

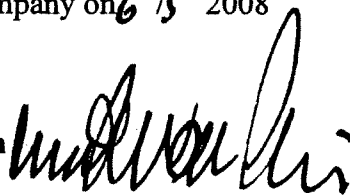
## Zacco A/S

CVR-nr. 26 00 05 56

Annual Report for 2007

The Annual Report was presented and  
adopted at the Annual General Meeting  
of the Company on 6<sup>th</sup> 15 2008

Chairman



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## Management's Statement on the Annual Report

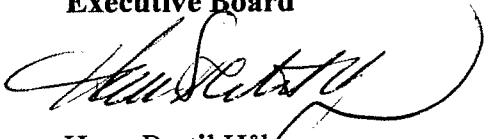
The Executive and Supervisory Boards have today considered and adopted the Annual Report of Zacco A/S for the financial year 2007.

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.

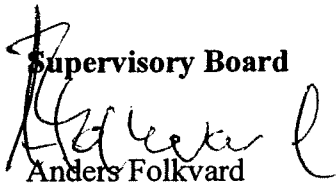
Copenhagen, 15 April 2008

### Executive Board



Hans-Bertil Håkansson

### Supervisory Board



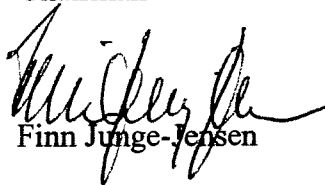
Anders Folkvard  
Chairman



Peter Lönnquist  
Vice Chairman



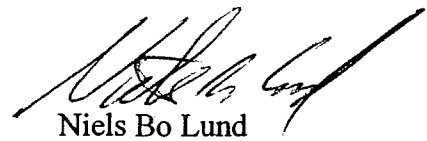
Kurt Erling Birk



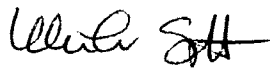
Finn Junge-Jensen



Dorte Lajer



Niels Bo Lund



Ulrika Sjökvist

## **Independent Auditor's Report**

### **To the Shareholders of Zacco A/S**

We have audited the Annual Report of Zacco A/S for the financial year 1 January - 31 December 2007, which comprises Management's Statement, Management's Review, significant accounting policies, income statement, balance sheet and notes for the Group as well as for the Parent Company and consolidated cash flow statement. The Annual Report is prepared in accordance with the Danish Financial Statements Act.

### **Management's Responsibility for the Annual Report**

Management is responsible for the preparation and fair presentation of the Annual Report in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Annual Report based on our audit. We conducted our audit in accordance with Danish Auditing Standards. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the Annual Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Annual Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

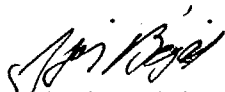
## Independent Auditor's Report (continued)

### Opinion

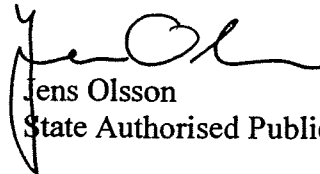
In our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2007 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2007 in accordance with the Danish Financial Statements Act.

Copenhagen, 15 April 2008

**PricewaterhouseCoopers**  
Statsautoriseret Revisionsaktieselskab



Kjeld Bøgild  
State Authorised Public Accountant



Jens Olsson  
State Authorised Public Accountant

## Company Information

### The Company

Zacco A/S  
Hans Bekkevolds Allé 7  
DK-2900 Hellerup

Telephone: +45 39 48 80 00

Facsimile: +45 39 48 80 80

Website: [www.zacco.com](http://www.zacco.com)

CVR no.: 26 00 05 56

Financial year: 1 January - 31 December

Municipality of reg. office: Gentofte

### Supervisory Board

Anders Folkvard, Chairman  
Peter Lönnquist, Vice Chairman  
Kurt Erling Birk  
Finn Junge-Jensen  
Dorte Lajer  
Niels Bo Lund  
Ulrika Sjökvist

### Executive Board

Hans-Bertil Håkansson

### Lawyers

Kromann Reumert  
Sundkrogsgade 5  
DK-2100 Copenhagen Ø

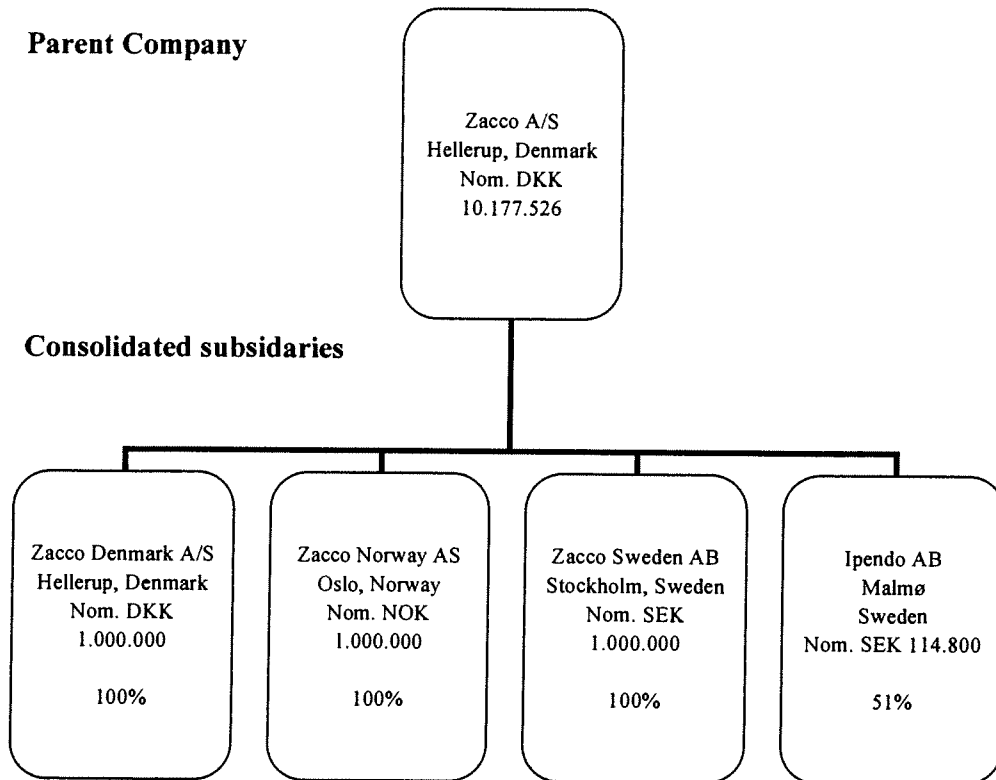
### Auditors

PricewaterhouseCoopers  
Strandvejen 44  
DK-2900 Hellerup

### Bankers

Nordea

## Group Chart



## Financial Highlights of the Group

The development of the Group for the last 5 years is described by the following financial highlights:

	2007	2006	2005	2004	2002
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	440,754	378,549	376,221	368,044	388,028
Profit/loss before financial income and expenses	21,458	20,352	29,291	25,606	12,825
Net financials	-2,066	1,922	262	-1,017	-2,180
Net profit/loss for the year	14,871	15,919	20,191	16,540	6,419
<b>Balance sheet</b>					
Balance sheet total	212,898	171,969	173,323	159,649	164,732
Equity	92,720	82,688	76,221	64,164	48,144
<b>Cash flows</b>					
Cash flows from:					
- operating activities	44,376	4,727	30,435	38,083	15,898
- investing activities	-31,671	-751	-17,107	-7,245	-1,832
- financing activities	1,292	-17,353	-17,217	-19,369	-19,025
Change in cash and cash equivalents for the year	13,997	-13,377	-3,889	11,469	-4,959
<b>Number of employees</b>	274	253	243	243	271
<b>Ratios in %</b>					
Gross margin	47,3%	47,9%	52,4%	49,9%	49,7%
Profit margin	4,9%	5,4%	7,8%	7,0%	3,3%
Return on net assets	10,1%	11,8%	16,9%	16,0%	7,8%
Solvency ratio	43,6%	48,1%	44,0%	40,2%	29,2%
Return on equity	17,0%	20,0%	29,4%	29,5%	14,1%

## **Management's Review**

The Annual Report of Zacco A/S for 2007 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

Zacco A/S is the parent company of its subsidiaries Zacco Denmark A/S, Zacco Norway AS, Zacco Sweden AB, and Ipendo AB. Zacco A/S has 100% ownership in all its subsidiaries except for Ipendo AB where Zacco A/S holds 51 %. Ipendo AB has a fully owned subsidiary company Ipendo Systems AB. In the following, Zacco A/S and its subsidiary companies are collectively referred to as Zacco.

### **Market overview**

Zacco is an international consultancy company that provides a broad spectrum of professional services within Intellectual Property Rights (IPR: patents, trademarks, designs etc.) to clients in Scandinavia and in the rest of the world.

As one of Europe's leading IPR consultancies Zacco has an ambition to be active in developing the IPR industry. Zacco will grow primarily through increased sales of traditional IPR services to Scandinavian companies along with enhancing our service offerings towards more strategy and business content services and thus bring more value for our customers. The successful acquisition of Ipendo during 2007 shall be seen in light of this strategy.

## **Development during the year**

### **The financial year 2007 and follow-up on last year's expected development**

Zacco's main objectives for 2007 were defined as increased profit and organic growth. Both were recognized to be highly dependent on how we would be able to develop our organization.

That this plan has been pursued is confirmed by the following facts: During 2007 Zacco got 52 new employees, sales rose by 14.5 % of which 10.8% is attributable to pure organic growth. Excluding Ipendo the operational profit, EBITDA, increased by 47%, and when Ipendo is included the corresponding figure is 30%.

The new organization implemented last year has proven to be even more effective than the previous one. The work towards a fully integrated organization has continued.

### **Capital resources**

During 2007 the change in liquid assets was DKK 14.0 millions and the operations generated DKK 44.4 millions in cash. At year end total cash and cash equivalents of Zacco amount to DKK 39.4 million.

## **Management's Review**

### **Investing in our people**

The success of Zacco is strongly dependent on the drive and commitment of our employees. Therefore, the building of a strong Human Resources function in Zacco has been prioritized. During 2007 we have made a considerable upgrade of the HR competences thus giving us the possibility to launch a powerful and inspiring HR strategy in line with Zacco's overall growth plans.

Major efforts have been made in vitalizing our organization by recruiting the best people. During 2007 a total of 52 new employees (Norway 6, Denmark 29, and Sweden 17) have joined Zacco while 31 have left the Company.

We have launched Zacco Academy with the aim to create a common platform for all education activities. As a knowledge based company Zacco will have a competitive advantage by being able to offer professional education programs.

A partner program has been introduced during 2007. The purpose of the partner program is to establish a group of key employees that are willing to put in extra efforts and support Management in developing Zacco towards a true European IP company. The partners will play an important role in building the Zacco culture of tomorrow.

### **Special risks – operating risks and financial risks**

#### ***Operations***

The Company is a provider of professional consultancy services within the IPR industry. Therefore, the most important resources of the Company are the skills, qualifications and competences of its employees. The Company's employees possess in full the necessary skills, qualifications and competences required in order to offer service to the customers of the Company.

#### ***Market risks***

Zacco operates in a growing but strongly changing market environment. It is of vital importance for a company like Zacco to always be able to adapt to new external conditions. As an international and market oriented organization Zacco is well placed to take advantage of these dynamic conditions.

#### ***Currency risks***

Zacco A/S has significant trading with foreign countries. As the Company both invoices and receives payments from abroad, the currency risk is limited. As a large part of the trade with foreign countries takes place within the EU, and the fact that the foreign exchange risk is very small between DKK and EUR, this limits the risk even further.

#### ***Interest risks***

The Company has sufficient liquidity for the Company's daily operations and payment of liabilities. The Company is not in any noticeable way exposed to risks and therefore interest dispositions are not entered into in order to hedge interest risks.

## Management's Review

### Special risks – operating risks and financial risks (continued)

#### *Credit risks*

The Group policy in relation to undertaking of credit risks involves continuous credit evaluations of large customers and trade partners. At the end of the year no increase in credit risks has been noted and therefore provisions for these are considered sufficient.

## Strategy and objectives

### Strategy

Zacco's goal is to further strengthen its position as the leading Scandinavian IP firm and from that platform develop into one of the leading European IP firms. In order to achieve this goal, we will focus on organic growth in combination with acquisitions of companies that offer complementary value to our core products and services.

Zacco's strategy for improved profitability and continued organic growth circles around concepts like performance culture, sales and marketing, organizational development, international expansion, and product development.

### Objectives and expectations for 2008

The strong organic growth from 2007 will continue throughout 2008, but revenues will be negatively affected by the London Agreement coming into force on 1 May 2008. The London Agreement will strongly reduce the income generated by translation of patents. To push the international expansion our goal is to acquire at least one new company outside Scandinavia during 2008. In line with this ambition and as a major event after the closing of the financial year 2007 Zacco acquired Shield Mark B.V., an Amsterdam based trademark agency with approximately 75 employees.

Ipendo's strong development during 2007 is expected to continue, probably at an even higher rate.

The profit for 2008 is expected to come out close to the 2007 result which implicitly means increased profitability and sales volumes for those parts of Zacco's businesses that will be affected by the London Agreement coming into force on 1 May 2008.

## Management's Review

### Basis of earnings

#### Research and development

The Company will continuously invest in development of new services meeting future needs of customers within the IPR industry. These services will attract large international customers and may lead to cross sales of traditional services.

At the same time the Company will invest in IT tools on an ongoing basis, which will ensure that the employees will be able more quickly to provide the customers with service of high quality. Besides these tools resulting in the customers experiencing faster delivery of consultant services, this will also lead to a competitive cost structure.

#### Working environment

Zacco is a knowledge organisation and its most important asset is its employees. The Company is extremely focused on ensuring that its employees have the best possible working conditions. Thus, the Company continuously works on providing the best possible working environment, education and development opportunities for the employees. This is also an important and necessary element in relation to recruiting and retaining the highly qualified employees that work in the Company.

#### Knowledge resources

Zacco is a knowledge based company. Our main activity is to sell consulting services as to how our customers can maximize their IP rights.

Our production resources are therefore primarily our employees and the knowledge they possess individually, which in addition to the structural knowledge of the company (library, IT systems, database access, etc.) is the knowledge base of the Company.

Zacco's most important knowledge resources are:

- *Human capital:*  
The employees and their knowledge, experience and involvement
- *Customer capital:*  
A comprehensive network of customers – domestic and abroad
- *Structural capital:*  
Well-established working procedures
- *Image capital:*  
A good image established over many years.

#### *Human capital*

It is Zacco's policy to employ highly skilled employees for both consulting and administrative functions. We give high priority to and allocate the necessary resources to ensure that the knowledge level of our employees is constantly updated.

## Management's Review

### *Human capital (continued)*

Enthusiastic and involved employees are a necessary prerequisite in order to deliver a committed service so our customers. Therefore, we do frequent analyses of job satisfaction as well as maintain a high level of information to the employees.

### *Customer capital*

Zacco constantly endeavours to offer a qualified service at competitive prices to our customers in order to retain our relationships. In addition to this we frequently arrange customer gatherings of professional as well as social character so that our employees on a formal and informal basis can be well acquainted with the customers and the needs and challenges faced by our customers.

### *Structural capital*

To an increasing extent we register knowledge and experience in written or IT based working procedures. We continuously invest in the development of various types of knowledge management systems to ensure that essential working procedures are established as part of the structural capital. The implementation of a new work-flow based IT system is a good example of this.

### *Image capital*

Three of the subsidiaries are all established in the 1870's. Therefore, all the Zacco companies are well established and also well recognised companies.

We endeavour to be recognized as a consultancy, which

- is modern and managed professionally
- always delivers high quality services at competitive prices
- employs the best employees in our profession
- has a high internal and external level of information
- is the front runner in development of relevant new services

and we adapt our activities accordingly.

Every year, the international magazine MIP (Managing Intellectual Property) publishes an IP survey, ranking the leading IP firms worldwide. MIP's survey of the IP market provides a unique perspective on the IP practice – based on the experience of hundreds of clients and practitioners.

IP firms are ranked in tiers and only the best firms are included. The top tier consists of the two or three best firms in each country. As the survey only covers the best IP firms in a given country, merely to be mentioned in any tier indicates work of high quality. Within each country the survey is divided into prosecution and contentious work.

Zacco Denmark and Zacco Norway are placed in tier 1 for both patent prosecution and trademark prosecution and Zacco Sweden in tier 2.

## **Accounting Policies**

### **Basis of preparation**

The Annual Report of Zacco A/S for 2007 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class.

The Annual Report for 2007 has been prepared in DKK 1,000.

### **Recognition and measurement**

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

- a binding sales agreement has been made,
- the sales price has been determined, and
- payment has been received at the time of sale or may with reasonable certainty be 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 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.

### **Basis of consolidation**

The Annual Report comprises the Parent Company, Zacco 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. The Group comprises Zacco A/S and the enterprises which appear from the group chart.

The Annual Report of the Group has been prepared on the basis of the Annual Reports of the Parent Company and subsidiaries by combining accounting items of a uniform nature.

## **Accounting Policies**

### **Basis of consolidation (continued)**

On consolidation, elimination is made of intercompany income and expenses, shareholdings 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.

On acquisition of subsidiaries, the difference between cost of acquisition and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method) and allowing for the recognition of any restructuring provisions relating to the enterprise acquired. Any remaining positive differences (goodwill) are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over the expected useful life, however maximum 20 years. In each individual case Management estimates the expected useful life.

### **Minority interests**

On statement of group results and group equity, the shares of results and equity of subsidiaries attributable to minority interests are recognised as separate items in the income statement and the balance sheet. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests, the changed share is included in results as of the date of change.

### **Leases**

Leases in respect of property, plant and equipment in terms of which the individual group enterprises assume substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the fair value of the leased asset, if measurable. Alternatively, the net present value, if lower, of future lease payments at the inception of the lease is applied. When computing the net present value, the interest rate implicit in the lease is applied as the discount rate or an approximated value. Assets acquired under finance leases are depreciated and written down for impairment like the other property, plant and equipment of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement over the lease term.

## **Accounting Policies**

### **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.

On recognition of foreign subsidiaries of the Company that are separate legal entities, income statements are translated at average exchange rates, whereas balance sheet items are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising on the translation of the opening equity of 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.

### **Segment reporting**

Segment information is presented in respect of geographical segments based on the Company's risks and returns and its internal financial reporting system.

Segment fixed assets comprise all fixed assets used directly for segment operations, including intangible assets and property, plant and equipment.

Segment liabilities comprise segment operating liabilities, including trade payables and other debt.

### **Incentive schemes**

The Group offers a share option plan to the Executive Board and a number of senior executives. The most significant conditions of the plan are disclosed in the notes to the Annual Report.

## **Income Statement**

### **Revenue**

Revenue equals the selling price of work completed for the year. The completion of the individual projects often covers several financial periods and therefore the percentage-of-completion method is applied for the recognition of income. Accordingly, the profit on work performed is recognised as income on a pro rata basis concurrently with finalisation.

## **Accounting Policies**

### **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.

### **Depreciation**

Depreciation comprises amortisation, depreciation and impairment of intangible assets and plant and equipment as well as gains and losses from current replacement of fixed assets.

### **Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments and price adjustment of securities.

### **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.

Current tax liabilities are recognised in short-term debt in the balance sheet in the event of non-payment.

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. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes. Deferred tax is measured on the basis of the tax rates of the respective countries.

The Company is jointly taxed with Zacco Denmark A/S. The tax effect of the joint taxation with the subsidiary is allocated in proportion to the taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

## **Balance Sheet**

### **Intangible assets**

#### ***Goodwill***

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. The maximum amortisation period is 20 years. In each individual case Management estimates the expected useful life.

## **Accounting Policies**

### **Development projects, patents and licences**

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

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. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work, but not exceeding 5 years.

### **Plant and equipment**

Plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

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:

Fixtures, fittings, tools and equipment	5 years
Motor vehicles (scrap value 20%)	5 years
Computer hardware and software	3 years
Leasehold improvements	5 years

## **Accounting Policies**

### **Plant and equipment (continued)**

Gains and losses on current replacement of plant and equipment are recognised in "Depreciation".

New acquisitions costing less than DKK 11,600 are expensed fully in the year of acquisition.

### **Impairment of fixed assets**

The carrying amounts of both intangible assets and plant and equipment 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 should be assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill and other assets for which a value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

### **Fixed asset investments**

Unlisted shares are measured at estimated selling price.

### **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 less goodwill amortisation, whereas the share of tax of subsidiaries is included in the item "Tax on profit/loss for the year".

The item "Investments in subsidiaries" in the balance sheet includes the proportionate ownership share of the net asset value of the subsidiaries calculated under the accounting policies of the Parent Company with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of any remaining value of positive or negative differences (goodwill or negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

Differences relating to the acquisition of investments in subsidiaries are stated and treated according to the methods mentioned under basis of consolidation; however, any differences in the balance sheet of the Parent Company are recognised in the item "Investments in subsidiaries".

## **Accounting Policies**

### **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.

### **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 as prepayments received from customers in short-term debt.

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

### **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.

### **Pension obligations**

To the extent that pension obligations are not covered by insurance, they are recognised in the balance sheet as provisions. The calculation of the liability is based on actuarial computations or on capitalised values.

### **Financial debts**

Fixed-interest loans, such as 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.

## **Accounting Policies**

### **Prepayments and deferred income**

Prepayments include expenses incurred in respect of subsequent financial years. 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.

### **Cash Flow Statement**

The cash flow statement shows the Group cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

#### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the group net profit/loss for the year adjusted for non-cash operating items such as depreciation, amortisation and impairment losses, provisions as well as changing in the working capital. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

#### **Cash flows from investing activities**

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, plant and equipment as well as fixed asset investments.

#### **Cash flows from financing activities**

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payment of dividend to shareholders.

#### **Cash and cash equivalents**

Cash and cash equivalent comprise "Cash at bank and in hand".

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

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

## Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2007 DKK 1,000	2006 DKK 1,000	2007 DKK 1,000	2006 DKK 1,000
<b>Revenue</b>	2	<b>440,754</b>	<b>378,549</b>	<b>3,731</b>	<b>17,313</b>
Production costs		-168,243	-137,645	0	0
Other external expenses		-64,092	-59,711	-3,460	-9,549
<b>Gross profit/loss</b>		<b>208,419</b>	<b>181,193</b>	<b>271</b>	<b>7,764</b>
Staff expenses		-179,643	-156,860	-4,288	-6,989
Depreciation and amortisation	3	-7,767	-3,981	-1,427	-1,019
Other operating income		449	0	449	969
<b>Profit/loss before financial income and expenses</b>		<b>21,458</b>	<b>20,352</b>	<b>-4,995</b>	<b>725</b>
Income from investments in subsidiaries	9	0	0	27,181	21,588
Financial income	4	2,231	3,466	89	32
Financial expenses	5	-4,297	-1,544	-857	-71
<b>Profit/loss before tax</b>		<b>19,392</b>	<b>22,274</b>	<b>21,418</b>	<b>22,274</b>
Tax on profit/loss for the year	6	-6,547	-6,355	-6,547	-6,355
<b>Profit/loss for the year before minority interests</b>		<b>12,845</b>	<b>15,919</b>	<b>14,871</b>	<b>15,919</b>
Minority interests, share of profit/loss of subsidiary		2,026	0	0	0
<b>Net profit for the year</b>		<b>14,871</b>	<b>15,919</b>	<b>14,871</b>	<b>15,919</b>

## Distribution of profit

### Proposed distribution of profit

Proposed dividend for the year		6,423	5,089
Retained earnings		-10,162	-4,239
		<u>-3,739</u>	<u>850</u>
Reserve for net revaluation under the equity method		18,610	15,069
		<u>14,871</u>	<u>15,919</u>

## Balance Sheet at 31 December

### Assets

	Note	Group		Parent Company	
		2007 DKK 1,000	2006 DKK 1,000	2007 DKK 1,000	2006 DKK 1,000
Goodwill		29,126	9,459	0	0
Development projects		1,129	0	0	0
<b>Intangible assets</b>	7	<b>30,255</b>	<b>9,459</b>	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		10,591	8,490	5,563	3,427
<b>Plant and equipment</b>	8	<b>10,591</b>	<b>8,490</b>	<b>5,563</b>	<b>3,427</b>
Investments in subsidiaries		0	0	114,467	80,637
Receivables from group enterprises		0	0	4,735	0
Deposits		1,768	1,736	0	0
Prepaid pensions		14,352	13,351	0	0
Other securities and investments		367	383	0	0
<b>Fixed asset investments</b>	9	<b>16,487</b>	<b>15,470</b>	<b>119,202</b>	<b>80,637</b>
<b>Fixed assets</b>		<b>57,333</b>	<b>33,419</b>	<b>124,765</b>	<b>84,064</b>
Trade receivables		77,317	77,105	0	4
Contract work in progress	11	25,927	24,854	0	0
Receivables from group enterprises		0	0	0	343
Other receivables		5,088	4,288	559	0
Corporation tax		2,162	2,926	1,774	21
Prepayments	10	5,646	4,482	218	1,003
<b>Receivables</b>		<b>116,140</b>	<b>113,655</b>	<b>2,551</b>	<b>1,371</b>
<b>Cash at bank and in hand</b>	12	<b>39,425</b>	<b>24,895</b>	<b>436</b>	<b>280</b>
<b>Current assets</b>		<b>155,565</b>	<b>138,550</b>	<b>2,987</b>	<b>1,651</b>
<b>Assets</b>		<b>212,898</b>	<b>171,969</b>	<b>127,752</b>	<b>85,715</b>

## Balance Sheet at 31 December

### Liabilities and equity

	Note	Group		Parent Company	
		2007 DKK 1,000	2006 DKK 1,000	2007 DKK 1,000	2006 DKK 1,000
Share capital		10,178	10,178	10,178	10,178
Reserve for net revaluation under the equity method		0	0	58,453	56,727
Retained earnings		76,119	67,421	17,666	10,694
Proposed dividend for the year		6,423	5,089	6,423	5,089
<b>Equity</b>	13	<b>92,720</b>	<b>82,688</b>	<b>92,720</b>	<b>82,688</b>
<b>Minority interests</b>		<b>-1,730</b>	<b>0</b>	<b>0</b>	<b>0</b>
Pension obligations	16	3,453	3,037	0	0
Provision for deferred tax	14	4,538	6,038	599	879
<b>Provisions</b>		<b>7,991</b>	<b>9,075</b>	<b>599</b>	<b>879</b>
Instruments of debt		7,571	12,465	0	0
Credit institutions		7,996	286	7,996	0
Liability, acquisition of Ipendo		7,817	0	7,817	0
<b>Long-term debt</b>	15	<b>23,384</b>	<b>12,751</b>	<b>15,813</b>	<b>0</b>
Instruments of debt	15	5,466	5,085	0	0
Credit institutions	15	3,148	537	3,148	251
Prepayments received from customers	11	2,498	4,140	0	0
Trade payables		24,037	19,227	901	904
Payables to group enterprises		0	0	13,691	136
Corporation tax		3,190	0	0	0
Other payables		44,032	35,835	880	857
Deferred income	17	8,162	2,631	0	0
<b>Short-term debt</b>		<b>90,533</b>	<b>67,455</b>	<b>18,620</b>	<b>2,148</b>
<b>Debt</b>		<b>113,917</b>	<b>80,206</b>	<b>34,433</b>	<b>2,148</b>
<b>Liabilities and equity</b>		<b>212,898</b>	<b>171,969</b>	<b>127,752</b>	<b>85,715</b>
Contingent liabilities and other financial obligations	18				
Fee to auditors appointed at the general meeting	19				
Staff	20				
Related parties and ownership	21				

## Cash Flow Statement of the Group 1 January - 31 December

	Note	2007 DKK 1,000	2006 DKK 1,000
Net profit/loss for the year		14,871	15,919
Adjustments	22	16,796	8,636
Change in working capital	23	22,023	-18,048
Cash flows from operating activities before financial income and expenses		<u>53,690</u>	<u>6,507</u>
Financial income		2,231	3,466
Financial expenses		-4,297	-1,544
Cash flows from ordinary activities		<u>51,624</u>	<u>8,429</u>
Corporation tax paid		-7,248	-3,702
<b>Cash flows from operating activities</b>		<u><b>44,376</b></u>	<u><b>4,727</b></u>
Purchase of intangible assets		-25,130	0
Purchase of plant and equipment		-5,809	-1,512
Purchase of other net assets		-281	0
Reduction in prepaid pension		-558	486
Increase in deposits		-32	-42
Sale of plant and equipment		139	317
<b>Cash flows from investing activities</b>		<u><b>-31,671</b></u>	<u><b>-751</b></u>
Repayment of instruments of debt		-4,513	-7,562
Reduction of lease obligations		-673	-485
Lease obligations incurred		3,563	0
Raising of loans		8,004	0
Dividend paid		-5,089	-10,096
Increase of share capital		0	790
<b>Cash flows from financing activities</b>		<u><b>1,292</b></u>	<u><b>-17,353</b></u>
<b>Change in cash and cash equivalents</b>		13,997	-13,377
Cash and cash equivalents at 1 January		24,323	38,115
Regulation in cash at 1 January, bank debt		572	0
Additions from Ipendo AB		974	0
Exchange adjustments		-440	-415
<b>Cash and cash equivalents at 31 December</b>		<u><b>39,425</b></u>	<u><b>24,323</b></u>

Cash and cash equivalents consist of cash at bank and in hand.

## Notes to the Annual Report

Revenue		Profit/loss before financial income and expenses		Value of fixed assets		Liabilities	
2007	2006	2007	2006	2007	2006	2007	2006
DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000

### 1 Segment information

#### Group

#### Geographical segments

Denmark	181,125	148,361	9,789	8,203	29,831	5,791	48,757	25,957
Sweden	113,185	99,944	-2,926	4,765	11,307	11,772	26,232	18,761
Norway	146,444	130,244	14,595	7,384	16,195	15,856	38,928	35,488
	<b>440,754</b>	<b>378,549</b>	<b>21,458</b>	<b>20,352</b>	<b>57,333</b>	<b>33,419</b>	<b>113,917</b>	<b>80,206</b>

## Notes to the Annual Report

	<b>Parent Company</b>	
	<u>2007</u>	<u>2006</u>
	DKK 1,000	DKK 1,000
<b>2 Revenue</b>		
<b>Geographical segments</b>		
Norden	3,731	17,313
	<u>3,731</u>	<u>17,313</u>

	<b>Group</b>		<b>Parent Company</b>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
<b>3 Depreciation and amortisation</b>				
Goodwill	3,484	853	0	0
Development expenses	574	0	0	0
Other fixtures and fittings, tools and equipment	3,816	3,304	1,427	1,019
Profit (-) / Loss on sale of fixed assets	-107	-176	0	0
	<u>7,767</u>	<u>3,981</u>	<u>1,427</u>	<u>1,019</u>

<b>4 Financial income</b>				
Cash at bank and in hand	1,071	589	36	19
Receivables	51	107	0	0
Exchange adjustments	986	2,678	22	0
Other interest income	123	92	31	13
	<u>2,231</u>	<u>3,466</u>	<u>89</u>	<u>32</u>

## Notes to the Annual Report

	<b>Group</b>		<b>Parent Company</b>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
<b>5 Financial expenses</b>				
Exchange adjustments	2,159	0	0	0
Instruments of debt and credit institutions	2,137	1,531	625	26
Interest paid to group enterprises	0	0	232	46
Other financial expenses	1	13	0	0
	<u>4,297</u>	<u>1,544</u>	<u>857</u>	<u>71</u>

## Notes to the Annual Report

	Group		Parent Company	
	2007	2006	2007	2006
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
<b>6 Tax on profit/loss for the year</b>				
Current tax for the year	5,039	3,695	-1,743	79
Adjustment of tax concerning previous years	8	-14	0	0
Change in deferred tax caused by change in tax rate from 28% to 25% in 2007	-387	0	-94	0
Tax of subsidiaries	0	0	8,571	6,436
Deferred tax for the year	1,887	2,674	-187	-160
<b>Total tax for the year</b>	<b>6,547</b>	<b>6,355</b>	<b>6,547</b>	<b>6,355</b>

Tax on profit/loss for the year is calculated as follows:

Calculated 25% tax on profit/loss for the year before tax	4,848	6,237	5,354	6,237
Tax effect of:				
Permanent differences	-379	0	-379	0
Non-deductible expenses and non-taxable income	113	-35	113	-35
Non-deductible amortisation of goodwill	904	239	904	239
Adjustment of tax concerning previous years	8	-14	8	-14
Change in deferred tax caused by change in tax rate from 28 % to 25 % in 2007	-387	0	-387	0
Interest surcharge, corporation tax	-2	-72	-2	-72
Higher tax rate in foreign subsidiaries	408	0	408	0
Non-capitalized deferred tax, Ipendo	1,034	0	528	0
	<b>6,547</b>	<b>6,355</b>	<b>6,547</b>	<b>6,355</b>

## Notes to the Annual Report

### 7 Intangible assets

#### Group

	<u>Goodwill</u>	<u>Develop-</u>
	DKK 1,000	ment costs
	DKK 1,000	DKK 1,000
Cost at 1 January 2007	35,822	0
Additions upon acquisitions	0	171
Exchange adjustment at year-end rate	-166	-7
Additions for the year	23,536	1,594
Disposals, goodwill written off	-25,300	0
Cost at 31 December 2007	<u>33,892</u>	<u>1,758</u>
Impairment losses and amortisation at 1 January 2007	26,363	0
Additions in connection with acquisitions	0	68
Exchange adjustment at year-end rate	220	-13
Amortisation for the year	3,484	574
Impairment and amortisation of assets written off	-25,301	0
Impairment losses and amortisation at 31 December 2007	<u>4,766</u>	<u>629</u>
<b>Carrying amount at 31 December 2007</b>	<u><b>29,126</b></u>	<u><b>1,129</b></u>
Amortised over max.	<u>10 years</u>	<u>5 years</u>

## Notes to the Annual Report

### 8 Plant and equipment

#### Group

	Other fixtures and fittings, tools and equipment
	<u>DKK 1,000</u>
Cost at 1 January 2007	32,137
Exchange adjustment at year-end rate	-215
Additions in connection with acquisitions	127
Additions for the year	5,809
Disposals for the year	-9,846
Cost at 31 December 2007	<u>28,012</u>
Impairment losses and depreciation at 1 January 2007	23,647
Additions in connection with acquisitions	28
Exchange adjustment at year-end rate	-256
Depreciation for the year	3,816
Impairment and depreciation of assets written off	-9,814
Impairment losses and depreciation at 31 December 2007	<u>17,421</u>
<b>Carrying amount at 31 December 2007</b>	<b><u>10,591</u></b>
Depreciated over	<u>3-5 years</u>
Including assets under finance leases amounting to	<u>3,118</u>

## Notes to the Annual Report

### 8 Plant and equipment (continued)

#### Parent Company

	Other fixtures and fittings, tools and equipment
	<u>DKK 1,000</u>
Cost at 1 January 2007	13,215
Additions for the year	3,563
Disposal for the year	<u>-9,452</u>
Cost at 31 December 2007	<u>7,326</u>
Impairment losses and depreciation at 1 January 2007	9,788
Depreciation for the year	1,427
Impairment and depreciation of assets sold	<u>-9,452</u>
Impairment losses and depreciation at 31 December 2007	<u>1,763</u>
<b>Carrying amount at 31 December 2007</b>	<b><u>5,563</u></b>
Depreciated over	<u>3 years</u>
Including assets under finance leases amounting to	<u>3,118</u>

## Notes to the Annual Report

### 9 Fixed asset investments

#### Investments in subsidiaries

	Parent Company	
	2007	2006
	DKK 1,000	DKK 1,000
Cost at 1 January 2007	15,000	15,000
Additions for the year	23,817	0
Cost at 31 December 2007	38,817	15,000
Value adjustments, beginning of year	65,637	60,846
Exchange adjustment	230	-146
Net profit/loss for the year	29,535	21,588
Amortisation of goodwill	-2,354	0
Tax on shares of profit/loss	-8,571	-6,436
Dividend paid in 2007	-8,827	-10,215
Value adjustments at 31 December 2007	75,650	65,637
<b>Carrying amount at 31 December 2007</b>	<b>114,467</b>	<b>80,637</b>

Investments in subsidiaries are specified as follows:

Name	Ownership %	Share capital	Equity	Net profit for the	Part of Zacco A/S		
					Equity	Profit/loss before tax	Net profit for the year
Zacco Denmark A/S	100%	TDKK 1,000	59,065	13,720	59,065	18,045	13,720
Zacco Norway AS	100%	TNOK 1,000	28,026	9,209	28,026	12,848	9,209
Zacco Sweden AB	100%	TSEK 1,000	7,993	143	7,993	751	143
Ipendo AB	51%	TSEK 115	1,205	-4,135	2,936	-2,109	-2,109
			96,289	18,937	98,020	29,535	20,963
Shareholder contribution,					-4,735	0	0
Goodwill					21,182	0	0
Depreciation goodwill					0	-2,354	-2,354
					114,467	27,181	18,609

#### Receivables from group enterprises

Receivables from group enterprises of kDKK 4,735 relate to a shareholder contribution to Ipendo AB. The shareholder contribution ranks subordinate to the other creditors of the Company.

## Notes to the Annual Report

### 9 Fixed asset investments (continued)

#### Group

	Deposits <u>DKK 1,000</u>	Prepaid pension <u>DKK 1,000</u>	Other securities and investments <u>DKK 1,000</u>
Cost at 1 January 2007	1,736	13,351	383
Exchange adjustment	0	443	-16
Additions for the year	32	558	0
Disposals for the year	0	0	0
Cost at 31 December 2007	<u>1,768</u>	<u>14,352</u>	<u>367</u>
<b>Carrying amount at 31 December 2007</b>	<u><b>1,768</b></u>	<u><b>14,352</b></u>	<u><b>367</b></u>

Prepaid pension funds include the pension schemes of Zacco Norway A/S. The schemes give the right to defined future benefits, primarily depending on the number of years of earning, salary level at the time of pensioning and the size of benefits from the public authorities.

The obligations relating to the Norwegian pension scheme do not expire until the agreed pensions have been paid. Calculations of the obligations are based on estimated future terminal salary.

The Norwegian pension scheme is specified as follows:

	<u>2007</u> DKK 1,000	<u>2006</u> DKK 1,000
Calculated pension obligations at 31 December	-79,240	-71,818
Pension funds (at market value) at 31 December	<u>77,380</u>	<u>67,314</u>
<b>Estimated net obligation/funds</b>	<b>-1,861</b>	<b>-4,504</b>
Differences in estimates	<u>16,213</u>	<u>17,855</u>
<b>Net pension asset</b>	<u><b>14,352</b></u>	<u><b>13,351</b></u>

Differences in estimates are recognised in the income statement over 7 years.

## Notes to the Annual Report

### 9 Fixed asset investments (continued)

#### Financial assumptions

Discount rate	5,5%	5,5%
Expected salary adjustment/pension increase	5,0%	3,0%
Pension increase, annual adjustment	2,0%	2,5%
Expected return on funds	5,8%	6,5%

The actuarial assumptions are based on the assumptions usually applied in Norway.

Zacco's pension obligations in other countries consist of defined contribution schemes, and therefore the obligation relating to the employees expires when the agreed contribution has been paid.

### 10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions, etc.

	Group		Parent Company	
	2007	2006	2007	2006
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000

### 11 Contract work in progress

Contract work in progress recognised in assets	25.927	24,854	0	0
Prepayments recognised in debt	-2.498	-4,140	0	0
<b>Contract work in progress, net</b>	<b>23,429</b>	<b>20,714</b>	<b>0</b>	<b>0</b>

### 12 Cash and cash equivalents

Of total cash and bank balances, restricted cash funds represent:

Non restricted cash accounts	34,737	19,736	436	280
Restricted cash accounts	4,688	5,159	0	0
	<b>39,425</b>	<b>24,895</b>	<b>436</b>	<b>280</b>

## Notes to the Annual Report

### 13 Equity

#### Group

	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Equity at 1 January 2007	10,178	0	67,421	5,089	82,688
Dividend paid to shareholders	0	0	0	-5,089	-5,089
Exchange adjustments relating to separate foreign legal entities	0	0	250	0	250
Net profit/loss for the year	0	0	8,448	6,423	14,871
<b>Equity at 31 December 2007</b>	<b>10,178</b>	<b>0</b>	<b>76,119</b>	<b>6,423</b>	<b>92,720</b>

#### Parent Company

	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Equity at 1 January 2007	10,178	56,727	10,694	5,089	82,688
Dividend paid to shareholders				-5,089	-5,089
Exchange adjustments relating to separate foreign legal entities	0	313	-63	0	250
Net profit/loss for the year	0	18,610	-10,162	6,423	14,871
	<b>10,178</b>	<b>75,650</b>	<b>469</b>	<b>6,423</b>	<b>92,720</b>
Proposed dividend for the year		-17,197	17,197		
<b>Equity at 31 December 2007</b>	<b>10,178</b>	<b>58,453</b>	<b>17,666</b>	<b>6,423</b>	<b>92,720</b>

## Notes to the Annual Report

### 13 Equity (continued)

The share capital consists of 10,177,526 shares of a nominal value of DKK 1.  
No shares carry any special rights.

Specification of share capital movements:

	2007	2006	2005	2004	2003
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Share capital, beginning	10,178	10,000	10,000	10,000	10,000
Increase of share capital	0	178	0	0	0
	<b>10,178</b>	<b>10,178</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

	Group		Parent Company	
	2007	2006	2007	2006
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000

### 14 Provision for deferred tax

Provision for deferred tax is specified as follows:

Plant and equipment	-641	-516	599	879
Trade receivables	-899	-1,297	0	0
Work in progress	3,167	4,155	0	0
Instruments of debt	-253	-472	0	0
Prepaid pensions	3,844	3,738	0	0
Other tax reserves in subsidiary	534	430	0	0
Tax loss carry-forwards	-1,214	0	0	0
	<b>4,538</b>	<b>6,038</b>	<b>599</b>	<b>879</b>

## Notes to the Annual Report

### 15 Long-term debt

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:

	<b>Group</b>		<b>Parent company</b>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
<b>Credit institutions</b>				
After 5 years	0	0	0	0
Between 1 and 5 years	7,996	286	7,996	0
Long-term part	<u>7,996</u>	<u>286</u>	<u>7,996</u>	<u>0</u>
Within 1 year	3,148	537	3,148	251
	<u>11,144</u>	<u>823</u>	<u>11,144</u>	<u>251</u>
<b>Instruments of debt</b>				
After 5 years	0	0	0	0
Between 1 and 5 years	7,571	12,465	0	0
Long-term part	<u>7,571</u>	<u>12,465</u>	<u>0</u>	<u>0</u>
Within 1 year	5,466	5,085	0	0
Short-term part	<u>5,466</u>	<u>5,085</u>	<u>0</u>	<u>0</u>
	<u>13,037</u>	<u>17,550</u>	<u>0</u>	<u>0</u>

### 16 Pension obligations

To the extent that pension obligations are not covered by insurance, they are recognised as liabilities in the balance sheet. The statement of the obligation is based on actuarial calculations or on capitalised values.

## Notes to the Annual Report

### 17 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

### 18 Contingent liabilities and other financial obligations

#### Rental agreements and leases

Lease obligations under operating leases.

Total future rent and lease payments:

	<b>Group</b>	
	2007	2006
	DKK 1,000	DKK 1,000
Within 1 year	14,750	10,410
Between 1 and 5 years	33,029	26,385
After 5 years	11,286	13,790
	<u>59,065</u>	<u>50,585</u>

The Group has not undertaken any contingent liabilities.

No security has been provided in the Group's assets.

The Group is currently a party to legal proceedings, disputes, etc. Management is of the opinion that these cases will not have a significant effect on the financial position of the Group.

The Parent Company guarantees instruments of debt issued in its subsidiaries. At 31 December 2007, the remaining debt amounts to kDKK 13,037.

Of the total debt on instruments of debt, kDKK 2,813 is subordinate loan capital that ranks subordinated to the claims of other creditors of the Company.

## Notes to the Annual Report

	Group		Parent Company	
	2007	2006	2007	2006
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
<b>19 Fee to auditors appointed at the general meeting</b>				
Audit fee to PricewaterhouseCoopers	645	709	75	75
Non-audit services	1,124	826	927	571
	<u>1,769</u>	<u>1,535</u>	<u>1,002</u>	<u>646</u>
<b>20 Staff</b>				
Wages and salaries	137,859	120,468	4,256	6,903
Pensions	13,305	11,500	19	65
Other social security expenses	18,995	16,508	13	20
Other expenses	9,484	8,384	0	0
	<u>179,643</u>	<u>156,860</u>	<u>4,288</u>	<u>6,989</u>
Remuneration to the Executive and Supervisory Boards:				
Executive Board and Supervisory Board			3,455	3,694
			<u>3,455</u>	<u>3,694</u>
Average number of employees	<u>274</u>	<u>253</u>	<u>2</u>	<u>7</u>

The incentive scheme offered to the Executive Board and senior executives includes warrants which in 2008 and 2009 can be exercised for subscription of up to 313,200 and 100,000, shares respectively at a fixed price per share of a nominal value of DKK 1.

## Notes to the Annual Report

### 21 Related parties and ownership

#### Controlling interest

There are no related parties with controlling interest.

#### Other related parties

The Group has instruments of debt towards significant shareholders which at 31 December 2007 have a remaining value of kDKK 2,813 with interest rates from 3.8% to 5%.

Apart from the above, there have been no transactions with the Supervisory Board, the Executive Board, senior employees, significant shareholders, group enterprises or other related parties except for intercompany transactions that are eliminated in the Consolidated Financial Statements and normal management remuneration.

#### Ejerforhold Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

HBBLR Holding ApS, Hellerup, Denmark  
HB Holding II ApS, Hellerup, Denmark  
Primas AS, Norway.

## Notes to the Annual Report

	<u>2007</u>	<u>2006</u>
	DKK 1,000	DKK 1,000
<b>22 Cash flow statement - adjustments</b>		
Financial income	-2,231	-3,466
Financial expenses	4,297	1,544
Depreciation and amortisation for the year	7,767	3,981
Adjustment pension obligation, etc	416	-114
Tax on profit/loss for the year	6,547	6,355
Other adjustments	0	336
	<u>16,796</u>	<u>8,636</u>

### 23 Cash flow statement - change in working capital

Change in receivables	5262	-15,698
Change in suppliers, etc	<u>16,761</u>	<u>-2,350</u>
	<u>22,023</u>	<u>-18,048</u>