Notes on the financial statement 2007

Unless otherwise indicated, all figures are stated in DKK '000
Comparative figures for 2006 have been restated following the divestment of Hardi and Skamol.

NOTE 1 – Segment information, group

Activities – primary segment – 2007

Areas of activity	Chemical industry	Other activities	Group elimination	Continuing activities	Agricultural machinery discontinued activity	Insulation materials discontinued activity	Group
Revenue	4,361,227	11,703	(4,743)	4,368,187	913,228	134,406	5,415,821
Internal revenue	-	(4,743)	4,743	-	-	-	-
External revenue	4,361,227	6,960	-	4,368,187	913,228	134,406	5,415,821
Operating profit/loss	160,009	(10,122)	(4,743)	145,144	3,080	11,384	159,608
Assets	3,990,106	1,055,055	(622,811)	4,422,350	-	-	4,422,350
Liabilities	2,453,298	119,304	(292,389)	2,280,213	-	-	2,280,213
Investments in intangible assets, property, plant and equipment	113,812	9,175	-	122,987	26,338	4,800	154,125
Depreciation and amortisation	178,748	3,701	-	182,449	36,039	8,639	227,127
Reversed write-downs	(467)	-	-	(467)	-	-	(467)
Share of profit in associates	-	1,886	-	1,886	-	2,955	4,841
Investments in associates	-	-	-	-	-	(1,700)	(1,700)

Discontinued activities: The agricultural machinery segment was included up until the divestment of Hardi on November 30, 2007, and the insulation materials segment was included up until the divestment of Skamol on June 30, 2007. See note 9 concerning discontinued activities.
Transactions between segments are carried out on market terms.

Geographical – secondary segment – 2007

	NAFTA countries	Europe	Other	Continuing activities	Agricultural machinery discontinued activity	Insulation materials discontinued activity	Group
Revenue	1,088,887	1,184,220	2,095,080	4,368,187	913,228	134,406	5,415,821
Assets	380,444	2,797,527	1,244,379	4,422,350	-	-	4,422,350
Investments in intangible assets, property, plant and equipment	3,215	116,672	3,100	122,987	26,338	4,800	154,125

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

Activities – primary segment – 2006

Areas of activity	Chemical industry	Other activities	Group elimination	Continuing activities	Agricultural machinery discontinued activity	Insulation materials discontinued activity	Group
Revenue	4,031,643	2,120	(1,420)	4,032,343	905,653	245,504	5,183,500
Internal revenue	-	(1,420)	1,420	-	-	-	-
External revenue	4,031,643	700	-	4,032,343	905,653	245,504	5,183,500
Operating profit/loss	17,720	(13,856)	3,265	7,129	3,080	11,384	21,593
Assets	4,002,972	1,611,680	(1,277,437)	4,337,215	1,037,985	266,851	5,642,051
Liabilities	2,394,546	183,672	(138,059)	2,440,159	726,141	171,866	3,338,166
Investments in intangible assets, property, plant and equipment	204,964	13,780	-	218,744	49,539	9,795	278,078
Depreciation and amortisation	163,003	1,389	-	164,392	42,318	17,978	224,688
Impairment losses and write-downs	3,242	-	-	3,242	-	-	3,242
Share of profit in associates	-	4,891	-	4,891	-	-	4,891
Investments in associates	-	(2,556)	-	(2,556)	-	-	(2,556)

Geographical – secondary segment – 2006

	NAFTA countries	Europe	Other	Continuing activities	Agricultural machinery discontinued activity	Insulation materials discontinued activity	Group
Revenue	1,042,237	1,184,158	1,805,948	4,032,343	905,653	245,504	5,183,500
Assets	309,609	2,649,303	1,378,303	4,337,215	1,037,985	266,851	5,642,051
Investments in intangible assets, property, plant and equipment	4,028	202,724	11,992	218,744	49,539	9,795	278,078

NOTE 2 – Expenses

Production costs

Production costs include the following main items:

	Group		Parent	
	2007	2006	**2007**	2006
Cost of sales for the year	**3,093,826**	2,875,446	**-**	-
Write-downs for the year relating to inventories	**8,946**	2,711	**-**	-
Reversed write-downs relating to inventories	**(2,334)**	(287)	**-**	-

Out of reversed write-downs relating to inventories totalling DKK 2.3 million, an amount of DKK 1.7 million pertains to flutriafol etc. in Brazil.

Staff costs

Staff costs include the following main items:

	Group		Parent	
	2007	2006	**2007**	2006
Wages and salaries	**440,938**	416,975	**3,644**	5,723
Profit-sharing	**5,290**	9,767	**-**	23
Share-based remuneration	**1,772**	701	**-**	-
Severance payments	**7,861**	4,044	**-**	-
Retirement benefit contributions	**29,619**	28,105	**361**	349
Remuneration for the Board of Directors	**2,375**	2,375	**2,375**	2,375
Social security expenses	**27,484**	30,701	**32**	34
Other staff costs	**10,121**	11,389	**-**	-
Total staff costs	**525,460**	504,057	**6,412**	8,504

Staff costs are recognised as follows:

	Group		Parent	
	2007	2006	**2007**	2006
Production costs	**248,996**	242,420	**-**	-
Sales and distribution costs	**134,689**	125,468	**-**	-
Administrative expenses	**82,538**	79,095	**6,412**	8,504
Research and development costs	**59,237**	57,074	**-**	-
Total staff costs	**525,460**	504,057	**6,412**	8,504

Remuneration for the Board of Executives:

	Board of Executives of Auriga Industries A/S	
	2007	2006
Remuneration	**6,117**	8,687
Provision for share-based remuneration	**1,772**	701
Acquisition of shares in the company via share options with a favourable price element of	**-**	5,245
Total	**7,889**	14,633

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

Average no. of employees:

	Group		Parent	
	2007	2006	**2007**	2006
Average no. of employees	**1,615**	1,613	**5**	5

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

	Group		Parent	
	2007	2006	**2007**	2006
Production costs	**93,341**	101,403	**-**	-
Sales and distribution costs	**74,463**	52,540	**-**	-
Administrative expenses	**10,305**	7,221	**322**	396
Research and development costs	**3,873**	6,470	**-**	-
Total depreciation, amortisation, impairment losses and write-downs	**181,982**	167,634	**322**	396

NOTE 3 – Incentive schemes

The members of the Board of Directors are not comprised by any incentive scheme, but receive a fixed annual remuneration.

The Board of Executives has previously been granted share option schemes which all ended in 2006. No share option schemes were in operation in 2007.

With a view to strengthening the value creation in the group, an agreement was made with the Board of Executives of Auriga for the 2004-2007 period concerning a bonus scheme under which the bonus depended 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 (phantom shares). The bonus for the 2004 scheme was paid out in April 2006, while the bonus for the 2005 scheme was paid out in April 2007, and the bonus for the 2006 scheme will be paid out in April 2007 and April 2008. In 2007, three members of the Board of Executives were part of the scheme, of whom two earned a bonus based on the consolidated cash flow. At the end of 2007, provisions of DKK 93,000 (DKK 791,000 in 2006) were made in respect of the bonus scheme for 2007. The bonus scheme for 2007 will be paid out in December 2008 and April 2009. In connection with the disbursement of the bonus for 2007, it was calculated that the amount was DKK 250,000 at a share price of 90.90. The bonus agreements are debt schemes.

An agreement concerning bonus pay has been made with the Board of Executives for the 2008-2010 period. Under this agreement, members earn a cash bonus in the 2008-2010 period, which is paid out in April 2011. The size of the cash bonus depends on the combined economic value added (EVA) created during the three-year period in Cheminova A/S. The bonus pay for the entire three-year period can maximally amount to twice the fixed annual pay, which is maintained at the 2008 level throughout this period. The bonus scheme is expensed on an ongoing basis, based on the expected payments to be made in 2011.

Incentive schemes for non-members of the company's Board of Directors and Board of Executives are also expected to be administered in accordance with these overall guidelines.

NOTE 4 – Remuneration of auditors appointed by the general meeting

	Group		Parent	
	2007	2006	**2007**	2006
Deloitte, audit of annual report	**3,932**	3,459	**275**	275
Deloitte, other services	**2,026**	1,201	**733**	106
Other audit firms, audit of annual report	**195**	193	**-**	-
Other audit firms, other services	**1,024**	590	**-**	-
Total	**7,177**	5,443	**1,008**	381

NOTE 5 – Other operating income

	Group		Parent	
	2007	2006	**2007**	2006
Development activities	**-**	2,982	**-**	-
Proceeds on disposal of non-current assets etc.	**1,141**	639	**1,274**	3,273
Other income	**32,079**	12,633	**112**	140
Total	**33,220**	16,254	**1,386**	3,413

NOTE 6 – Share of profit/loss in subsidiaries

	Parent	
	2007	2006
Dividend from subsidiaries	**100,000**	150,000
Total	**100,000**	150,000

NOTE 7 – Net financials

	Group		Parent	
	2007	2006	**2007**	2006
Financial income:				
Interest income from subsidiaries	**-**	-	**9,512**	4,534
Interest income	**71,542**	59,953	**1,111**	972
Dividend	**45**	61	**45**	53
Foreign currency translation adjustments	**88,523**	48,350	**-**	-
Adjustment to fair value, financial assets	**-**	2,533	**-**	923
Total	**160,110**	110,897	**10,668**	6,482
Financial expenses:				
Interest expenses to subsidiaries	**-**	-	**-**	(1,564)
Interest expenses	**(150,759)**	(116,511)	**(1,867)**	(1,633)
Foreign currency translation adjustments	**(76,677)**	(81,464)	**-**	-
Adjustment to fair value, financial assets	**(110)**	-	**(110)**	-
Total	**(227,546)**	(197,975)	**(1,977)**	(3,197)
Total net financials	**(67,436)**	(87,078)	**8,691**	3,285

Net gain/loss on financial assets and liabilities, defined in IAS 39:

	Group		Parent	
	2007	2006	**2007**	2006
Adjustment to fair value of derivative financial instruments	**27,402**	16,474	**(110)**	833
Derivative financial instruments	**27,402**	16,474	**(110)**	833
Realised proceeds from sale	**(267)**	14	**-**	90
Financial assets available for sale	**(267)**	14	**-**	90
Net interest income and expenses	**(42,252)**	(26,312)	**8,862**	2,429
Net foreign exchange gain and loss	**14,072**	(15,308)	**-**	-
Loans and receivables	**(28,180)**	(41,620)	**8,862**	2,429
Net interest income and expenses	**(36,653)**	(28,499)	**(61)**	(67)
Net foreign exchange gain and loss	**(29,738)**	(33,447)	**-**	-
Financial liabilities measured at amortised cost	**(66,391)**	(61,946)	**(61)**	(67)
Total	**(67,436)**	(87,078)	**8,691**	3,285

NOTE 8 – Tax

	Group		Parent	
	2007	2006	2007	2006
Tax for the year can be distributed as follows:				
Tax on profit/loss for the year	26,775	67,284	2,068	(2,225)
Tax on discontinued operations	(12,222)	3,703	-	-
Tax on changes in equity	(10,820)	27,516	-	-
Tax for the year	3,733	98,503	2,068	(2,225)
Tax on profit/loss for the year is calculated as follows:				
Current tax	56,187	56,385	(391)	(1,639)
Deferred tax	(16,147)	10,876	54	(466)
Effect of changed tax rate	(6,649)	-	-	-
Adjustment of tax for previous years	(6,616)	23	2,405	(120)
Total	26,775	67,284	2,068	(2,225)
Reconciliation of tax rate:				
Danish income tax rate	25.0%	28.0%	25.0%	28.0%
Adjustment relating to previous years	(8.1%)	0.0%	(22.8%)	(1.1%)
Effect of changed tax rate	(8.0%)	0.0%	0.0%	0.0%
Surtax in associates	4.1%	(2.4%)	0.0%	0.0%
Surtax in subsidiaries	22.8%	(1.3%)	0.0%	0.0%
Non-capitalised tax losses	0.0%	(83.9%)	0.0%	0.0%
Other adjustments	(3.4%)	(30.0%)	(0.1%)	(2.8%)
Effective tax rate	32.4%	(89.6%)	2.1%	24.1%

NOTE 9 – Discontinued operations and assets intended for sale

Discontinued operations:

	Agricultural machinery		Insulation materials		Group	
Sales date	November 30, 2007		June 30, 2007			
	2007	2006	2007	2006	2007	2006
Income statement:						
Revenue	913,228	905,653	134,406	245,504	1,047,634	1,151,157
Costs	(907,867)	(934,120)	(120,373)	(233,803)	(1,028,240)	(1,167,923)
Profit/loss before tax	5,361	(28,467)	14,033	11,701	19,394	(16,766)
Tax on profit/loss	(11,467)	(2,960)	(755)	(712)	(12,222)	(3,672)
Net profit/loss	(6,106)	(31,427)	13,278	10,989	7,172	(20,438)
Gains and losses from sales	(191,662)	-	76,260	-	(115,402)	-
Gains and losses after tax	(191,662)	-	76,260	-	(115,402)	-
Net profit/loss of discontinued operations	(197,768)	(31,427)	89,538	10,989	(108,230)	(20,438)
Cash-flow statement:						
Cash flow from operating activities	122,385	62,001	3,115	17,822	125,500	79,823
Cash flow from investing activities	(26,338)	(17,980)	(4,800)	(7,239)	(31,138)	(25,219)
Cash flow from financing activities	(1,496)	(22,051)	(5,634)	36,238	(7,130)	14,187
Total cash flow	94,551	21,970	(7,319)	46,821	87,232	68,791
Assets intended for sale:						
Property, plant and equipment	-	8,901	-	-	-	8,901
Total assets intended for sale	-	8,901	-	-	-	8,901

Assets intended for sale in 2006 are buildings and operating equipment sold in 2007.

On July 2, 2007, Auriga concluded an agreement with the Polaris equity fund concerning the divestment of Skamol. The selling price was DKK 257 million (EV). The proceeds for accounting purposes from the divestment have been calculated at DKK 76 million.

On November 30, 2007, Auriga concluded an agreement with Exel Industries concerning the divestment of Hardi. The selling price was DKK 290 million. The loss for accounting purposes from the divestment have been calculated at DKK 192 million.

NOTE 10 – Earnings per share

	Group	
	2007	2006
Net profit/loss of continuing operations	**55,774**	(142,342)
Net profit/loss of discontinued operations	**(108,230)**	(20,438)
Net profit for the year	**(52,456)**	(162,780)
Minority interests' share of net loss for the year	**(7,679)**	(8,107)
Auriga Industries A/S's share of net loss for the year	**(60,135)**	(170,887)
Average no. of shares of DKK 10 each	**25,500,000**	25,500,000
Average no. of treasury shares	**(815,680)**	(826,080)
Average no. of shares	**24,684,320**	24,673,920
Diluted average no. of shares	**24,684,320**	24,673,920
Loss from continuing and discontinued operations, per share of DKK 10	**(2.44)**	(6.93)
Loss from continuing and discontinued operations, diluted, per share of DKK 10	**(2.44)**	(6.93)
Profit/loss from continuing operations, per share of DKK 10	**2.03**	(6.04)
Profit/loss from continuing operations, diluted, per share of DKK 10	**2.03**	(6.04)
Profit/loss from discontinued operations, per share of DKK 10	**(4.47)**	(0.89)
Profit/loss from discontinued operations, diluted, per share of DKK 10	**(4.47)**	(0.89)

NOTE 11 – Intangible assets, group

	Sales and registration rights	Know-how	Goodwill	Intangible assets, total
Cost as at January 1, 2006	184,958	236,849	805,107	1,226,914
Foreign currency translation adjustment	(721)	(365)	(7)	(1,093)
Additions during the year	138,002	3,736	2,240	143,978
Cost as at December 31, 2006	**322,239**	**240,220**	**807,340**	**1,369,799**
Amortisation and impairment losses as at January 1, 2006	84,320	93,202	394,285	571,807
Foreign currency translation adjustment	(554)	(335)	(33)	(922)
Amortisation for the year	28,915	23,816	-	52,731
Amortisation and impairment losses as at December 31, 2006	**112,681**	**116,683**	**394,252**	**623,616**
Carrying amount as at December 31, 2006	**209,558**	**123,537**	**413,088**	**746,183**
Cost as at January 1, 2007	322,239	240,220	807,340	1,369,799
Foreign currency translation adjustment	(283)	14	(357)	(626)
Additions relating to acquisition of subsidiary	1,124	-	-	1,124
Additions during the year	13,283	16	20,505	33,804
Disposal relating to sale of subsidiary	(30,475)	(582)	(70,120)	(101,177)
Disposals during the year	(2,476)	-	(547,834)	(550,310)
Cost as at December 31, 2007	**303,412**	**239,668**	**209,534**	**752,614**
Amortisation and impairment losses as at January 1, 2007	112,681	116,683	394,252	623,616
Foreign currency translation adjustment	287	-	3	290
Reversed amortisation of and impairment losses on disposals for the year	75	-	(354,459)	(354,384)
Disposal relating to sale of subsidiary	(30,450)	(582)	(15,535)	(46,567)
Amortisation for the year	48,775	24,143	-	72,918
Impairment losses for the year	(467)	-	-	(467)
Amortisation and impairment losses as at December 31, 2007	**130,901**	**140,244**	**24,261**	**295,406**
Carrying amount as at December 31, 2007	**172,511**	**99,424**	**185,273**	**457,208**
Amortised over the following number of years	**5-10 yrs**	**5-10 yrs**		

Goodwill

Goodwill in connection with the acquisition of enterprises is distributed at the time of acquisition on the cash-generating units expected to enjoy the financial advantages of the combination. The useful life of goodwill is indefinite.

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, 2007. 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 CGU, which is chemistry, with DKK 185 million. Other business areas were sold in 2007.

Impairment tests have been carried out for the individual subsidiaries in the group.

Future cash flows are based on the budget for 2008 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 the group's CGU, 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 25 per cent.

NOTE 12 – Property, plant and equipment, group

	Land and buildings	Technical plant and machinery	Fixtures and fittings, tools and equipment	Plant under construction	Property, plant and equipment total
Cost as at January 1, 2006	888,954	2,681,110	326,380	26,342	3,922,786
Foreign currency translation 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 intended for sale	(10,217)	(5,234)	-	-	(15,451)
Disposals during the year	(4,532)	(143,987)	(15,520)	(22,771)	(186,810)
Cost as at December 31, 2006	**890,941**	**2,579,145**	**340,788**	**34,194**	**3,845,068**
Depreciation and impairment losses as at January 1, 2006	436,378	2,247,540	272,511	-	2,956,429
Foreign currency translation 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 losses for the year	3,242	-	-	-	3,242
Reclassification of non-current assets intended for sale	(3,733)	(2,818)	-	-	(6,551)
Disposals during the year	(538)	(143,433)	(8,212)	-	(152,183)
Reversed amortisation of and impairment losses on disposals for the year	(1,305)	(172)	(4,618)	-	(6,095)
Depreciation and impairment losses as at December 31, 2006	**461,815**	**2,210,988**	**278,665**	**-**	**2,951,468**
Carrying amount as at December 31, 2006	**429,126**	**368,157**	**62,123**	**34,194**	**893,600**
Of which finance leases	**-**	**-**	**4,071**	**-**	**4,071**
Cost as at January 1, 2007	890,941	2,579,145	340,788	34,194	3,845,068
Foreign currency translation adjustment	(2,429)	218	(2,154)	43	(4,321)
Transfer	2,301	10,732	(150)	(13,270)	(387)
Additions relating to acquisition of subsidiary	-	-	802	-	802
Additions during the year	19,408	30,089	27,475	80,559	157,531
Disposal relating to sale of subsidiary	(263,733)	(601,687)	(135,440)	(26,004)	(1,026,864)
Disposals during the year	(410)	(24,435)	(9,915)	(3,314)	(38,074)
Cost as at December 31, 2007	**646,079**	**1,994,062**	**221,406**	**72,208**	**2,933,755**
Depreciation and impairment losses as at January 1, 2007	461,815	2,210,988	278,665	-	2,951,468
Foreign currency translation adjustment	(625)	14	(1,800)	-	(2,411)
Depreciation for the year	28,604	101,611	23,442	-	153,657
Disposal relating to sale of subsidiary	(143,746)	(481,880)	(106,671)	-	(732,297)
Disposals during the year	-	(20,475)	(4,161)	-	(24,636)
Reversed amortisation of and impairment losses on disposals for the year	(235	(3,650)	(3,398)	-	(7,283)
Depreciation and impairment losses as at December 31, 2007	**345,813**	**1,806,608**	**186,077**	**-**	**2,338,498**
Carrying amount as at December 31, 2007	**300,266**	**187,454**	**35,329**	**72,208**	**595,257**
Of which finance leases	**-**	**-**	**6,028**	**-**	**6,028**
Depreciated over the following number of years	**15-30 yrs**	**8 yrs**	**5 yrs**		

In 2006, production assets with a carrying amount of DKK 3.2 million were closed down and written down to DKK 0. The amount has been included in production costs in the income statement. Assets intended for sale are buildings and operating equipment sold in 2007.

	Group	
	2007	2006
Carrying amount of land and buildings abroad	**31,866**	74,387
Carrying amount of land and buildings in Denmark	**268,400**	332,902
Carrying amount of land and buildings in Denmark not yet included in the official property assessment	**7,607**	27,294
Cash property assessment value of land and buildings in Denmark	**235,643**	314,691

NOTE 13 – Property, plant and equipment, parent

	Land and buildings	Fixtures and fittings, tools and equipment	Property, plant and equipment, total
Cost as at January 1, 2006	4,087	356	4,443
Additions during the year	-	431	431
Disposals during the year	-	(356)	(356)
Cost as at December 31, 2006	**4,087**	**431**	**4,518**
Depreciation and impairment losses as at January 1, 2006	1,843	68	1,911
Additions during the year	236	161	397
Disposals during the year	-	(143)	(143)
Depreciation and impairment losses as at December 31, 2006	**2,079**	**86**	**2,165**
Carrying amount as at December 31, 2006	**2,008**	**345**	**2,353**
Cost as at January 1, 2007	4,087	431	4,518
Cost as at December 31, 2007	**4,087**	**431**	**4,518**
Depreciation and impairment losses as at January 1, 2007	2,079	86	2,165
Depreciation for the year	236	87	323
Depreciation and impairment losses as at December 31, 2007	**2,315**	**173**	**2,488**
Carrying amount as at December 31, 2007	**1,772**	**258**	**2,030**
Depreciated over the following number of years	**30 yrs**	**5 yrs**	

	Parent	
	2007	2006
Cash property assessment value of land and buildings in Denmark	**4,850**	4,670

NOTE 14 – Financial assets, group

	Investments in associates	Other financial assets	Financial assets total
Cost as at January 1, 2006	15,497	6,829	22,326
Foreign currency translation adjustment	-	(46)	(46)
Additions during the year	-	594	594
Disposals during the year	648	(5,534)	(4,886)
Cost as at December 31, 2006	**16,145**	**1,843**	**17,988**
Revaluation and impairment losses as at January 1, 2006	22,456	-	22,456
Dividend received	(2,465)	-	(2,465)
Foreign currency translation adjustment	-	(8)	(8)
Net profit for the year	4,891	-	4,891
Revaluation and impairment losses as at December 31, 2006	**24,882**	**(8)**	**24,874**
Carrying amount as at December 31, 2006	**41,027**	**1,835**	**42,862**
Cost as at January 1, 2007	16,145	1,843	17,988
Foreign currency translation adjustment	-	1	1
Additions during the year	-	484	484
Disposal relating to sale of subsidiary	-	(1,127)	(1,127)
Disposals during the year	-	(267)	(267)
Cost as at December 31, 2007	**16,145**	**934**	**17,079**
Revaluation and impairment losses as at January 1, 2007	24,882	(8)	24,874
Dividend received	(12,314)	-	(12,314)
Disposal relating to sale of subsidiary	-	8	8
Net profit for the year	4,841	-	4,841
Revaluation and impairment losses as at December 31, 2007	**17,409**	**-**	**17,409**
Carrying amount as at December 31, 2007	**33,554**	**934**	**34,488**

Associates and joint-venture companies are:

	Investment in %	
	2007	2006
Associates:		
United Moler ApS, Nykøbing Mors, Denmark	**-**	50%
Damolin A/S, Copenhagen, Denmark	**49%**	49%
Joint-venture companies:		
Pytech Chemicals GmbH, Horgen, Switzerland (pro-rata consolidated)	**50%**	50%

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

	Group	
	2007	2006
Revenue	**399,960**	378,156
Net profit for the year	**(4,701)**	(9,317)
Current assets	**212,998**	180,298
Non-current asset	**150,543**	155,225
Current liabilities	**194,691**	449,267
Non-current liabilities	**54,297**	52,400

NOTE 15 – Investments in subsidiaries

	Parent	
	2007	2006
Cost as at January 1	1,329,434	1,298,462
Disposals during the year	(999,012)	-
Additions during the year	-	30,972
Cost as at December 31	330,422	1,329,434
Carrying amount as at December 31	330,422	1,329,434

Statement of gains and losses, investments:

	Parent	
	2007	2006
Sale investments	547,046	-
Cost price	(999,012)	-
Costs	(30,915)	-
Impairment, consolidated goodwill 2002	125,000	-
Loss	(357,881)	-

The parent's investments and voting rights in subsidiaries comprise:

	Investments and voting rights in %	
	2007	2006
Cheminova A/S, Harboøre, Denmark	100%	100%
Hardi International A/S, Taastrup, Denmark	0%	100%
Skamol A/S, Nykøbing Mors, Denmark	0%	100%
Auriga Ejendomme A/S, Harboøre, Denmark	100%	100%

NOTE 16 – Inventories

	Group	
	2007	2006
Finished goods	811,815	1,291,101
Work in progress	49,332	66,899
Raw materials	166,960	156,739
Packaging materials	45,549	43,034
Consumables	6,516	6,059
Spare parts etc.	39,400	38,800
Total	1,119,572	1,602,632

NOTE 17 – Receivables

Trade receivables:

	Group	
	2007	2006
Trade receivables, end of year, gross	1,596,325	1,505,083
Write-down to cover bad debts, beginning of year	260,844	212,265
Value adjustment	18,437	(3,577)
Change in write-down during the year	(24,797)	52,157
Write-down to cover bad debts, end of year	254,484	260,845
Trade receivables, end of year, net	1,341,841	1,244,238
Net receivables from discontinued operations	-	350,389
Trade receivables, end of year, net	1,341,841	1,594,627

NOTE 17 – Receivables, continued

Receivables falling due after more than one year:

	Group	
	2007	2006
Trade receivables	17,313	564
Receivables in respect of Pytech Chemicals GmbH	6,500	79,234
Other receivables	30,992	19,335
Total	54,805	99,133

Write-downs of receivables are included under administrative expenses, The carrying amounts of these receivables reflect the maximum risk of loss attaching to the receivables when taking account of the write-downs made.

NOTE 18 – Securities

	Group		Parent	
	2007	2006	2007	2006
Listed shares	1,450	4,683	1,450	4,683
Unlisted securities	613	835	613	613
Total	2,063	5,518	2,063	5,296

NOTE 19 – Share capital

	Group		Parent	
	2007	2006	2007	2006
Share capital:				
Class A shares	75,000	75,000	75,000	75,000
Class B shares	180,000	180,000	180,000	180,000
Total share capital	255,000	255,000	255,000	255,000

The share capital has been fully paid in. The share capital has not changed in the past five years. Class A shares are non-negotiable and carry ten votes per share of DKK 10, while Class B shares carry one vote per share of DKK 10.

Treasury shares

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

	No. of shares		Nominal value, DKK '000		% of share capital in Auriga Industries A/S	
	2007	2006	2007	2006	2007	2006
Shareholding as at January 1	815,680	857,280	8,157	8,573	3.20%	3.36%
Purchases	-	-	-	-	0.00%	0.00%
Sales	-	(41,600)	-	(416)	0.00%	(0.16%)
Shareholding as at December 31	815,680	815,680	8,157	8,157	3.20%	3.20%

	Parent	
	2007	2006
Value of treasury shares as at December 31	74,147	129,196
Purchase price of treasury shares purchased during the year	-	2,434
Selling price of treasury shares sold during the year	-	2,434

In accordance with the accounting policies, the cost of treasury shares has been deducted directly from equity.

NOTE 19 – Share capital, continued

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

	No. of shares		Nominal value, DKK '000		% of share capital in Auriga Industries A/S	
	2007	2006	**2007**	2006	**2007**	2006
Shareholding as at January 1	**-**	-	**-**	-	**0.00%**	0.00%
Purchases	**9,577**	14,521	**96**	145	**0.04%**	0.06%
Sales	**(9,577)**	(14,521)	**(96)**	(145)	**(0.04%)**	(0.06%)
Shareholding as at December 31	**-**	-	**-**	-	**-**	-

	Subsidiaries	
	2007	2006
Purchase price of treasury shares purchased during the year	**1,555**	2,672
Selling price of treasury shares sold during the year	**(1,517)**	2,764

Share purchases and sales have been effected as part of the profit-sharing scheme for employees.

NOTE 20 – Deferred tax

	Group		Parent	
	2007	2006	**2007**	2006
Deferred tax as at January 1	**46,052**	72,528	**466**	-
Foreign currency translation adjustment	**3,343**	(6,198)	**-**	-
Deferred tax for the year recognised in net profit/loss for the year	**28,723**	(15,535)	**(54)**	466
Deferred tax for the year recognised in equity	**2,380**	(5,229)	**-**	-
Additions relating to the acquisition and disposals relating to the divestment of subsidiaries	**(22,446)**	486	**-**	-
Deferred tax as at December 31	**58,052**	46,052	**412**	466
Deferred tax is recognised in the balance sheet as follows:				
Deferred tax (asset)	**91,306**	126,978	**412**	466
Deferred tax (liability)	**(33,254)**	(80,926)	**-**	-
Deferred tax as at December 31, net	**58,052**	46,052	**412**	466
Deferred tax pertains to:				
Intangible assets	**(30,288)**	(37,032)	**-**	-
Property, plant and equipment	**(25,029)**	(38,600)	**12**	18
Current assets	**19,224**	40,915	**400**	448
Provisions	**5,064**	1,267	**-**	-
Other liabilities	**7,324**	47,601	**-**	-
Tax losses allowed for carryforward	**81,757**	31,901	**-**	-
Total deferred tax	**58,052**	46,052	**412**	466

Change in temporary differences during the year:

	Group, 2007					
	Balance sheet Jan. 1	Foreign currency translation adjustment	Disposal relating to divestment of enterprise	Recognised in net profit/loss for the year	Recognised in equity	Balance sheet Dec. 31
Intangible assets	(37,032)	2	1,967	14,502	-	(20,561)
Property, plant and equipment	(38,600)	42	4,671	(870)	-	(34,757)
Receivables	33,026	1,947	(93)	(21,783)	-	13,097
Inventories	17,079	20	(6,455)	4,628	-	15,272
Other current assets	(9,191)	1	(7)	(48)	-	(9,245)
Provisions	1,267	-	-	3,898	-	5,165
Other liabilities	47,601	1,921	(7,702)	(5,006)	2,380	39,194
Tax losses	31,902	(590)	(14,827)	33,402	-	49,887
Total	**46,052**	**3,343**	**(22,446)**	**28,723**	**2,380**	**58,052**

NOTE 20 – Deferred tax, continued

	Group , 2006					
	Balance sheet Jan. 1	Foreign currency translation adjustment	Additions relating to acquisition of enterprise	Recognised in net profit/loss for the year	Recognised in equity	Balance sheet Dec. 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	(3,478)	-	(31,280)	-	31,902
Total	72,528	(6,198)	486	(15,535)	(5,229)	46,052

	Group		Parent	
	2007	2006	**2007**	2006
Deferred tax for the Danish companies is calculated at a rate of	**25%**	28%	**25%**	28%
For the group's foreign subsidiaries, deferred tax is based on the applicable local tax rates	**9-40%**	9-40%	**-**	-
Retaxation liability from jointly taxed foreign subsidiaries	**3,109**	13,508	**-**	-
Non-capitalised tax losses	**265,007**	219,547	**-**	-
Expiry date for utilisation of tax losses:				
1-5 years	**10,769**	2,412	**-**	-
More than 5 years	**435,110**	335,344	**-**	-
No expiry	**69,157**	52,586	**-**	-

Any sale of shares in group enterprises and associates is not expected to give rise to significant taxation.

As regards the tax value of tax losses which can be carried forward and which are included in the balance sheet, it is estimated sufficiently likely that the loss will be capitalised within near future.

NOTE 21 – Provisions

Retirement benefit obligations and other provisions comprise:

	Group		Parent	
	2007	2006	**2007**	2006
Provision for retirement benefits, beginning of year	**10,265**	9,662	**1,250**	1,250
Used during the year	**(1,992)**	(663)	**-**	-
Reversed provisions during the year	**(275)**	(323)	**-**	-
Sale of subsidiary	**(5,859)**	-	**-**	-
Provisions for the year	**2,412**	1,589	**-**	-
Provision for retirement benefits end of year	**4,551**	10,265	**1,250**	1,250
Warranty commitments, beginning of year	**21,648**	19,495	**-**	-
Reversed provisions during the year	**-**	(19,495)	**-**	-
Sale of subsidiary	**(21,648)**	-	**-**	-
Provisions for the year	**-**	21,648	**-**	-
Warranty commitments, end of year	**-**	21,648	**-**	-
Other provisions, beginning of year	**35,946**	47,038	**-**	-
Used during the year	**(4,132)**	(13,578)	**-**	-
Reversed provisions during the year	**(3,549)**	(98)	**-**	-
Sale of subsidiary	**(7,153)**	-	**-**	-
Provisions for the year	**12,246**	2,584	**-**	-
Other provisions, end of year	**33,358**	35,946	**-**	-
Retirement benefit obligations and other provisions, end of year	**37,909**	67,859	**1,250**	1,250
Expected date of maturity for provisions:				
0-1 year	**7,324**	31,581	**198**	194
1-5 years	**3,682**	4,574	**791**	776
After 5 years	**26,903**	31,704	**261**	280
Retirement benefit obligations and other provisions, end of year	**37,909**	67,859	**1,250**	1,250

Other provisions of DKK 33 million (DKK 36 million in 2006) concern provisions for the decontamination of an old factory site, special holidays, anniversary bonuses etc.

NOTE 21 – Provisions, continued

Defined-benefit plans:

The group's foreign subsidiaries have entered into agreements concerning the payment of certain benefits, including retirement benefits. These commitments, defined-benefit plans, are unfunded or only partly funded. In the consolidated accounts, liabilities include DKK 2 million (DKK 1 million) relating to the group's commitments towards current and former employees after deduction of the plan assets. The unfunded commitments are included in the balance sheet and income statement as set out below.

	Group		Parent	
	2007	2006	**2007**	2006
Retirement benefit obligations:				
Present value of defined-benefit plans	**4,262**	3,325	**-**	-
Fair value of plan assets	**(2,138)**	(2,044)	**-**	-
Net liability recognised in the balance sheet	**2,124**	1,281	**-**	-
Change in recognised liability:				
Net liability, beginning of year	**1,281**	1,027	**-**	-
Net amount recognised in the income statement	**1,827**	1,013	**-**	-
Contributions	**(984)**	(759)	**-**	-
Net liability, end of year	**2,124**	1,281	**-**	-
Costs recognised:				
Retirement benefit costs	**1,063**	462	**-**	-
Calculation of interest on liability	**205**	163	**-**	-
Expected return on plan assets	**(154)**	(116)	**-**	-
Defined-benefit plans recognised in the income statement	**1,114**	509	**-**	-
Actuarial assumptions:				
Discount rate	**8%-9%**	8%-9%	**-**	-
Expected return on plan assets	**9%**	8%	**-**	-
Future rate of pay increase	**3%-6%**	3%-6%	**-**	-

The expected return is an average of the expected return on the various categories of retirement benefit obligations. The return is based on historical data and on the analysts' forecasts for the market of the assets in the coming year.

	Group 2007	Group 2006	Parent 2007	Parent 2006
Present value of defined-benefit plans:				
Present value, beginning of year	**3,325**	2,915	**-**	-
Retirement benefit costs	**842**	462	**-**	-
Calculation of interest on liability	**205**	163	**-**	-
Benefits disbursed	**(859)**	(607)	**-**	-
Actuarial gains and losses	**749**	392	**-**	-
Present value, end of year	**4,262**	3,325	**-**	-
Fair value of plan assets:				
Fair value of plan assets, beginning of year	**2,044**	1,776	**-**	-
Expected return on plan assets	**165**	124	**-**	-
Contributions from employer	**984**	759	**-**	-
Benefits disbursed	**(859)**	(607)	**-**	-
Actuarial gains and losses	**(196)**	(8)	**-**	-
Fair value of plan assets, end of year	**2,138**	2,044	**-**	-

NOTE 22 – Mortgage debt and payables to credit institutions

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

	Group		Parent	
	2007	2006	**2007**	2006
Non-current liabilities	**490,615**	995,537	**1,185**	1,331
Current liabilities	**697,351**	996,345	**876**	73,447
Total	**1,187,966**	1,991,882	**2,061**	74,778
Fair value	**1,199,263**	2,003,556	**2,061**	74,778
Nominal value	**1,187,966**	1,991,882	**2,061**	74,778

NOTE 23 – Finance leases

	Group		Parent	
	2007	2006	**2007**	2006
Minimum lease payments:				
Due after 5 years	**859**	625	**-**	-
Due between 1 and 5 years	**6,421**	4,039	**-**	-
Due within 1 year	**2,718**	2,242	**-**	-
Total minimum lease payments	**9,998**	6,926	**-**	-
Of which interest	**1,042**	802	**-**	-
Present value of minimum lease payments	**8,956**	6,124	**-**	-

	Group		Parent	
	2007	2006	**2007**	2006
Present value:				
Due after 5 years	**776**	593	**-**	-
Due between 1 and 5 years	**5,843**	3,269	**-**	-
Due within 1 year	**2,337**	2,262	**-**	-
Total present value	**8,956**	6,124	**-**	-
Specification of finance leases:				
IT equipment	**3,622**	815	**-**	-
Trucks	**5,334**	5,309	**-**	-
Total finance leases	**8,956**	6,124	**-**	-

The group has entered into finance leases concerning operating equipment, fixtures and fittings. At the expiry of the leases, the group may acquire the assets at favourable prices.

NOTE 24 – Foreign currency risk

The group's risk management policy is described in section "Risk management" on page 16.

The group's foreign currency risks in the balance sheet:

	December 31, 2007				
Currency	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)
USD	50,714	173,804	(174,887)	(294,367)	**(244,736)**
EUR	71,792	322,580	(212,889)	-	**181,483**
AUD	17,369	20,081	(8,872)	(53,482)	**(24,904)**
CAD	7,031	5,462	(12,214)	-	**279**
GBP	7	651	(11,637)	-	**(10,979)**
BRL	15,695	646,448	(123,566)	-	**538,577**
INR	24,504	153,358	(63,182)	-	**114,680**
Other	322,974	225,258	(283,134)	-	**265,098**
	510,086	**1,547,642**	**(890,381)**	**(347,849)**	**819,498**

	December 31, 2006				
Currency	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)
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**
BRL	8,287	535,890	(127,758)	-	**416,419**
INR	27,757	135,552	(50,604)	-	**112,705**
Other	79,907	135,616	(240,430)	-	**(24,907)**
	255,347	**1,652,311**	**(1,159,582)**	**(374,517)**	**373,558**

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:

	2007				2006			
	Notional amount (DKK '000)	Foreign exchange gains/losses recognised in equity (DKK '000)	Fair value (DKK '000)	Time to maturity	Notional amount (DKK '000)	Foreign exchange gains/losses recognised in equity (DKK '000)	Fair value (DKK '000)	Time to maturity
USD	446,626	5,130	5,361	< 1yr	610,743	25,305	21,316	< 1yr
AUD	8,914	648	576	< 1yr	32,760	(536)	(588)	< 1yr
CAD	129,555	4,396	4,106	< 1yr	24,410	46	33	< 1yr
	585,095	**10,174**	**10,043**		**667,913**	**24,815**	**20,761**	

Forward exchange contracts concern the hedging of the sale and purchase of goods, cf. the group's policy thereon.
Recognition of foreign exchange gains/losses in the income statement is expected to take place in 2008.

NOTE 24 – Foreign currency risk, continued

Key currency figures for 2007 (DKKm)

Revenue	USD	EUR	DKK	AUD	CAD	GBP	Other	Total
Cheminova A/S	1,036	1,225	256	110	148	153	1,467	**4,396**
	24%	28%	6%	3%	3%	33%	33%	**100%**
Other activities	-	-	7	-	-	-	-	**7**
	0%	0%	100%	0%	0%	0%	0%	**100%**
Group total	**1,036**	**1,225**	**263**	**110**	**148**	**153**	**1,467**	**4,403**
	24%	**28%**	**6%**	**3%**	**3%**	**3%**	**33%**	**100%**

Costs	USD	EUR	DKK	AUD	CAD	GBP	Øvrige	Total
Cheminova A/S	486*	1,030	1,088	35	39	179	570	**3,427**
	27%	26%	27%	1%	1%	4%	14%	**100%**
Other activities	-	-	13	-	-	-	-	**13**
	0%	0%	100%	0%	0%	0%	0%	**100%**
Group total	**486**	**1,030**	**1,101**	**35**	**39**	**179**	**570**	**3,440**
	27%	**26%**	**27%**	**1%**	**1%**	**4%**	**14%**	**100%**

* Costs in USD are excluding the subsidiaries' external purchases in USD.

Sensitivity analysis

The group's sensitivity analysis shows the estimated change in the income statement and equity which would result from a 1 percentage point increase in the market interest rate and a 5 per cent fall in all currencies against DKK.

Sensitivity analysis as at December 31, 2007 based on change in interest rate:

DKKm	1 percentage point increase in interest rate	Effect on income statement	Effect on equity
Net interest-bearing debt	**(7.0)**	(7.0)	**-**
Interest rate swaps	**9.4**	2.0	**7.4**
Currency swaps	**1.3**	1.3	**-**
Total interest rate sensitivity	**3.7**	(3.7)	**7.4**

Sensitivity analysis as at December 31, 2007 based on change in foreign exchange rates:

DKKm	5 per cent fall in foreign exchange rates against DKK	Effect on income statement	Effect on equity
Net interest-bearing debt	**19.7**	12.1	**7.6**
Currency swaps	**7.6**	0.9	**6.7**
Forward exchange contracts	**24.3**	17.4	**6.9**
Currency options	**7.9**	(0.2)	**8.1**
Investments	**(31.2)**	-	**(31.2)**
Other financial receivables	**(19.3)**	(19.3)	**-**
Total exchange rate sensitivity	**9.0**	10.9	**(1.9)**

The group's interest rate risks in the balance sheet:

Interest rate risk as at December 31, 2007

DKKm	< 1 year	1-5 years	> 5 years	Total	Interest rate (%)
Securities	2	-	-	2	-
Cash	508	-	-	508	4.53
Interest-bearing assets	**510**	**-**	**-**	**510**	**4.53**
Mortgage debt	32	17	196	245	5.04
Other long-term debt	250	98	200	548	4.78
Bank debt	417	-	-	417	10.16
Interest-bearing debt	**699**	**115**	**396**	**1,210**	**6.69**

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

	Group	
	2007	2006
Distribution of interest-bearing debt:		
Fixed interest	**35%**	55%
Floating interest	**65%**	45%
Distribution of mortgage debt and other long-term debt:		
Fixed interest rate over a 4-year period	**65%**	71%
Floating interest	**35%**	29%
Distribution of bank debt:		
Fixed interest	**0%**	8%
Floating interest	**100%**	92%
Interest-bearing debt by currency:		
Danish kroner	**44%**	42%
Foreign currency, primarily USD, EUR and BRL	**56%**	58%

NOTE 25 – Other adjustments

	Group		Parent	
	2007	2006	2007	2006
Share of profit/loss in associates	(4,841)	(4,891)	-	-
Net financials	65,159	87,078	(8,691)	(3,285)
Tax on profit/loss for the year	26,775	64,502	2,068	(2,225)
Adjustment of provisions	4,813	(8,694)	-	-
Market value adjustments of subsidiaries etc.	3,857	11,569	-	-
Other	3,826	9,599	-	(137)
Total adjustments	99,589	159,163	(6,623)	(5,647)

NOTE 26 – Acquisitions of subsidiaries

	Group			Parent	
	2007	2007	2006	2007	2006
	Carrying amount	Fair value	Fair value	Fair value	Fair value
Property, plant and equipment	1,961	1,961	-	-	113,689
Inventories	1,993	1,993	-	-	-
Receivables	1,439	1,439	-	-	3,072
Cash	-	-	-	-	1,376
Credit institutions	(415)	(415)	-	-	(63,040)
Deferred tax	-	-	-	-	210
Trade payables	-	-	-	-	(586)
Other payables	-	-	-	-	(23,749)
Net assets acquired	4,978	4,978	-	-	30,972
Consolidated goodwill	16,251	16,251	-	-	-
Acquisition cost	21,229	21,229	-	-	30,972
Of which cash less short-term bank debt	174	174	-	-	(1,376)
Cash acquisition cost	21,403	21,403	-	-	29,596

Cheminova acquired 51 per cent of the shares in Cherole Kft. on January 22, 2007. The parent acquired all the shares in Hardi Ejendomme A/S on 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 reflects expected future synergies.

Acquisition of subsidiaries:

Name	Primary activity	Takeover date	Acquired ownership share in %	Acquired voting rights share in %	Cost DKK '000
Parent:					
Hardi Ejendomme A/S	Property company	August 31, 2006	100%	100%	29,596
Group:					
Cherole Kft., Ungarn	Sale of plant protection products	January 22, 2007	51%	51%	21,403

In the period January 1 - January 22, 2007, up until the takeover, Cherole Kft. returned a profit of DKK 0 million. In the period January 1 - August 31, 2006, up until the takeover, Hardi Ejendomme A/S returned a loss of DKK 2 million.

In January 2008, Cheminova A/S acquired 50 per cent of the shares in the German Stähler group at a price of DKK 224 million. The Stähler group has sales of just over DKK 550 million and has approx. 190 employees. The Stähler group is consolidated on a pro rata basis with Cheminova A/S from 2008.

In February 2008, Cheminova A/S has entered into an agreement about taking over the remaining part of the shares in the joint-venture company Pytech Chemicals GmbH.

NOTE 27 – Cash and cash equivalents

	Group		Parent	
	2007	2006	2007	2006
Cash and cash equivalents as at January 1 include:				
Beginning of year	(571,052)	(479,652)	67,893	46,305
Value adjustment	(25,975)	10,799	-	-
Cash and cash equivalents as at January 1	(597,027)	(468,853)	67,893	46,305
Cash and cash equivalents as at December 31 include:				
Securities	2,063	5,518	2,063	5,296
Cash	508,022	249,829	548,504	135,903
Bank debt	(416,899)	(826,399)	(730)	(73,306)
Cash and cash equivalents as at December 31	93,186	(571,052)	549,837	67,893
Liquidity:				
Unused drawing rights	819,053	691,000	74,270	1,694

NOTE 28 – Security provided

	Group		Parent	
DKKm	2007	2006	2007	2006
Outstanding debt on loan with security provided in property, plant and equipment	324	457	1	1
Carrying amount of charged property, plant and equipment	268	289	2	2
Lease obligation in respect of finance leases	9	6	-	-
Carrying amount of assets held under finance leases	6	4	-	-
Recourse guarantee for subsidiaries, max.	-	-	61	61

The parent is jointly and severally liable with the other Danish jointly taxed companies for tax up until and including 2004.

NOTE 29 – Contingent liabilities

The parent 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 in Denmark 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 30 – Contractual liabilities

	Group		Parent	
DKKm	2007	2006	2007	2006
The group has entered into forward exchange and option contracts for the purchase and sale of various currencies at the equivalent value of	935	1,041	-	-
For the purpose of hedging interest rate risks, the group has entered into an interest rate swap covering the interest rate risk attaching to variable-interest loans of	200	250	-	-
The group has undertaken to buy minority shareholdings in the period from 2007 to 2011, the calculated max. cost being	118	93	-	-

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 a few cases, the parent has issued letters of intent to subsidiaries in the group.

NOTE 31 – Operating leases

	Group		Parent	
	2007	2006	2007	2006
Non-cancellable operating leases:				
0-1 years	1,749	5,399	-	-
1-5 years	1,778	4,713	-	-
Total	3,527	10,112	-	-
Lease payment:				
Expensed lease payment	1,631	4,016	-	-
Specification of operating leases:				
Vehicles	3,527	10,112	-	-
Total operating leases	3,527	10,112	-	-

The group has entered into non-cancellable operating leases concerning operating equipment.

NOTE 32 – Related parties

Related parties controlling the company include 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 group enterprises and associates 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 are disclosed separately in the notes.
Transactions with non-pro rata consolidated associate in the year total:
Purchase of goods and administrative services of DKK 2,405k (DKK 1,370k in 2006).
Sale of goods and administrative services DKK 2,239k (DKK 2,635k in 2006).
No other transactions have been carried out nor any agreements made with related parties in 2007.
The parent's transactions with subsidiaries are as follows:
Management fee DKK 1,273k (DKK 1,400k in 2006).
Interest income DKK 9,512k (DKK 4,534k in 2006).
Interest expenses DKK 0 (DKK 1,564k in 2006).
Loans to subsidiaries, end of year, DKK 292 million (DKK 136 million at the end of 2006).

NOTE 33 – Events after the balance sheet date

No significant events have taken place after December 31, 2007.

NOTE 34 – Financial instruments

Equity – fair value reserve:

DKKm	Interest rate instruments	Forward exchange contracts	Total
Gains/losses in connection with fair value valuation	(2)	20	18
Tax	1	(6)	(5)
Balance as at December 31, 2006	(1)	14	13
Changes in 2007:			
Gains/losses in connection with changes in fair value	4	(44)	(40)
Tax	(2)	9	7
Total	2	(35)	(33)
Transferred to the income statment	-	(1)	(1)
Total	-	(1)	(1)
Fair value reserve as at December 31, 2007	1	(22)	(21)
Composed as follows:			
Gross gains and losses	2	(25)	(23)
Tax	(1)	3	2
Balance as at December 31, 2007	1	(22)	(21)

Modern plant protection products make a decisive contribution to improving harvest yields and thereby the living conditions of people worldwide. This is essential in countries with fast-growing populations and where demand for food is growing rapidly.