



Annual Report

CVR no. 41 85 38 16

2004



HALDOR TOPSØE A/S



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CVR no. 41 85 38 16

Annual Report for 2004

(Translated from the original in Danish)

(The Board of Directors as well as the Auditors
have signed the original.)

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Statement by the Management and Board of Directors on the Annual Report

The Management and Board of Directors have today considered and adopted the Annual Report of Haldor Topsøe A/S for the financial year 1 January – 31 December 2004.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

We consider the accounting policies applied appropriate and the estimates made reasonable. Furthermore, we consider the overall annual report presentation true and fair. Therefore, in our opinion the Annual Report gives a true and fair view of the financial position of the Group and the Parent Company, of the results of the Group and Parent Company operations and of consolidated cash flows.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Lyngby, April 7, 2005

Management

Roberto Biondi
(Director Fin. & Adm.)

Giorgio Girola
(Managing Director)

Haldor Topsøe

Board of Directors

Haldor Topsøe
(Chairman)

Domenico Rubino

Giorgio Girola

Alfredo Feliciani

Flemming Topsøe

Oluf Engell

Søren Juul

Henrik Topsøe

Per Juul Dahl

Frank Einar Christiansen

Claes Elmendorf

Jette Søvang Christiansen

Auditors' Report

To the Shareholders of Haldor Topsøe A/S

We have audited the Annual Report of Haldor Topsøe A/S for the financial year ended December 31, 2004, prepared in accordance with the Danish Financial Statements Act.

The Annual Report is the responsibility of Company Management. Our responsibility is to express an opinion on the Annual Report based on our audit.

Basis of Opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Report. An audit also includes assessing the accounting policies applied and significant estimates made by Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the financial position at December 31, 2004 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year then ended in accordance with the Danish Financial Statements Act.

Copenhagen, April 7, 2005

PricewaterhouseCoopers

Statsautoriseret Revisionsinteressentskab

Kim Fücksel
State-Authorised Public Accountant

Jesper Edelbo
State-Authorised Public Accountant

Group Chart

Parent Company

Haldor Topsøe A/S
Lyngby, Denmark
Nom. DKK 55,000,000

Subsidiaries

100% Haldor Topsoe, Inc.
USA

100% Haldor Topsøe AB
Sweden
(under liquidation)

100% ZAO Haldor Topsøe
Russia

100% Haldor Topsøe S.A.
Switzerland
(under liquidation)

100% Haldor Topsøe International
A/S
Denmark

100% Subcontinent Ammonia In-
vestment Company ApS
Denmark

100% Topsoe Fuel Cell A/S
Denmark

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following Financial highlights.

	2004	2003	2002	2001	2000
	DKK million	DKK million	DKK million	DKK million	DKK million
Key figures					
Profit/ (loss)					
Revenue	2,299	2,293	2,065	2,346	1,886
Gross profit/(loss)	1,002	946	922	1,079	974
Depreciation and amortisation	-214	-207	-209	-144	-130
Profit/ (loss) before financial income and expenses	80	-29	-138	165	174
Net financials	8	-1	91	-38	-66
Net profit/(loss)	54	-23	-34	89	73
Balance sheet					
Balance sheet total	2,479	2,582	2,892	3,243	2,630
Equity	693	681	740	828	753
Cash flow					
Cash flow from:					
- operating activities	269	249	3	283	217
- investing activities	-79	-129	-174	-616	-306
- financing activities	-94	-100	-88	276	66
Change in cash and cash equivalents for the year	95	20	-259	-57	-23
Number of employees	1,510	1,631	1,715	1,605	1,492
Ratios in %					
Gross margin	43.6%	41.3%	44.6%	46.0%	51.6%
Profit margin	3.5%	-1.3%	-6.7%	7.0%	9.2%
Return on net assets	3.2%	-1.1%	-4.8%	5.1%	6.6%
Solvency ratio	28.0%	26.4%	25.6%	25.5%	28.6%
Return on equity	7.9%	-3.3%	-4.3%	11.3%	10.6%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts 1997. For definitions, see under accounting policies.

Directors' Report

The Topsoe Group had for 2004 a financially acceptable year. The Group achieved a turnover of DKK 2,299 million (in 2003 DKK 2,293 million), the after tax result showed a positive result of DKK 54 million against a loss of DKK 23 million in 2003, and a positive cash flow from operating activities of DKK 269 million (in 2003: DKK 249 million).

In our report for 2003 we noted that we had had two years of disappointing results and gave some information about the reasons for this. Further we mentioned the view that we could hope for improvement in 2004. As shown by the above figures we have seen that these positive expectations proved to be realistic.

In spite of an unchanged turn-over we achieved an acceptable positive result. The positive development in 2004 was largely due to an improved sales of our different products in catalysts and in technology including hardware and to some cost reductions achieved. This positive development started late 2003 when we noted a considerable improvement in all sectors we address. The improvement continued during the year by a considerable inflow of orders. However, many of these were not executed during 2004. Accordingly we have an exceptionally high backlog at the end of the year.

The previously reported unsatisfactory situation about catalyst and technology for air cleaning continued and we are afraid that an improvement will only come after some years.

The positive developments are largely due to the fact that our R&D work was maintained at a high level even during the difficult period from end 2001 to beginning 2004.

The R&D work thus enabled us to make considerable professional progress in our traditional areas addressing certain sectors of the heavy chemical industry and in new areas related to very large hydrogen and synthesis gas units and to hydroprocessing in refineries with emphasis on low sulphur petroleum products particularly ultra low sulphur diesel. In this area – as in other areas – a combination of progress in catalyst performance and in design of reactor internals has been of importance. We are pleased that we have been able to again demonstrate the importance of integrating catalyst research work and technology developments from the level of fundamental studies and all the way to engineering and design of industrial units. During 2004 we brought to the market a number of new catalysts and new technologies. We continued our investment in improvement of our research facilities and in our catalyst manufacturing plants.

In the technology field we have continued focus on conversion of natural gas to synthetic oil – gas to liquids (GTL) - and we have successfully put on stream two such units. We expect that quite a number of new units will be contracted for during the next years and that we will have a satisfactory share of this market. However, the future of this business depends largely on the global energy situation and price relationship between natural gas feeds and synthetic hydrocarbon products. At present this relation makes it very attractive to invest in GTL.

We have continued our efforts to develop new technologies for cleaning of exhaust gas and for fuel cells where we focus on the solid oxide fuel cells (SOFC).

In the last years everywhere one noticed quite dramatic changes caused by mergers and acquisitions. We consider it important that we remain dedicated to our core businesses and traditional policies and that we accept that by necessity progress in these areas is achieved only by many years of efforts in research, technology development, and presence in the global markets.

We expect that the positive developments experienced during 2004 will continue into 2005 and that the year will be a reasonably satisfactory year for our Group as already indicated during our operations during the first few months of 2005.

The main financial figures are as follows:

The Group achieved a turnover in 2004 of DKK 2,299 million and generated a profit of DKK 54 million after tax. The operating income was a profit before financial income and taxes of DKK 80 million and DKK 21 million for the Group and the parent company respectively. The profit before tax was DKK 88 million.

During 2004 the Topsøe Group employed on an average 1,510 persons compared to 1,631 in 2003, of which 34% has a University Degree. In addition a substantial number of researchers are working in different institutes in Denmark and abroad on research and development programmes financed by the Group.

The share capital of Haldor Topsøe A/S is owned by:

Dr. Haldor Topsøe, Denmark
Snamprogetti Management Services S. A., Switzerland

Accounting Policies

Basis of preparation

The Annual Report of Haldor Topsøe A/S for 2004 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C. The accounting policies applied remain unchanged from previous years.

Recognition and measurement

All revenues are recognised in the income statement as earned based on the following criteria:

- delivery has been made before year end,
- a binding sales agreement has been made,
- the sales price has been determined, and
- payment has been received at the time of sale or is probable and can with reasonable certainty expected to be received.

Based on the above, revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Group, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Accounting Policies

Basis of consolidation

The Annual Report comprises the Parent Company, Haldor Topsøe A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The annual reports used for the purpose of the Annual Report of the Group have been prepared in accordance with the accounting policies of the Group. The Annual Report of the Group has been prepared on the basis of the Annual Accounts of the Parent Company and subsidiaries by combining accounting items of a uniform nature.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Income from investments in subsidiaries before tax" in the income statement includes the proportionate share of the profit before tax, whereas the share of tax of subsidiaries is included in the item "Tax on profit/(loss) for the year".

Investments in other enterprises

Investments in other enterprises are booked at market value or at estimated value of the investments. For investments where it is not possible with reasonable accuracy to estimate the value of the investments, these are valued at cost.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Accounting Policies

Translation policies (cont.)

Exchange adjustments arising on the translation of the opening equity of and long-term loans to independent foreign enterprises and exchange adjustments arising from the translation at average exchange rates of the income statements of independent foreign enterprises are recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are measured at fair value. Positive and negative fair values are included in prepayments under assets and deferred income under liabilities respectively.

Fair value adjustments on forward exchange contracts serving as a cash-flow hedge, are recognised directly in equity. Amounts recognised in equity are included in the income statement simultaneously with the exchange rate adjustment on the hedged transactions.

Fair value adjustments on forward exchange contracts, which do not constitute a hedge, are included in the income statement.

Corporation tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax liabilities and current tax receivable are recognised in receivables in the balance sheet in the event of overpayment of tax on account, and in debt in the event of underpayment of tax on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustment is made for deferred tax concerning unrealised intercompany gains and losses.

Deferred tax is measured on the basis of the tax rules and tax rates of the respective countries that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Accounting Policies

Income Statement

Revenue

Revenue from the sale of finished goods is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year end. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Contract work in progress is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the construction contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment as well as gains and losses from current replacement of fixed assets.

Other operating income and other operating expenses

Other operating income and other operating expenses comprise income or expenses of a secondary nature compared to the core activities of the Company.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Accounting Policies

Balance Sheet

Intangible assets

Development projects

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets.

Projects that do not meet the Group's criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Patents and licences

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use. Patents are amortised over the remaining patent period, and licences are amortised over the period of the agreement, but not exceeding 10 years, due to the notoriously fast development of the technologies used and the ensuing uncertainty of a longer amortisation period.

Software

Software related to major projects is measured at cost less accumulated depreciation and less any accumulated impairment losses.

Software is amortised over 4 years.

Property, plant and equipment

Property, plant and equipment are measured at cost including write-up less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the external cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use and internal costs including indirectly expenses. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans related to financing the construction of major property, plant and equipment investments are recognised in cost over the period of construction.

Assets which have a life of 3 years or below as well as assets not exceeding DKK 30,000 are fully recognised in cost in the year of purchase.

Accounting Policies

Property, plant and equipment (cont.)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	13 years
Other buildings	13 - 40 years
Plant and machinery	5 - 10 years
Other fixtures and fittings, tools and equipment	4 - 10 years
Leasehold improvements	5 years

Gains and losses on current replacement of property, plant and equipment are recognised in "Other operating income" and "Other operating expenses".

Increases of value related primarily to the premises in Frederikssund and Ravnholm are made by the Management on a conservative estimate of the market value and based on an outside evaluation. Revaluations with reduction of deferred taxes are transferred to "Revaluation reserve" under Equity.

Impairment of fixed assets

The carrying amounts of intangible assets, property, plant and equipment and financial assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Fixed asset investments

Fixed asset investments comprise shares measured at fair value at the balance sheet date. Listed shares are measured at market price. Unlisted shares are measured at selling price based on the estimated value in use.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated as the total of future sales revenues expected, at the balance sheet date, to be generated by inventories in the process of normal operations and determined allowing for marketability, obsolescence and development in expected sales sum less the estimated expenses necessary to make the sale.

The cost of goods for resale, raw materials and consumables equals landed cost.

Accounting Policies

Inventories (cont.)

The cost of finished goods and intermediate products comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Any borrowing expenses in the period of construction are not recognised.

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed based on the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Prepayments are set off against contract work in progress. Payments received on account in excess of the contract work performed to date are stated separately for each contract and recognised in "Contract work in progress" in short-term debt.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Current asset investments

Current asset investments, which consist of listed bonds, are measured at market price at the balance sheet date.

Equity

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Accounting Policies

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Financial debts

Fixed-interest loans, such as mortgage loans and loans from credit institutions, intended held to maturity are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost equal to the capitalised value using the effective interest method; the difference between the proceeds and the nominal value (the capital loss) is recognised in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Prepayments and deferred income

Prepayments include expenses incurred in respect of subsequent financial years, including fair value adjustments of derivative financial instruments with a positive fair value. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred income includes payments received in respect of income in subsequent years as well as fair value adjustments of derivative financial instruments with a negative fair value.

Cash Flow Statement

The cash flow statement is prepared according to the indirect method based on the consolidated net result for the year.

The cash flow statement shows the cash flows for the year broken down by operating, investing and financing activity and the impact of these cash flows on cash and cash equivalents for the year.

Cash flows from operating activity are stated as the consolidated net result for the year adjusted for non-cash operating items such as depreciation and write-down, provisions and changes in working capital, interest received and paid, and corporation tax paid.

Cash flows from investment activity comprise cash flows from the purchase and sale of intangible, tangible and financial fixed assets.

Cash flows from financial activity comprise cash flows from the raising and repayment of long-term loans as well as payment of dividend to shareholders.

The cash flow statement cannot be immediately derived from the published financial records.

The Parent Company's cash flow is included in the consolidated cash flow statement.

Accounting Policies

Financial ratios

The financial ratios have been calculated in accordance with the guidelines issued by the Danish Society of Financial Analysts.

The financial ratios have been calculated as follows:

Gross margin	=	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	=	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on net assets	=	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	=	$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$
Return on equity	=	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$

Income Statement January 1 - December 31

	Note	Group		Parent Company	
		2004	2003	2004	2003
		DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Revenue	1	2,299,354	2,292,901	2,036,925	2,041,438
Change in inventories of finished goods and intermediates products		-3,799	-131,079	37,889	-140,727
Other operating income		8,556	8,006	8,503	13,898
Purchased materials and equipment for contract works		-208,233	-320,818	-204,975	-318,271
Expenses for raw materials and consumables		-495,189	-353,498	-610,155	-406,459
Other external expenses		-598,800	-549,221	-509,364	-467,148
Gross profit/(loss)		1,001,889	946,291	758,823	722,731
Staff expenses	23	-708,241	-768,676	-588,648	-628,207
Depreciation and amortisation of property, plant, equipment and intangible assets	2	-214,081	-206,746	-149,657	-136,360
Profit/(loss) before financial income and taxes		79,567	-29,131	20,518	-41,836
Income/(loss) from investments in subsidiaries before tax	3	0	0	45,897	-1,010
Other financial income	4	50,947	73,023	55,818	79,204
Other financial expenses	5	-42,471	-74,204	-34,190	-66,670
Profit/(loss) before tax		88,043	-30,312	88,043	-30,312
Tax on profit/(loss) for the year	6	-34,018	6,884	-34,018	6,884
Net profit/(loss) for the year		54,025	-23,428	54,025	-23,428
Proposed distribution of profit:					
Proposed dividend for the year				8,000	0
Reserve for net revaluation under the equity method				30,207	-985
Retained earnings				15,818	-22,443
				54,025	-23,428

Balance Sheet at December 31

Assets

	Note	Group		Parent Company	
		2004 DKK 1,000	2003 DKK 1,000	2004 DKK 1,000	2003 DKK 1,000
Patents		19,482	19,144	19,482	19,144
Software		34,410	41,191	34,410	41,191
Software under development		4,482	250	4,482	250
Intangible assets	7	58,374	60,585	58,374	60,585
Land and buildings		466,999	493,694	407,072	421,006
Plant and machinery		597,204	721,793	327,589	381,830
Other fixtures equipment and cars		66,826	74,188	60,618	70,405
Assets under construction		62,120	65,323	50,262	55,335
Leasehold improvements		20	58	0	0
Tangible fixed assets	8	1,193,169	1,355,056	845,541	928,576
Investments in subsidiaries		0	0	221,429	191,617
Loans to subsidiaries		0	0	117,895	135,908
Investments in other enterprises		34,772	34,114	6,640	5,982
Subordinated loans		9,115	9,932	9,115	9,932
Deposits		2,914	2,950	1,353	1,661
Fixed assets investment	9	46,801	46,996	356,432	345,100
Fixed Assets		1,298,344	1,462,637	1,260,347	1,334,261

Balance Sheet at December 31

Assets (continued)

	Note	Group		Parent Company	
		2004 DKK 1,000	2003 DKK 1,000	2004 DKK 1,000	2003 DKK 1,000
Inventories	10	512,222	499,634	352,052	378,325
Trade receivables		310,067	311,605	184,271	242,966
Contract work in progress	11	16,182	31,565	12,755	20,846
Receivables from subsidiaries		0	0	93,173	69,967
Other receivables		21,285	17,262	19,758	20,766
Prepayments		26,236	63,159	26,004	59,299
Receivables		373,770	423,591	335,961	413,844
Current asset investments	12	60,970	75,999	60,970	75,999
Cash at bank and in hand		233,392	120,276	223,222	104,279
Current assets		1,180,354	1,119,500	972,205	972,447
Assets		2,478,698	2,582,137	2,232,552	2,306,708

Balance Sheet at December 31

Liabilities and equity

	Note	Group		Parent Company	
		2004 DKK 1,000	2003 DKK 1,000	2004 DKK 1,000	2003 DKK 1,000
Share capital	13	55,000	55,000	55,000	55,000
Revaluation reserve		155,500	155,172	155,500	155,172
Reserve for net revaluation under the equity method		137,203	122,447	137,203	122,447
Retained earnings		337,110	348,410	337,110	348,410
Dividend		8,000	0	8,000	0
Equity		692,813	681,029	692,813	681,029
Provision for deferred tax	14	142,576	134,265	112,332	114,304
Other provisions	15	60,000	47,433	50,322	36,217
Provisions		202,576	181,698	162,654	150,521
Mortgage debt (long-term)		101,506	105,693	101,506	105,693
Credit institutions (long-term)		583,083	695,255	443,659	513,548
Long-term liabilities	16	684,589	800,948	545,165	619,241

Balance Sheet at December 31

Liabilities and equity (continued)

	Note	Group		Parent Company	
		2004 DKK 1,000	2003 DKK 1,000	2004 DKK 1,000	2003 DKK 1,000
Mortgage debt (current)	16	4,095	3,905	4,095	3,905
Credit institutions (current)	16	88,617	95,491	59,049	59,746
Prepayments received from customers	18	162,657	160,375	162,656	160,375
Contract work in progress	11	216,832	214,693	213,003	202,093
Trade payables		166,246	186,743	150,344	152,927
Payables to subsidiaries	16	0	0	18,689	60,892
Other payables	17	260,273	257,255	224,084	215,979
Short-term liabilities		898,720	918,462	831,920	855,917
Liabilities		1,583,309	1,719,410	1,377,085	1,475,158
Liabilities and equity		2,478,698	2,582,137	2,232,552	2,306,708
Assets pledged	19				
Guarantees	20				
Contractual obligations	21				
Fee to auditors appointed at the general meeting	22				
Staff	23				
Related parties	24				
Cash flow statement:					
- adjustments	25				
- change in working capital	26				

Statement of Changes in Equity

Group and Parent Company

	Share Capital	Re- valuation reserve	Reserve under the equity	Retained earnings	Proposed dividend	Total
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Equity at January 1, 2004	55,000	155,172	122,447	348,410	0	681,029
Revaluation for the year		328				328
Exchange adjustments relating to separate foreign legal entities			-15,451	-5,347		-20,798
Fair value adjustment of hedging instruments, beginning of year				-21,771		-21,771
Fair value adjustment of hedging instruments, end of year				0		0
Net profit/(loss) for the year			30,207	23,818		54,025
Proposed dividend for the year				-8,000	8,000	0
Equity at December 31, 2004	55,000	155,500	137,203	337,110	8,000	692,813

Cash Flow Statement

	Note	Group	
		2004 DKK 1,000	2003 DKK 1,000
Net profit/(loss) for the year		54,025	-23,428
Adjustments	25	223,027	222,009
Change in working capital	26	-11,431	58,132
Cash flows from operating activities before financial income and expenses		265,621	256,713
Financial income		50,947	73,023
Financial expenses		-42,471	-74,204
Revaluation of Financial assets		183	-2,511
Cash flows from ordinary activities		274,280	253,021
Corporation tax paid or received		-5,208	-3,810
Cash flows from operating activities		269,072	249,211
Purchase of intangible assets		-15,863	-16,964
Purchase of property, plant and equipment		-63,968	-111,949
Cash flow from investing activities		-79,831	-128,913
Changes in mortgages & other long term debt		-93,535	-76,146
Changes in current portion of long term debt		190	3,306
Changes in short term borrowings		-521	-27,282
Dividend paid		0	0
Cash flows from financing activities		-93,866	-100,122
Change in cash and cash equivalents		95,375	20,176
Cash and cash equivalents at January 1		196,275	181,168
Exchange adjustment of current asset investments		2,712	-5,069
Cash and cash equivalent at December 31		294,362	196,275
Cash and cash equivalents are specified as follows:			
Current asset investments		60,970	75,999
Cash at bank and in hand		233,392	120,276
Cash and cash equivalent at December 31		294,362	196,275

Notes to the Annual Report

1 Segment information

The Group's activities are in the business segment of providing catalytic processes for integrated solutions to industrial plants. The provision of these integrated solutions comprises fundamental and applied research, reaction engineering, process engineering, mechanical design and the production and supply of catalysts. The Group's revenue can be specified as follows:

	Group			
	2004			
	DKK 1,000			
	Catalyst	Technology	Corporate	Total
Revenue	1,672,304	627,050	0	2,299,354

Of the total revenue from sale of products, contract work and licence income, 23% (2003: 28%) derives from North America and 77% (2003: 72%) from the rest of the world.

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
2 Depreciation and amortisation of property, plant, equipment and intangible assets				
Patents	3,538	3,428	3,538	3,428
Software	14,498	11,574	14,498	11,574
Land and buildings	27,639	28,266	18,454	18,584
Plant and machinery	137,096	128,759	83,324	68,486
Other fixtures and fittings, tools and equipment	31,271	34,679	29,843	34,288
Leasehold improvements	39	40	0	0
	214,081	206,746	149,657	136,360

	Parent Company	
	2004	2003
	DKK 1,000	DKK 1,000
3 Income/(loss) from investments in subsidiaries before tax		
Share of profits of subsidiaries before tax	46,349	0
Share of losses of subsidiaries before tax	-1,035	-3,841
Change in intercompany profit on inventories purchased within the Group	583	2,831
	45,897	-1,010

Notes to the Annual Report

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
4 Other financial income				
Income from fixed asset investments	1,146	2,982	1,146	2,982
Interest received from subsidiaries	0	0	6,023	6,772
Exchange adjustments	40,136	42,151	39,984	42,151
Interest income	9,210	25,397	8,210	24,806
Other financial income	455	2,493	455	2,493
	50,947	73,023	55,818	79,204

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
5 Other financial expenses				
Exchange adjustments	11,806	35,154	10,083	34,575
Interest expenses	28,373	34,599	21,815	27,644
Other financial expenses	2,292	4,451	2,292	4,451
	42,471	74,204	34,190	66,670

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
6 Tax on profit/(loss) for the year				
Current tax for the year	21,950	2,707	20,355	3,837
Deferred tax for the year	12,068	-9,591	-1,972	-10,696
Tax of subsidiaries	0	0	15,635	-25
Total tax for the year	34,018	-6,884	34,018	-6,884

Notes to the Annual Report

7 Intangible assets

	Group and Parent Company		
	Patents	Software	Software under development
	DKK 1,000	DKK 1,000	DKK 1,000
Cost at January 1, 2004	39,976	59,163	250
Additions for the year	5,555	3,063	10,217
Disposals for the year	-3,587	-3,163	0
Transfers for the year	0	5,985	-5,985
Cost at December 31, 2004	<u>41,944</u>	<u>65,048</u>	<u>4,482</u>
Impairment losses and amortisation at January 1, 2004	20,831	17,972	0
Amortisation for the year	3,538	14,498	0
Reversal of impairment and amortisation of sold assets	<u>-1,907</u>	<u>-1,832</u>	<u>0</u>
Impairment losses and amortisation at December 31, 2004	<u>22,462</u>	<u>30,638</u>	<u>0</u>
Book value at December 31, 2004	<u>19,482</u>	<u>34,410</u>	<u>4,482</u>
Amortised over	<u>10 years</u>	<u>4 years</u>	<u>NA</u>

Notes to the Annual Report

8 Tangible fixed assets

	Group				
	Land and buildings	Plant and machinery	Other fixtures equipment and cars	Assets under construction	Leasehold improve- ments
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Cost at January 1, 2004	574,128	1,386,695	252,694	65,323	194
Rate of exchange adjustment	-9,604	-48,838	-1,151	-822	2
Additions for the year	676	510	5,803	75,140	0
Disposals for the year	-4,416	-5,963	-7,262	-10,579	0
Transfers for the year	8,372	38,798	19,772	-66,942	0
Cost at December 31, 2004	<u>569,156</u>	<u>1,371,202</u>	<u>269,856</u>	<u>62,120</u>	<u>196</u>
Revaluation at January 1, 2004	<u>198,000</u>	<u>8,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revaluation at December 31, 2004	<u>198,000</u>	<u>8,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Depreciation at January 1, 2004	278,434	672,902	178,506	0	136
Write down	0	10,152	0	0	0
Rate of exchange adjustment	-3,626	-19,767	-1,117	0	1
Depreciation for the year	27,639	126,944	31,271	0	39
Exchange adjustments of depreciation	-992	-4,537	-89	0	0
Reversal of previous years' depreciation on sold and scrapped assets	<u>-1,298</u>	<u>-3,696</u>	<u>-5,541</u>	<u>0</u>	<u>0</u>
Depreciation at December 31, 2004	<u>300,157</u>	<u>781,998</u>	<u>203,030</u>	<u>0</u>	<u>176</u>
Book value at December 31, 2004	<u>466,999</u>	<u>597,204</u>	<u>66,826</u>	<u>62,120</u>	<u>20</u>
Depreciated over	<u>13 - 40 years</u>	<u>5 - 10 years</u>	<u>4 - 10 years</u>	<u>NA</u>	<u>5 years</u>

Notes to the Annual Report

8 Tangible fixed assets (continued)

	Parent Company			
	Land and buildings	Plant and machinery	Other fixtures equipment and cars	Assets under construction
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Cost at January 1, 2004	457,358	792,899	228,388	55,334
Reclassification	0	0	0	0
Additions for the year	676	95	3,585	59,894
Disposals for the year	-4,416	-5,941	-5,524	-8,589
Transfers for the year	6,961	31,255	18,160	-56,377
Cost at December 31, 2004	<u>460,579</u>	<u>818,308</u>	<u>244,609</u>	<u>50,262</u>
Revaluation at January 1, 2004	<u>198,000</u>	<u>8,000</u>	<u>0</u>	<u>0</u>
Revaluation at December 31, 2004	<u>198,000</u>	<u>8,000</u>	<u>0</u>	<u>0</u>
Depreciation at January 1, 2004	234,351	419,069	157,983	0
Write down	0	10,153	0	
Depreciation for the year	18,454	73,171	29,843	0
Reversal of previous years' depreciation on sold and scrapped assets	-1,298	-3,674	-3,835	0
Depreciation at December 31, 2004	<u>251,507</u>	<u>498,719</u>	<u>183,991</u>	<u>0</u>
Book value at December 31, 2004	<u>407,072</u>	<u>327,589</u>	<u>60,618</u>	<u>50,262</u>
Depreciated over	<u>13 - 40 years</u>	<u>5 - 10 years</u>	<u>4 - 10 years</u>	<u>NA</u>

According to the official property assessment at January 1, 2004, the value of the land and buildings amounts to DKK 379.3 million.

Notes to the Annual Report

9 Fixed assets investment

	Parent Company	
	Investments in subsidiaries	Loans to subsidiary
	DKK 1,000	DKK 1,000
Cost at January 1, 2004	69,171	189,131
Additions for the year	15,000	0
Disposals for the year	0	-10,374
Cost at December 31, 2004	<u>84,171</u>	<u>178,757</u>
Revaluations at January 1, 2004	122,446	-53,223
Exchange adjustment	-15,451	-7,639
Net profit/(loss) for the year	30,263	0
Revaluations at December 31, 2004	<u>137,258</u>	<u>-60,862</u>
Book value at December 31, 2004	<u>221,429</u>	<u>117,895</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Haldor Topsøe International A/S	Copenhagen, Denmark	TDKK 500	100%
Haldor Topsoe, Inc.	Houston, Texas, USA	TUSD 5,000	100%
Haldor Topsøe S.A	Geneva, Switzerland	TCHF 1,000	100%
Haldor Topsøe A.B.	Malmö, Sweden.	TSEK 100	100%
ZAO Haldor Topsøe	Moscow, Russia	TRUB 3,500	100%
S.A.I.C.A., ApS	Copenhagen, Denmark	TDKK 1,000	100%
Topsoe Fuel Cell A/S	Copenhagen, Denmark	TDKK 15,000	100%

All foreign subsidiaries and associates are recognised and measured as separate entities.

Notes to the Annual Report

9 Fixed asset investment (continued)

	Group		
	Investments in other enterprises	Subordinated loans	Deposits
	DKK 1,000	DKK 1,000	DKK 1,000
Cost at January 1, 2004	119,774	54,010	2,950
Additions for the year	0	0	521
Disposals for the year	0	0	-557
Cost at December 31, 2004	<u>119,774</u>	<u>54,010</u>	<u>2,914</u>
Value adjustment at January 1, 2004	-85,660	-44,078	0
Value adjustment for the year	658	-817	0
Value adjustment at December 31, 2004	<u>-85,002</u>	<u>-44,895</u>	<u>0</u>
Book value at December 31, 2004	<u>34,772</u>	<u>9,115</u>	<u>2,914</u>

	Parent Company		
	Investments in other enterprises	Subordinated loans	Deposits
	DKK 1,000	DKK 1,000	DKK 1,000
Cost at January 1, 2004	7,250	54,010	1,661
Additions for the year	0	0	186
Disposals for the year	0	0	-494
Cost at December 31, 2004	<u>7,250</u>	<u>54,010</u>	<u>1,353</u>
Value adjustment at January 1, 2004	-1,268	-44,078	0
Value adjustment for the year	658	-817	0
Value adjustment at December 31, 2004	<u>-610</u>	<u>-44,895</u>	<u>0</u>
Book value at December 31, 2004	<u>6,640</u>	<u>9,115</u>	<u>1,353</u>

Notes to the Annual Report

9 Fixed asset investment (continued)

Karnaphuli Fertilizer Limited, Bangladesh (KAFCO)

The Haldor Topsøe Group has a shareholding in KAFCO of nominal BDT 688.5 million, which equals 16.9% of the shares in KAFCO.

KAFCO benefited from good market conditions and generated a profit of USD 32.8 million after tax in its financial year 2003/2004.

KAFCO has through 2004 been able to prepay USD 57.9 million on loans not yet due.

Haldor Topsøe A/S subscribed in 2001 to a further loan facility of USD 3.7 million, if needed, which in the present situation seems unlikely.

Chambal Fertilizer and Chemicals Ltd., India.

Equity participation in other enterprises comprises also investment in Chambal Fertilizer and Chemicals Ltd., India, corresponding to 0.5% of the share capital. Dividends amounting to DKK 0.4 million have been recognised as income from Chambal in 2004. The investment is valued at the quoted market value of the equity participation.

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
10 Inventories				
Raw materials and consumables	93,059	76,064	71,739	60,123
Intermediate products	82,115	76,959	80,072	75,397
Finished goods	337,048	346,611	200,241	242,805
	512,222	499,634	352,052	378,325

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
11 Contract work in progress				
Selling price of work performed	1,160,688	1,173,597	1,101,413	879,703
Payments received on account	-1,361,338	-1,356,725	-1,301,661	-1,060,950
Contract work in progress, net	-200,650	-183,128	-200,248	-181,247

Recognised in the balance sheet as follows:

Contract work in progress recognised in assets	16,182	31,565	12,755	20,846
Prepayments received recognised in debt	-216,832	-214,693	-213,003	-202,093
	-200,650	-183,128	-200,248	-181,247

Notes to the Annual Report

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
12 Current asset investments				
Bonds	60,970	75,999	60,970	75,999
	60,970	75,999	60,970	75,999

Nominal DKK 60.1 million listed Danish bonds with a market value of DKK 61.0 million as of December 31, 2004 (of which DKK 15.0 million expires as of on January 2, 2005). Average weighted fixed nominal interest rate was 4% p.a. and the average weighted duration was 1.5. The bonds are pledged as stated in note 19.

13 Share capital

The share capital consists of 55,000 shares of a nominal value of DKK 1,000. No shares carry any special right.

	2004	2003
	Number	Number
Shares of a nominal value of DKK 55.000.000	55,000	55,000

The following shareholders are registered in the Parent Company's records as owing a minimum of 5% of the votes, or a minimum 5% of the share capital:

Dr. Haldor Topsøe, Copenhagen
Snamprogetti Management Services S.A., Geneva

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
14 Provision for deferred tax				
Intangible assets	17,512	18,930	17,512	18,930
Property, plant and equipment	137,999	129,762	99,800	100,162
Inventories	18,129	25,393	17,905	25,619
Trade receivables	-5,456	-6,263	-5,456	-6,263
Work in progress	64,354	42,023	64,354	42,023
Investments	-13,326	-9,167	-13,326	-9,167
Provisions	-16,112	-9,071	-10,087	-1,070
Tax loss carry-forward	-68,011	-55,469	-68,011	-55,469
Other	7,487	-1,873	9,641	-461
	142,576	134,265	112,332	114,304

Deferred tax has been provided at mainly 30% corresponding to the current Danish tax rate.

Notes to the Annual Report

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
15 Other provisions				
Warranties	42,808	31,217	42,808	31,217
Other provisions	17,192	16,216	7,514	5,000
	60,000	47,433	50,322	36,217

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
16 Long-term liabilities				

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Mortgage debt (long-term)

After 5 years	82,983	88,032	82,983	88,032
Between 1 and 5 years	18,523	17,661	18,523	17,661
Long-term part	101,506	105,693	101,506	105,693
Within 1 year	4,095	3,905	4,095	3,905
Short-term part	4,095	3,905	4,095	3,905
	105,601	109,598	105,601	109,598

Credit institutions (long-term)

After 5 years	231,408	277,608	176,732	200,159
Between 1 and 5 years	351,675	417,647	266,927	313,389
Long-term part	583,083	695,255	443,659	513,548
Within 1 year	88,617	71,661	59,049	59,746
Other short-term debt to credit institutions	0	23,830	0	0
Short-term part	88,617	95,491	59,049	59,746
	671,700	790,746	502,708	573,294

Payables to subsidiaries

Other short-term debt to subsidiaries	0	0	18,689	60,892
Short-term debt	0	0	18,689	60,892

Notes to the Annual Report

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
17 Other payables				
Staff related	123,562	122,151	107,170	105,740
Other tax related	65,529	64,736	65,529	64,736
Due corporate tax	298	-2,616	199	-2,682
Other	70,884	72,984	51,186	48,185
	<u>260,273</u>	<u>257,255</u>	<u>224,084</u>	<u>215,979</u>

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
18 Received prepayments from customers				
Prepayments related to license agreements	103,585	107,371	103,585	107,371
Prepayments related to sale of goods	59,072	53,004	59,071	53,004
Book value	<u>162,657</u>	<u>160,375</u>	<u>162,656</u>	<u>160,375</u>

19 Assets pledged

Nominal DKK 60.0 million listed Danish bonds (of which DKK 15.0 million expires as of January 2, 2005) with a market value of DKK 61.0 million has been pledged by the Parent Company as of December 31, 2004.

For the Group nominal DKK 843.5 million (Parent Company: DKK 706.8 million) fixed assets (land, buildings and plant equipment) has been pledged.

The remaining balance of the secured loans of December 31, 2004, was for the Group DKK 645.0 million (Parent Company: DKK 508.3 million). Fixed assets are pledged by means of real estate mortgage deeds, owners mortgage deeds and indemnity mortgage deeds.

Assets are pledged as security for long-term loans including mortgage loans. However, in case of other debt to the pledgee, the pledged asset(s) may - until release thereof, e.g. due to repayments in full of the loan for which it was pledged - serve as security for any present or future obligation that we may have towards such pledgee.

Notes to the Annual Report

20 Guarantees

The outstanding balance as of December 31, 2004 for guarantees given by banks and credit insurance institutions on the Group's behalf for contract work etc. amounts to DKK 191.9 million. Other guarantees given by banks on the Group's behalf amounts to DKK 108.0 million of which DKK 101.6 million are guarantees for long-term loans from the European Investment Bank and DKK 6.4 million is a guarantee for a portion of a long-term loan from a bank consortium to Karnaphuli Fertilizer Limited, Bangladesh (KAFCO).

Total of bank/insurance guarantees given on the Group's behalf amounts to DKK 299.9 million.

The outstanding balance as of December 31, 2004 for corporate guarantees issued amounts to DKK 166.8 million, all of which relates to guarantees issued by Haldor Topsøe A/S for certain loans and credits granted by financial institutions in favour of Haldor Topsoe, Inc.

The outstanding balance as of December 31, 2004 for bank guarantees received by the Parent Company from suppliers etc. for contract work etc. amounts to DKK 51.9 million. Other bank guarantees received amounts to DKK 5.5 million all of which relates to Karnaphuli Fertilizer Limited, Bangladesh (KAFCO).

Total of bank guarantees received by the Parent Company amounts to DKK 57.4 million.

The outstanding balance of December 31, 2004 for letters of credit issued in favour of the Group as security for payment under various supply contracts amounts to DKK 167.2 million.

21 Contractual obligations

At December 31, 2004 the Group had entered into a number of leasing and rental agreements relating to premises and equipment etc. The total lease and rental payments during the non-cancellable periods, which in some cases extend to 2017, amount to DKK 24,4 million. (December 31, 2003: DKK 37.7 million)

	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
22 Fee to auditors appointed at the general meeting				
Audit fee to				
PricewaterhouseCoopers	1,944	1,743	1,126	1,100
Non-audit services	691	1,425	268	750
	2,635	3,168	1,394	1,850

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	Group		Parent Company	
	2004	2003	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
23 Staff				
Wages and salaries	625,365	695,861	527,384	569,966
Pensions	57,102	61,782	47,587	49,597
Other social security expenses	41,373	31,844	28,707	25,547
	723,840	789,487	603,678	645,110
Capitalisation of work performed on tangible fixed	-15,599	-20,811	-15,030	-16,903
	708,241	768,676	588,648	628,207

The above including remuneration to the Management and Board Members of:

Management	6,766	6,878	6,766	6,878
Board Members	480	480	480	480
	7,246	7,358	7,246	7,358
Average number of employees	1,510	1,631	1,284	1,382

24 Related parties

Significant interest	Basis
Dr. Haldor Topsøe	Shareholder
Snamprogetti Management Services S.A.	Shareholder

During the year, besides internal transactions within the Group which have been eliminated in the Group accounts, usual purchase and sales transactions of goods and services have been carried out on commercial terms with companies within the ENI Group (mainly with Snamprogetti S.p.A).

Notes to the Annual Report

	Group	
	2004	2003
	DKK 1,000	DKK 1,000
25 Cash flow statement - adjustments		
Other financial income	-50,947	-73,023
Other financial expenses	42,471	74,204
Depreciation, amortisation and write down, including losses and gains on sales of fixed assets.	214,081	207,769
Tax on profit/(loss) for the year	34,018	-6,884
Other adjustments	-16,596	19,943
	223,027	222,009

	Group	
	2004	2003
	DKK 1,000	DKK 1,000
26 Cash flow statement - change in working capital		
Change in inventories	-22,847	129,965
Change in receivables	38,365	-17,387
Change in contract billings	6,483	-77,999
Change in suppliers, etc.	-33,432	23,553
	-11,431	58,132