



Annual Report

CVR no. 41 85 38 16

2005



HALDOR TOPSØE A/S



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Haldor Topsøe A/S

CVR no. 41 85 38 16

Annual Report for 2005

(Translated from the original in Danish)

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

Balance Sheet at December 31

Assets

	Note	Group		Parent Company	
		2005 DKK 1,000	2004 DKK 1,000	2005 DKK 1,000	2004 DKK 1,000
Patents		19.629	19.482	19.536	19.482
Software		20.310	34.410	20.310	34.410
Software under development		1.920	4.482	1.920	4.482
Intangible assets	7	41.859	58.374	41.766	58.374
Land and buildings		471.252	466.999	411.155	407.072
Plant and machinery		502.035	597.204	356.190	327.589
Other fixtures equipment and cars		64.744	66.826	58.115	60.618
Assets under construction		53.321	62.120	36.049	50.262
Leasehold improvements		0	20	0	0
Tangible assets	8	1.091.352	1.193.169	861.509	845.541
Investments in subsidiaries		0	0	371.591	221.429
Loans to subsidiaries		0	0	109.486	117.895
Investments in other enterprises		39.076	34.772	10.944	6.640
Subordinated loans		22.075	9.115	22.075	9.115
Deposits		2.702	2.914	1.397	1.353
Fixed assets investment	9	63.853	46.801	515.493	356.432
Fixed Assets		1.197.064	1.298.344	1.418.768	1.260.347

Balance Sheet at December 31

Assets (continued)

	Note	Group		Parent Company	
		2005	2004	2005	2004
		DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Inventories	10	826.721	512.222	648.340	352.052
Trade receivables		538.739	310.067	312.361	184.271
Contract work in progress	11	72.829	16.182	65.455	12.755
Receivables from subsidiaries		0	0	112.829	93.173
Other receivables		25.006	21.285	17.855	19.758
Prepayments		27.927	26.236	26.695	26.004
Receivables		664.501	373.770	535.195	335.961
Current asset investments	12	45.322	60.970	45.322	60.970
Cash at bank and in hand		428.561	233.392	311.546	223.222
Current assets		1.965.105	1.180.354	1.540.403	972.205
Assets		3.162.169	2.478.698	2.959.171	2.232.552

Balance Sheet at December 31

Liabilities and equity

	Note	Group		Parent Company	
		2005 DKK 1,000	2004 DKK 1,000	2005 DKK 1,000	2004 DKK 1,000
Share capital	13	55.000	55.000	55.000	55.000
Revaluation reserve		155.260	155.500	155.260	155.500
Reserve for net revaluation under the equity method		287.420	137.203	287.420	137.203
Retained earnings		420.628	337.110	420.628	337.110
Dividend		121.728	8.000	121.728	8.000
Equity		1.040.036	692.813	1.040.036	692.813
Provision for deferred tax	14	215.630	142.576	180.725	112.332
Other provisions	15	79.395	60.000	185.770	50.322
Provisions		295.025	202.576	366.495	162.654
Mortgage debt (long-term)		97.499	101.506	97.499	101.506
Credit institutions (long-term)		521.370	583.083	401.213	443.659
Long-term liabilities	16	618.869	684.589	498.712	545.165

Balance Sheet at December 31

Liabilities and equity (continued)

	Note	Group		Parent Company	
		2005	2004	2005	2004
		DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Mortgage debt (current)	16	4.312	4.095	4.312	4.095
Credit institutions (current)	16	101.439	88.617	60.332	59.049
Prepayments received from customers	18	170.470	162.657	170.077	162.656
Contract work in progress	11	371.773	216.832	356.954	213.003
Trade payables		238.971	166.246	216.557	150.344
Payables to subsidiaries	16	0	0	11.957	18.689
Other payables	17	321.274	260.273	233.739	224.084
Short-term liabilities		1.208.239	898.720	1.053.928	831.920
Liabilities		1.827.108	1.583.309	1.552.640	1.377.085
Liabilities and equity		3.162.169	2.478.698	2.959.171	2.232.552
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, 2005	55.000	155.500	137.203	337.110	8.000	692.813
Dividend paid to shareholders					-8.000	-8.000
Revaluation for the year		-240				-240
Exchange adjustments relating to separate foreign legal entities			35.378	18.120		53.498
Fair value adjustment of hedging instruments, beginning of year				0		0
Fair value adjustment of hedging instruments, end of year				-2.355		-2.355
Net profit/(loss) for the year			114.839	67.753		182.592
Proposed dividend for the year				0	121.728	121.728
Equity at December 31, 2005	55.000	155.260	287.420	420.628	121.728	1.040.036

Cash Flow Statement

	Note	Group	
		2005	2004
		DKK 1,000	DKK 1,000
Net profit/(loss) for the year		304.320	54.025
Adjustments	25	438.004	223.027
Change in working capital	26	-279.607	-11.431
Cash flows from operating activities before financial income and expenses		462.717	265.621
Financial income		22.391	50.947
Financial expenses		-45.706	-42.471
Revaluation of financial assets		27.675	183
Cash flows from ordinary activities		467.077	274.280
Corporation tax paid or received		-61.976	-5.208
Cash flows from operating activities		405.101	269.072
Purchase of intangible assets, net		-4.012	-15.863
Purchase of property, plant and equipment, net		-143.297	-63.968
Proceeds from subordinated loans		17.783	0
Cash flow from investing activities		-129.526	-79.831
Changes in mortgages & other long term debt		-104.577	-93.535
Changes in current portion of long term debt		217	190
Changes in short term borrowings		7.042	-521
Dividend paid to shareholders		-8.000	0
Cash flows from financing activities		-105.318	-93.866
Change in cash and cash equivalents		170.257	95.375
Cash and cash equivalents at January 1		294.362	196.275
Exchange adjustment of current asset investments		9.264	2.712
Cash and cash equivalent at December 31		473.883	294.362
Cash and cash equivalents are specified as follows:			
Current asset investments		45.322	60.970
Cash at bank and in hand		428.561	233.392
Cash and cash equivalent at December 31		473.883	294.362

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			
	2005			
	DKK 1,000			
	Catalyst	Technology	Corporate	Total
Revenue	2.340.529	735.521	0	3.076.050

Of the total revenue from sale of products, contract work and licence income, 30% (2004: 23%) derives from North America and 70% (2004: 77%) from the rest of the world.

	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
2 Depreciation and amortisation of property, plant, equipment and intangible assets				
Patents	3.748	3.538	3.738	3.538
Software	16.759	14.498	16.759	14.498
Land and buildings	26.654	27.639	18.717	18.454
Plant and machinery	243.950	137.096	75.079	83.324
Other fixtures and fittings, tools and equipment	28.051	31.271	26.044	29.843
Leasehold improvements	19	39	0	0
	319.181	214.081	140.337	149.657

	Parent Company	
	2005	2004
	DKK 1,000	DKK 1,000
3 Income/(loss) from investments in subsidiaries before tax		
Share of profits of subsidiaries before tax	208.186	46.349
Share of losses of subsidiaries before tax	-19.744	-1.035
Change in intercompany profit on inventories purchased within the Group	-9.219	583
	179.223	45.897

Notes to the Annual Report

	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
4 Other financial income				
Income from fixed asset investments	4.872	1.146	4.872	1.146
Interest received from subsidiaries	0	0	7.882	6.023
Exchange adjustments	7.120	40.136	6.467	39.984
Interest income	8.831	9.210	6.705	8.210
Write up on assets	27.754	0	27.754	0
Other financial income	1.490	455	0	455
	50.067	50.947	53.680	55.818

	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
5 Other financial expenses				
Exchange adjustments	17.176	11.806	16.729	10.083
Interest expenses	25.829	28.373	19.604	21.815
Other financial expenses	2.701	2.292	1.426	2.292
	45.706	42.471	37.759	34.190

	Group		Parent Company	
	2005	2004	2005	2004
	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	73.858	21.950	3.462	20.355
Deferred tax for the year	76.276	12.068	82.288	-1.972
Tax of subsidiaries	0	0	64.384	15.635
Total tax for the year	150.134	34.018	150.134	34.018

Notes to the Annual Report

7 Intangible assets

	Group		
	<u>Patents</u>	<u>Software</u>	<u>Software under development</u>
	DKK 1,000	DKK 1,000	DKK 1,000
Cost at January 1, 2005	41.944	65.048	4.482
Additions for the year	4.380	581	6.516
Disposals for the year	-1.373	0	-7.000
Transfers for the year	0	2.078	-2.078
Cost at December 31, 2005	<u>44.951</u>	<u>67.707</u>	<u>1.920</u>
Impairment losses and amortisation at January 1, 2005	22.462	30.638	0
Amortisation for the year	3.748	16.759	0
Reversal of impairment and amortisation of sold assets	<u>-888</u>	<u>0</u>	<u>0</u>
Impairment losses and amortisation at December 31, 2005	<u>25.322</u>	<u>47.397</u>	<u>0</u>
Book value at December 31, 2005	<u>19.629</u>	<u>20.310</u>	<u>1.920</u>
Amortised over	<u>10 years</u>	<u>4 years</u>	<u>NA</u>

Notes to the Annual Report

7 Intangible assets (continued)

	Parent Company		
	Patents	Software	Software under development
	DKK 1,000	DKK 1,000	DKK 1,000
Cost at January 1, 2005	41.944	65.048	4.482
Additions for the year	4.276	581	6.516
Disposals for the year	-1.373	0	-7.000
Transfers for the year	0	2.078	-2.078
Cost at December 31, 2005	<u>44.847</u>	<u>67.707</u>	<u>1.920</u>
Impairment losses and amortisation at January 1, 2005	22.462	30.638	0
Amortisation for the year	3.738	16.759	0
Reversal of impairment and amortisation of sold assets	-889	0	0
Impairment losses and amortisation at December 31, 2005	<u>25.311</u>	<u>47.397</u>	<u>0</u>
Book value at December 31, 2005	<u>19.536</u>	<u>20.310</u>	<u>1.920</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, 2005	569.156	1.371.202	269.856	62.120	196
Rate of exchange adjustment	17.008	91.565	3.083	656	
Additions for the year	19.496	1.327	1.528	129.935	0
Disposals for the year	-1.363	-889	-13.547	-4.611	0
Transfers for the year	4.045	106.276	24.458	-134.779	0
Cost at December 31, 2005	<u>608.342</u>	<u>1.569.481</u>	<u>285.378</u>	<u>53.321</u>	<u>196</u>
Revaluation at January 1, 2005	198.000	8.000	0	0	0
Revaluation at December 31, 2005	<u>198.000</u>	<u>8.000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Depreciation at January 1, 2005	300.157	781.998	203.030	0	176
Write down	0	117.707	0	0	0
Rate of exchange adjustment	7.621	48.298	2.531	0	1
Depreciation for the year	26.654	126.243	28.051	0	19
Exchange adjustments of depreciation	448	2.921	62		0
Reversal of previous years' depreciation on sold and scrapped assets	210	-1.721	-13.040	0	0
Depreciation at December 31, 2005	<u>335.090</u>	<u>1.075.446</u>	<u>220.634</u>	<u>0</u>	<u>196</u>
Book value at December 31, 2005	<u>471.252</u>	<u>502.035</u>	<u>64.744</u>	<u>53.321</u>	<u>0</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, 2005	460.579	818.308	244.609	50.262
Additions for the year	19.496	0	1.002	130.906
Disposals for the year	-741	0	-7.837	0
Transfers for the year	4.045	103.680	22.627	-145.119
Cost at December 31, 2005	483.379	921.988	260.401	36.049
Revaluation at January 1, 2005	198.000	8.000	0	0
Revaluation at December 31, 2005	198.000	8.000	0	0
Depreciation at January 1, 2005	251.507	498.719	183.991	0
Depreciation for the year	18.717	75.079	26.044	0
Reversal of previous years' depreciation on sold and scrapped assets	0	0	-7.749	0
Depreciation at December 31, 2005	270.224	573.798	202.286	0
Book value at December 31, 2005	411.155	356.190	58.115	36.049
Depreciated over	13 - 40 years	5 - 10 years	4 - 10 years	NA

According to the official property assessment at January 1, 2005, the value of the land and buildings amounts to DKK 319.6 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, 2005	84.171	178.757
Additions for the year	0	0
Disposals for the year	0	-35.271
Cost at December 31, 2005	<u>84.171</u>	<u>143.486</u>
Revaluations at January 1, 2005	137.258	-60.862
Exchange adjustment	35.378	26.862
Disposal	-55	0
Net profit/(loss) for the year	114.839	0
Revaluations at December 31, 2005	<u>287.420</u>	<u>-34.000</u>
Book value at December 31, 2005	<u>371.591</u>	<u>109.486</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%
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 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, 2005	119.774	54.010	2.914
Additions for the year	0	0	215
Disposals for the year	0	-26.048	-427
Cost at December 31, 2005	<u>119.774</u>	<u>27.962</u>	<u>2.702</u>
Value adjustment at January 1, 2005	-85.002	-44.895	0
Value adjustment for the year	4.304	39.008	0
Value adjustment at December 31, 2005	<u>-80.698</u>	<u>-5.887</u>	<u>0</u>
Book value at December 31, 2005	<u>39.076</u>	<u>22.075</u>	<u>2.702</u>
	Parent Company		
	Investments in other enterprises	Subordinated loans	Deposits
	DKK 1,000	DKK 1,000	DKK 1,000
Cost at January 1, 2005	7.250	54.010	1.353
Additions for the year	0	0	82
Disposals for the year	0	-26.048	-38
Cost at December 31, 2005	<u>7.250</u>	<u>27.962</u>	<u>1.397</u>
Value adjustment at January 1, 2005	-610	-44.895	0
Value adjustment for the year	4.304	39.008	0
Value adjustment at December 31, 2005	<u>3.694</u>	<u>-5.887</u>	<u>0</u>
Book value at December 31, 2005	<u>10.944</u>	<u>22.075</u>	<u>1.397</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 14.9% of the shares in KAFCO.

KAFCO benefited from good market conditions and generated a profit of USD 63.5 million after tax in its financial year 2004/2005. KAFCO has on February 2, 2006, repaid all its loans.

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 0.5 million have been recognised as income from Chambal in 2005. The investment is valued at the quoted market value of the equity participation.

	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
10 Inventories				
Raw materials and consumables	129.544	93.059	98.488	71.739
Intermediate products	101.389	82.115	95.167	80.072
Finished goods	595.788	337.048	454.685	200.241
	826.721	512.222	648.340	352.052

	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
11 Contract work in progress				
Selling price of work performed	1.332.125	1.160.688	1.262.534	1.101.413
Payments received on account	-1.631.069	-1.361.338	-1.554.033	-1.301.661
Contract work in progress, net	-298.944	-200.650	-291.499	-200.248

Recognised in the balance sheet as follows:

Contract work in progress recognised in assets	72.829	16.182	65.455	12.755
Prepayments received recognised in debt	-371.773	-216.832	-356.954	-213.003
	-298.944	-200.650	-291.499	-200.248

Notes to the Annual Report

	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
12 Current asset investments				
Bonds	45.322	60.970	45.322	60.970
	45.322	60.970	45.322	60.970

Nominal DKK 45.0 million listed Danish bonds (of which DKK 15.0 million expires as of January 2, 2006) with a market value of DKK 45.3 million as of December 31, 2005. Average weighted fixed nominal interest rate was 4% p.a. and the average weighted duration was 1.0. 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.

	2005	2004
	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	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
14 Provision for deferred tax				
Intangible assets	11.694	17.512	11.694	17.512
Property, plant and equipment	92.260	137.999	75.711	99.800
Inventories	18.981	18.129	21.668	17.905
Trade receivables	-3.721	-5.456	-3.721	-5.456
Work in progress	116.916	64.354	116.916	64.354
Investments	-2.418	-13.326	-2.418	-13.326
Provisions	-21.977	-16.112	-46.207	-10.087
Tax loss carry-forward	-12.590	-68.011	-12.489	-68.011
Other	16.485	7.487	19.571	9.641
	215.630	142.576	180.725	112.332

Deferred tax has been provided at mainly 28% corresponding to the current Danish tax rate.

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	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
15 Other provisions				
Warranties	66.063	42.808	66.063	42.808
Other provisions	13.332	17.192	119.707	7.514
	79.395	60.000	185.770	50.322

Other provision for Parent Company includes a provision of DKK 117,7 million related to a toll manufacturing agreement with subsidiary.

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:

	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Mortgage debt (long-term)				
After 5 years	77.996	82.983	77.996	82.983
Between 1 and 5 years	19.503	18.523	19.503	18.523
Long-term part	97.499	101.506	97.499	101.506
Within 1 year	4.312	4.095	4.312	4.095
Short-term part	4.312	4.095	4.312	4.095
	101.811	105.601	101.811	105.601
Credit institutions (long-term)				
After 5 years	190.577	231.408	173.186	176.732
Between 1 and 5 years	330.793	351.675	228.027	266.927
Long-term part	521.370	583.083	401.213	443.659
Within 1 year	101.439	88.617	60.332	59.049
Other short-term debt to credit institutions	0	0	0	0
Short-term part	101.439	88.617	60.332	59.049
	622.809	671.700	461.545	502.708
Payables to subsidiaries				
Other short-term debt to subsidiaries	0	0	11.957	18.689
Short-term debt	0	0	11.957	18.689

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	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
17 Other payables				
Staff related	134.399	123.562	108.947	107.170
Other tax related	64.964	65.529	64.964	65.529
Due corporate tax	24.254	298	0	199
Other	97.657	70.884	59.828	51.186
	<u>321.274</u>	<u>260.273</u>	<u>233.739</u>	<u>224.084</u>

	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
18 Received prepayments from customers				
Prepayments related to license agreements	75.032	103.585	75.032	103.585
Prepayments related to sale of goods	95.438	59.072	95.045	59.071
Book value	<u>170.470</u>	<u>162.657</u>	<u>170.077</u>	<u>162.656</u>

19 Assets pledged

Nominal DKK 45.0 million listed Danish bonds (of which DKK 15.0 million expires as of January 2, 2006) with a market value of DKK 45.3 million has been pledged by the Parent Company as of December 31, 2005.

For the Group nominal DKK 846.2 million (Parent Company: DKK 707.1 million) fixed assets (land, buildings and plant equipment) has been pledged.

The remaining balance of the secured loans of December 31, 2005, was for the Group DKK 602.5 million (Parent Company: DKK 463.4 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, 2005 for guarantees given by banks and credit insurance institutions on the Group's behalf for contract work etc. amounts to DKK 313.5 million. Other guarantees given by banks on the Group's behalf amounts to DKK 76.7 million of which DKK 72.8 million are guarantees for long-term loans from the European Investment Bank.

Total of bank/insurance guarantees given on the Group's behalf amounts to DKK 390.2 million.

The outstanding balance as of December 31, 2005 for corporate guarantees issued amounts to DKK 161.3 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, 2005 for bank guarantees received by the Parent Company from suppliers etc. for contract work etc. amounts to DKK 63.8 million.

The outstanding balance of December 31, 2005 for letters of credit issued in favour of the Group as security for payment under various supply contracts amounts to DKK 467.9 million.

21 Contractual obligations

At December 31, 2005 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 37,2 million. (December 31, 2004: DKK 24,4 million)

	Group		Parent Company	
	2005	2004	2005	2004
	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	2.009	1.944	1.160	1.126
Non-audit services	1.007	691	268	268
	3.016	2.635	1.428	1.394

Notes to the Annual Report

	Group		Parent Company	
	2005	2004	2005	2004
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
23 Staff				
Wages and salaries	669.285	625.365	556.980	527.384
Pensions	53.048	57.102	42.851	47.587
Other social security expenses	33.410	41.373	22.945	28.707
	755.743	723.840	622.776	603.678
Capitalisation of work performed on tangible fixed	-9.929	-15.599	-8.125	-15.030
	745.814	708.241	614.651	588.648
The above including remuneration to the Management and Board Members of:				
Management	6.575	6.766	6.575	6.766
Board Members	480	480	480	480
	7.055	7.246	7.055	7.246
Average number of employees	1.550	1.510	1.303	1.284

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.

Notes to the Annual Report

	Group	
	2005	2004
	DKK 1,000	DKK 1,000
25 Cash flow statement - adjustments		
Other financial income	-50.067	-50.947
Other financial expenses	45.706	42.471
Depreciation, amortisation and write down, including losses and gains on sales of fixed assets.	319.181	214.081
Tax on profit/(loss) for the year	150.134	34.018
Other adjustments	-26.950	-16.596
	438.004	223.027

	Group	
	2005	2004
	DKK 1,000	DKK 1,000
26 Cash flow statement - change in working capital		
Change in inventories	-289.069	-22.847
Change in receivables	-266.972	38.365
Change in contract billings	162.146	6.483
Change in suppliers, etc.	114.288	-33.432
	-279.607	-11.431