a favourable-price element of DKK 5.245 million (DKK 4.492 million in 2005).

Members of the Board of Executives each have a company car at their disposal.

In the course of the year, the average number of employees was 5 (5 in 2005) in the parent company and 2,842 (2,933 in 2005) in the group.

### Depreciation, amortisation and impairment losses

Expenses include depreciation, amortisation and impairment losses distributed on the following groups of expenses:

	Group		Parent	
	2006	2005	2006	2005
Cost of sales	151,177	174,192	-	-
Sales and distribution costs	56,978	46,296	-	-
Administrative expenses	12,439	12,521	396	344
Research and development costs	7,336	9,015	-	-
<b>Total depreciation, amortisation and impairment losses</b>	<b>227,930</b>	<b>242,024</b>	<b>396</b>	<b>344</b>

**NOTE 3 – Incentive schemes**

With a view to strengthening the creation of value in the group, a total of 4 incentive schemes were introduced in the 2003-2006 period.

In 2003, Auriga's Board of Executives was granted a total of 285,000 share options of DKK 10 each.

Options granted in 2003 could be exercised with a third in each of the periods March 1, 2004 - June 30, 2004, March 1, 2005 - June 30, 2005 and March 1, 2006 - June 30, 2006. The exercise price per share is 48 with the addition of an annual return on investment element of 10 per cent calculated as from March 11, 2003.

All share option schemes are equity schemes.

The table below gives an overview of the share option schemes as ended at December 31, 2006:

	Group Board of Executives	Agreed price	Share price upon exercise
<b>Granted in 2003</b>			
Exercisable March 1, 2004 - June 30, 2004	95,000	54.35	-
Exercisable March 1, 2005 - June 30, 2005	95,000	59.78	-
Exercisable March 1, 2006 - June 30, 2006	95,000	65.76	-
Reduction in 2003 <sup>1)</sup>	(45,000)	-	-
Exercised in 2004	(80,000)	53.12	64.55
Exercised in 2005	(80,000)	58.12	133.66
Exercised in 2006	(41,600)	64.06	190.13
Expired	(38,400)		
<b>Total for 2003</b>	-		
<b>Outstanding as at December 31, 2006</b>	-		

<sup>1)</sup> Repurchased from resigned director.

The market value of the share option schemes has been stated at DKK 0.00.

In 2004-2006 agreements concerning a bonus scheme were concluded with Auriga's Board of Executives, under which the bonus depends on the performance of the group's subsidiaries. The bonus earned is not distributed, but is transferred to a bonus pool which is dependent on developments in the price of the Auriga share. The bonus for the 2004 scheme was paid out in April 2006, while the bonus for the 2005 scheme is paid out in April 2007 and the bonus for the 2006 scheme is paid out in April 2007 and April 2008. The bonus agreements are debt schemes.

**NOTE 4 – Remuneration of auditors elected by the general meeting**

	Group		Parent	
	2006	2005	2006	2005
Deloitte, audit of annual report	5,482	4,740	275	303
Deloitte, other services	1,858	459	106	239
Other audit firms, audit of annual report	336	610	-	-
Other audit firms, other services	841	1,123	-	-
<b>Total</b>	<b>8,517</b>	<b>6,932</b>	<b>381</b>	<b>542</b>

**NOTE 6 – Share of profit/loss in subsidiaries**

	Parent	
	2006	2005
Dividend from subsidiaries	150,000	150,000
<b>Total</b>	<b>150,000</b>	<b>150,000</b>

**NOTE 5 – Other operating income**

	Group		Parent	
	2006	2005	2006	2005
Development activities	2,982	3,748	-	-
Proceeds on disposal of non-current assets etc.	13,362	4,786	-	11
Other income	14,828	12,999	3,413	1,558
<b>Total</b>	<b>31,172</b>	<b>21,533</b>	<b>3,413</b>	<b>1,569</b>

**NOTE 7 – Net financials**

	Group		Parent	
	2006	2005	2006	2005
<b>Interest receivable and similar income</b>				
Interest receivable from subsidiaries	-	-	4,534	3,423
Interest receivable	63,428	89,018	972	1,474
Dividend	61	96	53	88
Exchange rate adjustments	71,027	60,029	-	-
Adjustment to fair value, financial assets	5,224	3,729	923	1,025
<b>Total</b>	<b>139,740</b>	<b>152,872</b>	<b>6,482</b>	<b>6,010</b>
<b>Interest payable and similar expenses</b>				
Interest payable to subsidiaries	-	-	(1,564)	(1,760)
Interest payable	(149,750)	(146,920)	(1,633)	(123)
Exchange rate adjustments	(108,298)	(116,353)	-	-
Adjustment to fair value, financial assets	-	(622)	-	-
<b>Total</b>	<b>(258,048)</b>	<b>(263,895)</b>	<b>(3,197)</b>	<b>(1,883)</b>
<b>Total net financials</b>	<b>(118,308)</b>	<b>(111,023)</b>	<b>3,285</b>	<b>4,127</b>

**NOTE 8 – Tax**

	Group		Parent	
	2006	2005	2006	2005
<b>Tax for the year can be distributed as follows:</b>				
Tax on profit/loss for the year	70,956	117,397	(2,225)	(3,117)
Tax on changes in equity	27,547	(20,704)	-	-
<b>Tax for the year</b>	<b>98,503</b>	<b>96,693</b>	<b>(2,225)</b>	<b>(3,117)</b>
<b>Tax on profit/loss for the year is calculated as follows:</b>				
Current tax	49,834	133,148	(1,639)	(3,185)
Deferred tax	21,099	(11,828)	(466)	-
Effect of changed tax rate	-	(4,568)	-	-
Adjustment of tax for previous years	23	645	(120)	68
<b>Total</b>	<b>70,956</b>	<b>117,397</b>	<b>(2,225)</b>	<b>(3,117)</b>
<b>Reconciliation of tax rate</b>				
Danish income tax rate	28.0%	28.0%	28.0%	28.0%
Adjustment relating to previous years	0.0%	(1.5%)	(1.1%)	0.0%
Surtax in associates	(2.4%)	1.0%	0.0%	0.0%
Surtax in subsidiaries	(1.3%)	1.5%	0.0%	0.0%
Not activated tax-related losses	(83.9%)	0.0%	0.0%	0.0%
Other adjustments	(17.7%)	2.3%	(2.8%)	1.8%
<b>Effective tax rate</b>	<b>(77.3%)</b>	<b>31.2%</b>	<b>24.1%</b>	<b>29.8%</b>

**NOTE 9 – Earnings per share**

	Group	
	2006	2005
Net profit/loss for the year	(162,780)	258,344
Minority interests' share of consolidated profit/loss	(8,107)	(8,488)
<b>Auriga Industries A/S' share of the profit/loss for the year</b>	<b>(170,887)</b>	249,856
Average no. of shares of DKK 10 each	25,500,000	25,500,000
Average no. of treasury shares	(826,080)	(878,080)
<b>Average no. of shares</b>	<b>24,673,920</b>	24,621,920
Average dilution from outstanding share options	-	47,252
<b>Diluted average no. of shares</b>	<b>24,673,920</b>	24,669,172
Earnings per share of DKK 10	(6.93)	10.15
Diluted earnings per share of DKK 10	(6.93)	10.13

**NOTE 10 – Intangible assets, group**

	Sales and registration rights	Know-how	Goodwill	Intangible non-current assets total
Cost price as at January 1, 2005	140,726	236,722	739,862	1,117,310
Exchange rate adjustment	1,200	127	968	2,295
Additions relating to acquisition of subsidiary	2,939	-	66,939	69,878
Additions during the year	47,682	-	98	47,780
Disposals during the year	(7,589)	-	(2,760)	(10,349)
<b>Cost price as at December 31, 2005</b>	<b>184,958</b>	<b>236,849</b>	<b>805,107</b>	<b>1,226,914</b>
Amortisation and impairment losses as at January 1, 2005	57,743	69,359	393,762	520,864
Exchange rate adjustment	817	63	523	1,403
Amortisation for the year	25,760	23,780	-	49,540
<b>Amortisation and impairment losses as at December 31, 2005</b>	<b>84,320</b>	<b>93,202</b>	<b>394,285</b>	<b>571,807</b>
<b>Carrying amount as at December 31, 2005</b>	<b>100,638</b>	<b>143,647</b>	<b>410,822</b>	<b>655,107</b>
Cost price as at January 1, 2006	184,958	236,849	805,107	1,226,914
Exchange rate adjustment	(721)	(365)	(7)	(1,093)
Additions during the year	138,002	3,736	2,240	143,978
<b>Cost price as at December 31, 2006</b>	<b>322,239</b>	<b>240,220</b>	<b>807,340</b>	<b>1,369,799</b>
Amortisation and impairment losses as at January 1, 2006	84,320	93,202	394,285	571,807
Exchange rate adjustment	(554)	(335)	(33)	(922)
Amortisation for the year	28,915	23,816	-	52,731
<b>Amortisation and impairment losses as at December 31, 2006</b>	<b>112,681</b>	<b>116,683</b>	<b>394,252</b>	<b>623,616</b>
<b>Carrying amount as at December 31, 2006</b>	<b>209,558</b>	<b>123,537</b>	<b>413,088</b>	<b>746,183</b>
Amortised over the following number of years	5-10 yrs	5-10 yrs		

**Impairment test for goodwill**

Pursuant to the rules contained in IAS 36, the management has carried out an impairment test of the carrying amount of goodwill as at December 31, 2006. For each cash-generating unit (CGU), the impairment test compares the discounted value of future cash flows with the carrying amounts. The impairment tests carried out have not given rise to impairment losses on goodwill.

Goodwill has been allocated to the group's three CGUs, which are chemistry (DKK 168 million), agricultural machinery (DKK 224 million) and insulation materials (DKK 21 million).

Impairment test relating to the subsidiaries has been made.

Future cash flows are based on the budget for 2007 and strategy plans for the years 2008-2010 as well as assumptions concerning growth after this period. The budget and strategy plans are based on specific business assessments of the business areas, while the projections after 2010 are based on general parameters.

For all three CGUs, the most important parameters underlying the projections after 2010 are a growth in sales of 2 per cent and a similar growth in EBIT. The discount rate (WACC) is 8.89 per cent before tax corresponding to a WACC of 8 per cent after tax. It is assumed that the cash tax rate is 28 per cent.

<b>NOTE II – Property, plant and equipment, group</b>	Land and buildings	Technical plant and machinery	Fixtures and fittings, tools and equipment	Plant under construction	Property, plant and equipment total
Cost price as at January 1, 2005	865,311	2,609,661	307,369	27,322	3,809,663
Exchange rate adjustment	10,867	15,936	8,340	(87)	35,056
Transfer	10,460	11,512	(2,105)	(19,830)	37
Additions relating to acquisition of subsidiary	-	-	1,279	-	1,279
Additions during the year	18,067	54,432	29,572	43,017	145,088
Disposals during the year	(15,751)	(10,431)	(18,075)	(24,080)	(68,337)
<b>Cost price as at December 31, 2005</b>	<b>888,954</b>	<b>2,681,110</b>	<b>326,380</b>	<b>26,342</b>	<b>3,922,786</b>
Depreciation and impairment losses as at January 1, 2005	406,486	2,109,906	258,566	-	2,774,958
Exchange rate adjustment	3,418	10,766	6,357	-	20,541
Additions relating to acquisition of subsidiary	-	-	157	-	157
Depreciation for the year	33,572	136,108	22,922	-	192,602
Disposals during the year	(1,006)	(3,050)	(12,007)	-	(16,063)
Reversed depreciation and impairment of disposals for the year	(6,092)	(6,190)	(3,484)	-	(15,766)
<b>Depreciation and impairment losses as at December 31, 2005</b>	<b>436,378</b>	<b>2,247,540</b>	<b>272,511</b>	<b>-</b>	<b>2,956,429</b>
<b>Carrying amount as at December 31, 2005</b>	<b>452,576</b>	<b>433,570</b>	<b>53,869</b>	<b>26,342</b>	<b>966,357</b>
<b>Of which finance leases</b>	<b>-</b>	<b>-</b>	<b>4,071</b>	<b>-</b>	<b>4,071</b>
Cost price as at January 1, 2006	888,954	2,681,110	326,380	26,342	3,922,786
Exchange rate adjustment	(7,304)	(12,513)	(5,192)	(24)	(25,033)
Transfer	1,322	14,423	4	(15,745)	4
Additions relating to acquisition of subsidiary	-	7,204	61	-	7,265
Additions during the year	22,718	38,142	35,055	46,392	142,307
Reclassification of non-current assets specified for sale	(10,217)	(5,234)	-	-	(15,451)
Disposals during the year	(4,532)	(143,987)	(15,520)	(22,771)	(186,810)
<b>Cost price as at December 31, 2006</b>	<b>890,941</b>	<b>2,579,145</b>	<b>340,788</b>	<b>34,194</b>	<b>3,845,068</b>
Depreciation and impairment losses as at January 1, 2006	436,378	2,247,540	272,511	-	2,956,429
Exchange rate adjustment	(2,759)	(9,116)	(4,288)	-	(16,163)
Additions relating to acquisition of subsidiary	-	907	-	-	907
Depreciation for the year	30,530	118,080	23,272	-	171,882
Impairment for the year	3,242	-	-	-	3,242
Reclassification of non-current assets specified for sale	(3,733)	(2,818)	-	-	(6,551)
Disposals during the year	(538)	(143,433)	(8,212)	-	(152,183)
Reversed depreciation and impairment of disposals for the year	(1,305)	(172)	(4,618)	-	(6,095)
<b>Depreciation and impairment losses as at December 31, 2006</b>	<b>461,815</b>	<b>2,210,988</b>	<b>278,665</b>	<b>-</b>	<b>2,951,468</b>
<b>Carrying amount as at December 31, 2006</b>	<b>429,126</b>	<b>368,157</b>	<b>62,123</b>	<b>34,194</b>	<b>893,600</b>
<b>Of which finance leases</b>	<b>-</b>	<b>-</b>	<b>4,071</b>	<b>-</b>	<b>4,071</b>
<b>Amortised over the following number of years</b>	<b>15-30 yrs</b>	<b>8 yrs</b>	<b>5 yrs</b>		

The carrying amount of the group's foreign land and buildings as at December 31, 2006 was DKK 74.387 million, while the carrying amount of the group's land and buildings in Denmark was DKK 332.902 million. The official property assessment value of Danish land and buildings in Denmark was 314.691 million.

The carrying amount of Danish land and buildings not yet included in the official property assessment was DKK 27.294 million.

In 2006 production assets have been closed to a booked value at DKK 3.242 million written down to DKK 0. The amount is included in the costs of sales in the income statement.

Non-current assets specified for sale are buildings and machinery, expected to be sold in 2007.

<b>Note 12 – Property, plant and equipment, parent</b>	Land and buildings	Fixtures and fittings, tools and equipment	Property, plant and equipment total
Cost price as at January 1, 2005	4,087	441	4,528
Additions during the year	-	356	356
Disposals during the year	-	(441)	(441)
<b>Cost price as at December 31, 2005</b>	<b>4,087</b>	<b>356</b>	<b>4,443</b>
Depreciation and impairment losses as at January 1, 2005	1,607	441	2,048
Additions during the year	236	68	304
Disposals during the year	-	(441)	(441)
<b>Depreciation and impairment losses as at December 31, 2005</b>	<b>1,843</b>	<b>68</b>	<b>1,911</b>
<b>Carrying amount as at December 31, 2005</b>	<b>2,244</b>	<b>288</b>	<b>2,532</b>
Cost price as at January 1, 2006	4,087	356	4,443
Additions during the year	-	431	431
Disposals during the year	-	(356)	(356)
<b>Cost price as at December 31, 2006</b>	<b>4,087</b>	<b>431</b>	<b>4,518</b>
Depreciation and impairment losses as at January 1, 2006	1,843	68	1,911
Depreciation for the year	236	161	397
Disposals during the year	-	(143)	(143)
<b>Depreciation and impairment losses as at December 31, 2006</b>	<b>2,079</b>	<b>86</b>	<b>2,165</b>
<b>Carrying amount as at December 31, 2006</b>	<b>2,008</b>	<b>345</b>	<b>2,353</b>
<b>Amortised over the following number of years</b>	<b>30 yrs</b>	<b>5 yrs</b>	

The official property assessment value of Danish land and buildings in Denmark was 4.670 million.

**NOTE 13 – Financial assets, group**

	Investments in associates	Other fixed asset investments	Fixed asset investments total
Cost price as at January 1, 2005	15,497	6,001	21,498
Exchange rate adjustment	-	66	66
Additions during the year	-	1,512	1,512
Disposals during the year	-	(750)	(750)
<b>Cost price as at December 31, 2005</b>	<b>15,497</b>	<b>6,829</b>	<b>22,326</b>
Re- and devaluation as at January 1, 2005	23,541	-	23,541
Dividend received	(6,162)	-	(6,162)
Exchange rate adjustment	(76)	-	(76)
Profit/loss for the year after tax	5,153	-	5,153
<b>Re- and devaluation as at December 31, 2005</b>	<b>22,456</b>	<b>-</b>	<b>22,456</b>
<b>Carrying amount as at December 31, 2005</b>	<b>37,953</b>	<b>6,829</b>	<b>44,782</b>
Cost price as at January 1, 2006	15,497	6,829	22,326
Exchange rate adjustment	-	(46)	(46)
Additions during the year	-	594	594
Disposals during the year	648	(5,534)	(4,886)
<b>Cost price as at December 31, 2006</b>	<b>16,145</b>	<b>1,843</b>	<b>17,988</b>
Re- and devaluation as at January 1, 2006	22,456	-	22,456
Dividend received	(2,465)	-	(2,465)
Exchange rate adjustment	-	(8)	(8)
Profit/loss for the year after tax	4,891	-	4,891
<b>Re- and devaluation as at December 31, 2006</b>	<b>24,882</b>	<b>(8)</b>	<b>24,874</b>
<b>Carrying amount as at December 31, 2006</b>	<b>41,027</b>	<b>1,835</b>	<b>42,862</b>

**Associates and joint-venture enterprises in the group are:**

	Equity investment in %	
	2006	2005
<b>Associates:</b>		
United Moler ApS, Nykøbing Mors, Denmark	50%	50%
Damolin A/S, Copenhagen, Denmark	49%	49%
NCM Core A/S, Ålborg, Denmark	-	40%
<b>Joint-venture enterprises:</b>		
Pytech Chemicals GmbH, Horgen, Switzerland (pro-rata consolidated)	50%	50%

**Selected financial ratios for the group's associates and joint-ventures:**

	Group	
	2006	2005
Revenue	394,940	384,533
Net profit/loss for the year	(9,317)	(19,445)
Assets	333,197	365,612
Liabilities	501,667	522,346

**NOTE 14 – Investments in subsidiaries**

	Parent	
	2006	2005
Cost price as at January 1	1,298,462	1,298,462
Additions during the year	30,972	-
Cost price as at December 31	1,329,434	1,298,462
<b>Carrying amount as at December 31</b>	<b>1,329,434</b>	<b>1,298,462</b>

**The parent's investments and votes in subsidiaries comprise:**

	Equity investment and votes in %	
	2006	2005
Cheminova A/S, Harbøre, Denmark	100%	100%
Hardi International A/S, Taastrup, Denmark	100%	100%
Skamol A/S, Nykøbing Mors, Denmark	100%	100%
Auriga Ejendomme A/S, Harbøre, Denmark	100%	0%

**NOTE 15 – Inventories**

	Group	
	2006	2005
Finished goods	1,291,101	1,245,562
Work in progress	66,899	75,232
Raw materials	156,739	187,317
Packaging materials	43,034	44,225
Auxiliary products	6,059	6,155
Spare parts etc.	38,800	37,100
<b>Total</b>	<b>1,602,632</b>	<b>1,595,591</b>

**NOTE 16 – Receivables falling due after more than one year**

	Group	
	2006	2005
Trade receivables	564	1,623
Receivables in respect of Pytech Chemicals GmbH	79,234	71,124
Other receivables	19,335	26,786
<b>Total</b>	<b>99,133</b>	<b>99,533</b>

**NOTE 17 – Securities**

	Group		Parent	
	2006	2005	2006	2005
Listed shares	4,683	7,699	4,683	7,699
Unlisted securities	835	735	613	513
<b>Total</b>	<b>5,518</b>	<b>8,434</b>	<b>5,296</b>	<b>8,212</b>

**NOTE 18 – Share capital**

	Group		Parent	
	2006	2005	2006	2005
<b>Share capital</b>				
Class A shares (1 share of DKK 75 million)	75,000	75,000	75,000	75,000
Class B shares (18,000,000 shares of DKK 10)	180,000	180,000	180,000	180,000
<b>Total share capital</b>	<b>255,000</b>	<b>255,000</b>	<b>255,000</b>	<b>255,000</b>

The shares have been fully paid. There have been no changes to the capital for the past 5 years.

**Treasury shares****Parent holding of Class B shares in Auriga Industries A/S:**

	No. of shares		Nominal value, DKK '000		Percentage of share capital in Auriga Industries A/S	
	2006	2005	2006	2005	2006	2005
Shareholding as at January 1	857,280	940,480	8,573	9,405	3.36%	3.69%
Purchases	-	-	-	-	0.00%	0.00%
Sales	(41,600)	(83,200)	(416)	(832)	(0.16%)	(0.33%)
<b>Shareholding as at December 31</b>	<b>815,680</b>	<b>857,280</b>	<b>8,157</b>	<b>8,573</b>	<b>3.20%</b>	<b>3.36%</b>

The value of treasury shares as at December 31, 2006 was DKK 129.196 million. The purchase/sales price for the treasury shares sold in the year was DKK 2.434 million. In accordance with the accounting policies, the cost of treasury shares has been deducted directly from equity.

**Subsidiaries' holding of Class B shares in Auriga Industries A/S:**

	No. of shares		Nominal value, DKK '000		Percentage of share capital in Auriga Industries A/S	
	2006	2005	2006	2005	2006	2005
Shareholding as at January 1	-	-	-	-	0.00%	0.00%
Purchases	14,521	44,400	145	444	0.06%	0.17%
Sales	(14,521)	(44,400)	(145)	(444)	(0.06%)	(0.17%)
<b>Shareholding as at December 31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The purchase price in the year totals DKK 2.672 million, and the selling price totals DKK 2.764 million. Share purchases and sales have taken place as part of the profit-sharing scheme for employees.

**NOTE 19 – Deferred tax**

	Group		Parent	
	2006	2005	2006	2005
Deferred tax as at January 1	72,528	41,081	-	-
Exchange rate adjustment	(6,198)	18,192	-	-
Deferred tax for the year recognised in profit/loss for the year	(15,536)	17,371	466	-
Deferred tax for the year recognised in equity	(5,229)	(3,630)	-	-
Additions relating to acquisitions of subsidiaries	486	(486)	-	-
<b>Deferred tax as at December 31</b>	<b>46,051</b>	<b>72,528</b>	<b>466</b>	<b>-</b>
<b>Deferred tax is recognised in the balance sheet as follows</b>				
Deferred tax (asset)	126,977	146,823	466	-
Deferred tax (liability)	(80,926)	(74,295)	-	-
<b>Deferred tax as at December 31, net</b>	<b>46,051</b>	<b>72,528</b>	<b>466</b>	<b>-</b>
<b>Deferred tax pertains to:</b>				
Intangible assets	(37,032)	(43,157)	-	-
Property, plant and equipment	(38,601)	(34,590)	18	-
Current assets	40,814	58,959	448	-
Provisions	1,368	1,118	-	-
Other liabilities	47,605	23,538	-	-
A tax loss allowed for carryforward	31,897	66,660	-	-
<b>Total deferred tax</b>	<b>46,051</b>	<b>72,528</b>	<b>466</b>	<b>-</b>

**NOTE 19 – Deferred tax (continued)****Changes in temporary differences during the year**

Group, 2006						
	Balance sheet as at January 1	Exchange rate adjustment	Additions relating to acquisitions of enterprise	Recognised in the profit/loss for the year	Recognised in equity	Balance sheet as at December 31
Intangible assets	(43,157)	(71)	-	6,985	(789)	(37,032)
Property, plant and equipment	(34,590)	313	-	(4,266)	(57)	(38,600)
Receivables	46,250	(1,200)	-	(12,024)	-	33,026
Inventories	19,663	(337)	-	(2,247)	-	17,079
Other current assets	(6,954)	(8)	-	(2,229)	-	(9,191)
Provisions	1,118	-	-	(1,409)	1,558	1,267
Other liabilities	23,538	(1,417)	486	30,935	(5,941)	47,601
Tax losses	66,660	(3,479)	-	(31,280)	-	31,901
<b>Total</b>	<b>72,528</b>	<b>(6,199)</b>	<b>486</b>	<b>(15,535)</b>	<b>(5,229)</b>	<b>46,051</b>

Group, 2005						
	Balance sheet as at January 1	Exchange rate adjustment	Additions relating to acquisitions of enterprise	Recognised in the profit/loss for the year	Recognised in equity	Balance sheet as at December 31
Intangible assets	(49,331)	16	-	6,158	-	(43,157)
Property, plant and equipment	(45,682)	(148)	-	11,240	-	(34,590)
Receivables	45,378	7,322	-	(6,450)	-	46,250
Inventories	24,168	120	-	(4,625)	-	19,663
Other current assets	(2,176)	11	-	(3,606)	(1,183)	(6,954)
Provisions	1,655	-	-	(537)	-	1,118
Other liabilities	26,991	2,257	(486)	(2,031)	(3,193)	23,538
Tax losses	40,079	8,615	-	17,220	746	66,660
<b>Total</b>	<b>41,082</b>	<b>18,193</b>	<b>(486)</b>	<b>17,369</b>	<b>(3,630)</b>	<b>72,528</b>

Deferred tax for the Danish group companies is calculated at a rate of 28 per cent. For the group's foreign subsidiaries, deferred tax is based on the applicable local tax rates.

Retaxation liability from jointly taxed foreign subsidiaries totals DKK 13.508 million (DKK 13.945 million in 2005). The value of the group's non-capitalised tax loss amounts to DKK 93 million (DKK 16 million in 2005).

Any sale of assets in affiliated and associated enterprises is not expected to give rise to significant taxation.

**NOTE 20 – Provisions****Retirement benefit obligations and other provisions comprise:**

	Group		Parent	
	2006	2005	2006	2005
Provision for retirement benefits, beginning of year	9,662	11,767	1,250	1,250
Used during the year	(663)	-	-	-
Reversed provisions during the year	(323)	(2,638)	-	-
Provisions for the year	1,589	533	-	-
<b>Provision for retirement benefits, end of year</b>	<b>10,265</b>	<b>9,662</b>	<b>1,250</b>	<b>1,250</b>
Warranty commitments, beginning of year	19,495	17,577	-	-
Reversed provisions during the year	(19,495)	(17,577)	-	-
Provisions for the year	21,648	19,495	-	-
<b>Warranty commitments, end of year</b>	<b>21,648</b>	<b>19,495</b>	<b>-</b>	<b>-</b>
Other provisions, beginning of year	47,038	46,593	-	-
Used during the year	(13,578)	(108)	-	-
Reversed provisions during the year	(98)	(11,643)	-	-
Provisions for the year	2,584	12,196	-	-
<b>Other provisions, end of year</b>	<b>35,946</b>	<b>47,038</b>	<b>-</b>	<b>-</b>
<b>Retirement benefit obligations and other provisions, end of year</b>	<b>67,859</b>	<b>76,195</b>	<b>1,250</b>	<b>1,250</b>
Expected date of maturity for provisions:				
0-1 yr	31,581	17,772	194	192
1-5 yrs	4,574	28,704	776	769
After 5 yrs	31,704	29,719	280	289
<b>Retirement benefit obligations and other provisions, end of year</b>	<b>67,859</b>	<b>76,195</b>	<b>1,250</b>	<b>1,250</b>

In certain countries, including India and France, the group has a number of insignificant defined benefit plans. Actuarially, the obligations for the entire group have been calculated at DKK 10 million (DKK 10 million in 2005). The figure represents the present value of the obligations.

Other provisions have been calculated at DKK 36 million (DKK 47 million in 2005) in respect of provisions for the decontamination of an old factory site, special holidays, anniversary bonuses etc.

**NOTE 21 – Mortgage debt and payables to credit institutions**

Mortgage debt and payables to credit institutions are recognised in the balance sheet as follows:

	Group		Parent	
	2006	2005	2006	2005
Non-current liabilities	995,537	888,226	1,331	1,472
Current liabilities	996,345	1,020,542	73,447	136
<b>Total</b>	<b>1,991,882</b>	<b>1,908,768</b>	<b>74,778</b>	<b>1,608</b>
Fair value	2,003,556	1,946,766	74,778	1,608
Nominal value	1,991,882	1,908,768	74,778	1,608

**NOTE 22 – Finance leases**

	Group		Parent	
	2006	2005	2006	2005
<b>Minimum lease payments:</b>				
Due after 5 yrs	625	1,055	-	-
Due between 1 and 5 yrs	4,039	4,896	-	-
Due within 1 yr	2,262	2,231	-	-
<b>Total minimum lease payments</b>	<b>6,926</b>	<b>8,182</b>	<b>-</b>	<b>-</b>
<b>Of which interest</b>	<b>802</b>	<b>807</b>	<b>-</b>	<b>-</b>
<b>Current value of minimum lease payments</b>	<b>6,124</b>	<b>7,375</b>	<b>-</b>	<b>-</b>

Finance leases comprise IT-equipment, trucks and other operating equipment.

**NOTE 23 – Currency and interest rate risks**

The group's risk management policy is described under Business risks in the management's review to which reference is made.

**The group's currency risks in the balance sheet**

	December 31, 2006				
	Securities, cash and cash equivalents (DKK '000)	Receivables (DKK '000)	Payables (DKK '000)	Hedged by means of financial contracts (DKK '000)	Net position (DKK '000)
Foreign currency					
USD	62,526	295,037	(317,249)	(325,826)	(285,511)
EUR	52,439	441,731	(320,678)	-	173,492
AUD	4,458	39,400	(56,591)	(46,608)	(59,342)
CAD	9,877	31,235	(25,216)	(2,083)	13,813
GBP	10,096	37,850	(21,056)	-	26,890
Other	115,951	807,058	(418,792)	-	504,217
	<b>255,347</b>	<b>1,652,311</b>	<b>(1,159,582)</b>	<b>(374,517)</b>	<b>373,558</b>

	December 31, 2006				
	Securities, cash and cash equivalents (DKK '000)	Receivables (DKK '000)	Payables (DKK '000)	Hedged by means of financial contracts (DKK '000)	Net position (DKK '000)
Foreign currency					
USD	45,518	270,426	(219,507)	(253,502)	(157,065)
EUR	87,320	402,720	(423,451)	-	66,590
AUD	2,417	76,228	(69,800)	(28,473)	(19,628)
CAD	17,453	47,056	(39,083)	(44,326)	(18,900)
GBP	9,171	31,972	(38,320)	(1,708)	1,115
Other	205,722	1,017,979	(415,590)	-	808,110
	<b>367,601</b>	<b>1,846,381</b>	<b>(1,205,751)</b>	<b>(328,009)</b>	<b>680,221</b>

**Currency hedging agreements relating to future transactions**

Net outstanding currency hedging agreements as at December 31 for the group, which are used for the purpose of and meet the conditions for account hedging of future transactions:

	2006				2005			
	Notional amount (DKK '000)	Gains/ losses recognised in equity (DKK '000)	Fair value (DKK '000)	Time to maturity	Notional amount (DKK '000)	Gains/ losses recognised in equity (DKK '000)	Fair value (DKK '000)	Time to maturity
USD	610,743	25,305	21,316	< 1yr	1,044,284	(19,570)	(23,168)	< 1yr
AUD	32,760	(536)	(588)	< 1yr	-	-	-	< 1yr
CAD	24,410	46	33	< 1yr	75,690	(2,900)	(3,057)	< 1yr
GBP	-	-	-	< 1yr	2,510	(16)	(77)	< 1yr
	<b>667,913</b>	<b>24,815</b>	<b>20,761</b>		<b>1,122,484</b>	<b>(22,485)</b>	<b>(26,302)</b>	

Included in equity as at December 31, 2006 are unrealised net gains/losses relating to currency hedging agreements for subsequent recognition in the income statement totalling DKK 24.815 million (2005: DKK -22.485 million). Recognition is expected to take place in 2007.

Forward exchange contracts concern the hedging of the sale and purchase of goods, cf. the group's policy thereon.

**NOTE 23 – Currency and interest rate risks (continued)****Key currency figures for 2006 (DKK million)**

Revenue	USD	EUR	DKK	AUD	CAD	GBP	Other	Total
Cheminova A/S	1,149	1,132	273	64	132	142	1,155	4,047
	28%	28%	7%	2%	3%	4%	29%	100%
Hardi International A/S	124	466	119	119	21	36	37	921
	13%	51%	13%	13%	2%	4%	4%	100%
Skamol A/S	36	123	65	6	5	9	1	245
	15%	50%	27%	2%	2%	4%	0%	100%
<b>Group total</b>	<b>1,309</b>	<b>1,721</b>	<b>459</b>	<b>188</b>	<b>158</b>	<b>187</b>	<b>1,192</b>	<b>5,215</b>
	<b>25%</b>	<b>33%</b>	<b>9%</b>	<b>4%</b>	<b>3%</b>	<b>4%</b>	<b>23%</b>	<b>100%</b>

Costs	USD	EUR	DKK	AUD	CAD	GBP	Other	Total
Cheminova A/S	988*	1,041	787	54	24	238	739	3,871
	26%	27%	20%	1%	1%	6%	19%	100%
Hardi International A/S	74	310	402	62	8	11	7	874
	9%	36%	46%	7%	1%	1%	1%	100%
Skamol A/S	23	36	151	1	4	0	0	216
	11%	17%	70%	0%	2%	0%	0%	100%
<b>Group total</b>	<b>1,085</b>	<b>1,387</b>	<b>1,350</b>	<b>117</b>	<b>36</b>	<b>249</b>	<b>746</b>	<b>4,971</b>
	<b>22%</b>	<b>28%</b>	<b>27%</b>	<b>2%</b>	<b>1%</b>	<b>5%</b>	<b>15%</b>	<b>100%</b>

\* Costs in USD include Cheminova Brazil's and Cheminova Agro Mexico's external purchases in USD totalling DKK 393 million.

**Interest rate risks****Interest rate risks as at December 31, 2006 (DKK million)**

	< 1 yr	1 - 5 yrs	> 5 yrs	Total	Interest (%)
Securities	6	-	-	6	-
Cash and cash equivalents	250	-	-	250	4.50
<b>Interest-bearing assets</b>	<b>256</b>	<b>-</b>	<b>-</b>	<b>256</b>	<b>4.50</b>
Mortgage debt	13	51	48	112	4.61
Other long-term debt	157	712	204	1,073	4.71
Bank debt	826	-	-	826	7.43
<b>Interest-bearing debt</b>	<b>996</b>	<b>763</b>	<b>252</b>	<b>2,011</b>	<b>5.82</b>

Interest-bearing debt consists of 55 per cent fixed-interest debt and 45 per cent variable-interest debt.

Mortgage debt and other long-term debt consist of 71 per cent fixed-interest debt over a 3-year period while the remaining 29 per cent consists of variable-interest debt. Most of the bank debt is variable-interest debt.

The rate of interest paid on the bank debt reflects the high financing expenses in South America.

Forty-two per cent of the interest-bearing debt is in DKK, while 58 per cent is in foreign currencies, primarily USD, EUR and BRL.

**NOTE 24 – Other adjustments**

	Group		Parent	
	2006	2005	2006	2005
Share of profit/loss in associates	(4,891)	(4,403)	-	-
Reserve for profit-sharing	501	-	-	-
Net financials	118,308	111,024	(3,285)	(4,127)
Tax on profit/loss for the year	70,956	117,397	(2,225)	(3,117)
Adjustment of provisions	(8,336)	8,717	-	-
Value adjustments of subsidiaries etc.	9,715	(42,314)	-	-
Other	(6,245)	19,514	(137)	134
<b>Total adjustments</b>	<b>180,008</b>	<b>209,935</b>	<b>(5,647)</b>	<b>(7,110)</b>

**NOTE 25 – Acquisitions of subsidiaries**

	Group		Parent	
	2006	2005	2006	2005
Property, plant and equipment	-	4,405	113,689	-
Inventories	-	29,712	-	-
Receivables	-	35,582	3,072	-
Cash and cash equivalents	-	4,668	1,376	-
Credit institutions	-	(26,481)	(63,040)	-
Deferred tax	-	(486)	210	-
Trade payables	-	(15,164)	(586)	-
Other payables	-	(5,618)	(23,749)	-
Contingent liabilities	-	(3,789)	-	-
<b>Net assets acquired</b>	<b>-</b>	<b>22,829</b>	<b>30,972</b>	<b>-</b>
Consolidated goodwill	-	66,946	-	-
<b>Acquisition cost</b>	<b>-</b>	<b>89,775</b>	<b>30,972</b>	<b>-</b>
Of which cash less short-term bank debt	-	21,814	(1,376)	-
<b>Cash acquisition cost</b>	<b>-</b>	<b>111,589</b>	<b>29,596</b>	<b>-</b>

In 2006 the parent company acquired all the shares in Hardi Ejendomme A/S as at August 31, 2006. A specific assessment has been made of the pre-acquisition balance sheet, which has not given rise to significant fair value adjustments of the assets and liabilities taken over.

Consolidated goodwill expresses expected forward-looking synergies.

**NOTE 26 – Cash and cash equivalents**

	Group		Parent	
	2006	2005	2006	2005
<b>Cash and cash equivalents as at January 1 include:</b>				
Beginning of year	(479,652)	(121,424)	46,305	29,192
Value adjustment	10,799	(96,644)	-	-
<b>Cash and cash equivalents as at January 1</b>	<b>(468,853)</b>	<b>(218,068)</b>	<b>46,305</b>	<b>29,192</b>
<b>Cash and cash equivalents as at December 31 include:</b>				
Securities	5,518	8,434	5,296	8,212
Cash and cash equivalents	249,829	359,167	135,903	38,093
Bank debt	(826,399)	(847,253)	(73,306)	-
<b>Cash and cash equivalents as at December 31</b>	<b>(571,052)</b>	<b>(479,652)</b>	<b>67,893</b>	<b>46,305</b>

As at December 31, 2006 the group had unused drawing rights of DKK 691 million (2005: DKK 710 million).

**NOTE 27 – Security provided**

	Group		Parent	
	2006	2005	2006	2005
DKK million				
Outstanding debt on loans with security provided in property, plant and equipment	457	528	2	2
Carrying amount of charged property, plant and equipment	289	294	2	2
Lease obligation in respect of finance leases	6	7	-	-
Carrying amount of assets held under finance leases	4	5	-	-
Recourse guarantee for subsidiaries, max.	-	-	61	76

With the other Danish jointly taxed companies, the parent is jointly and severally liable for tax until 2004.

**NOTE 28 – Contingent liabilities**

The parent company and the group comply with all current requirements stipulated by the environmental authorities, also pumping up and treating water from the subsoil to reduce the risk of unwanted environmental impacts to the greatest possible extent. A chemical waste depot established at Rønland also complies with all statutory requirements and approvals. The waste has been deposited under temporary approvals which have been extended several times as it has not been possible to treat the waste. The present approval expires on January 1, 2010. Neither this case nor any other disputes pending or concluded have materially affected or are expected to materially affect the group's financial position.

**NOTE 29 – Contractual liabilities**

	Group		Parent	
	2006	2005	2006	2005
DKK million				
The group has entered into forward and option contracts for the purchase and sale of various currencies at the equivalent value of	1,211	1,452	-	-
For the purpose of hedging interest rate risks, the group has entered into interest rate swap covering the interest rate risk attaching to variable-interest loan of	250	200	-	-
The group has entered into a contract concerning the purchase of product rights. Fulfilment of the contract is subject to data registration being obtained for the sale of the product in question in specific countries after 2005	-	15	-	-
The group has undertaken to buy minority shareholdings in the period from 2007 to 2011, the expected cost being	93	107	-	-

As part of the group's activities, agreements have been made with suppliers etc. on usual terms as well as agreements concerning the possible acquisition of shares.

In some cases the group has made declarations of intent towards subsidiaries of the group.

**NOTE 30 – Operating leases**

	Group		Parent	
	2006	2005	2006	2005
<b>Non-cancellable operating leases:</b>				
0-1 yr	5,399	4,149	-	-
1-5 yrs	4,713	6,826	-	-
<b>Total</b>	<b>10,112</b>	<b>10,975</b>	<b>-</b>	<b>-</b>

**NOTE 31 – Related parties**

Related parties controlling the company include the Aarhus University Research Foundation, Aarhus, Denmark, which holds the majority of the voting rights.

Related parties with a significant influence comprise members of the Board of Directors and the Board of Executives and their related family members. Related parties also comprise companies in which the above-mentioned persons have significant interests.

Moreover, all affiliated and associated companies are considered to be related parties.

Intra-group transactions carried out during the year with group companies and pro rata consolidated associates have been eliminated in the consolidated financial statements. Transactions with the management include remuneration of the management and the sale of shares, which are disclosed separately in the notes.

Transactions with non-pro rata consolidated associate in the year total:

Purchase of goods and administrative services DKK 1.370 million (DKK 0.760 million in 2005).

Sale of goods and administrative services DKK 2.635 million (DKK 2.001 million in 2005).

No other transactions have been carried out nor any agreements made with related parties in 2006.

The parent's transactions with subsidiaries are as follows:

Management fee DKK 1.4 million (DKK 1.4 million in 2005).

Interest receivable DKK 4.534 million. (DKK 3.423 million in 2005).

Interest payable DKK 1.564 million. (DKK 1.760 million in 2005).

**NOTE 32 – Events occurring after the balance sheet date**

No significant events have occurred after the balance sheet date.