Annual Report 2007

Foods | Industrial Ingredients | Moving & Relocation Services

EAC

Contents

EAC Foods

EAC Foods has maintained a presence in Venezuela for 55 years and is today the largest player and market leader in the country's processed meat industry. Activities encompass the entire value chain and include production of feed, pig breeding, slaughtering processing, sales, marketing and distribution. Participation in the entire meat-production value chain has yielded significant strategic and financial advantages, enabling EAC Foods to produce quality products from prime raw materials at competitive costs.

EAC Industrial Ingredients

EAC Industrial Ingredients focuses on being the leading solutions provider of industrial ingredients to manufacturing industries in South and South East Asia. The business represents more than 150 manufacturers of industrial ingredients from all over the world on an exclusive basis and distributes their products throughout the nine countries, in which it operates.

EAC Moving & Relocation Services

Under the Santa Fe brand, EAC Moving & Relocation Services provides office, local, domestic, and international household goods moving services and a wide range of relocation services. Records management services are provided in Beijing, Guangzhou, Hong Kong, Jakarta, Macau, Malaysia, Manila, Singapore, and Shanghai. General freight forwarding services are provided in Hong Kong and China.

Highlights

EAC delivered double-digit revenue growth, strong operating profit and important progress with strategic initiatives in 2007

23%

EAC Group's consolidated revenue reached DKK 4.4bn, up 23 per cent in DKK compared to 2006. Operating profit grew by 93 per cent to DKK 603m based on outstanding performance by EAC Foods supported by strong results in the two other businesses.

29%

EAC Foods achieved revenue growth of 41 per cent in USD compared to 2006. Operating profit in DKK grew by 124 per cent to DKK 478m.

19%

EAC Industrial Ingredients achieved revenue growth of 19 per cent compared to 2006 in local currencies. Operating profit in DKK adjusted for non-recurring items grew by 21 per cent to DKK 98m.

7%

EAC Moving & Relocation Services achieved revenue growth of 13 per cent compared to 2006 in local currencies. Operating profit in DKK grew by 13 percent to DKK 60m.

Financial Summary

DKK million	**2007**	2006	2005	2004	2003**
CONSOLIDATED INCOME STATEMENT					
Revenue	4,402	3,586	2,805	2,467	4,116
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	677	384	304	286	512
Operating profit (EBIT)	603	313	229	183	367
Net financials	-37	51	-16	5	-31
Revaluation of fixed assets investments			2	7	2
Income tax expense	139	100	94	44	92
Profit from continuing operations	469	291	146	181	246
Profit/(loss) from discontinued operations	4	-21	8.035	133	
Net profit	473	270	8.181	314	246
Attributable to:					
Minority interests	43	30	27	46	21
Equity holders of the parent EAC	430	240	8.154	268	225

31.12.	**2007**	2006	2005	2004	2003
CONSOLIDATED BALANCE SHEET					
Total assets	2,687	2,760	11,628	3,792	4,177
Working capital employed	835	589	562	671	693
Net interest bearing debt, end of period	-207	-760	-291	-908	-988
Net interest bearing debt, average	-476	-735	-805	-948	-943
Invested capital	1,349	1,021	10,213	1,499	1,705
Minority interests	110	104	150	202	180
EAC's share of equity	1,531	1,797	10,463	2,332	2,613
Cash, cash equivalents and restricted cash	546	1,004	613	1,024	1,489
Investments in intangible assets and property, plant and equipment	234	96	132	133	256
RATIOS					
Operating margin (%)	13.7	8.7	8.2	7.1	8.9
Solvency ratio (%)	57.0	65.1	90.0	61.5	62.6
Return on invested capital (%)	50.9	5.6	4.1	19.4	21,2
Return on equity (%)	25.9	3.8	127.5	10.8	8.6
Earnings per share (diluted)	*28.9	*14.6	*6.2	*9.7	11.9
Equity per share (diluted)	104.0	100.7	555.4	134.1	138.2
Market price per share	397.5	316.0	593.9	285.8	257.6
Own shares	1,280,275	1,670,020	216,237	1,774,489	959,611
Number of employees end of period	5,027	4,331	3,922	3,576	5,826
Exchange rate DKK/USD end of period	507.53	566.14	632.41	546.76	595.76
Exchange rate DKK/USD average	542.96	594.35	598.22	598.35	658.08

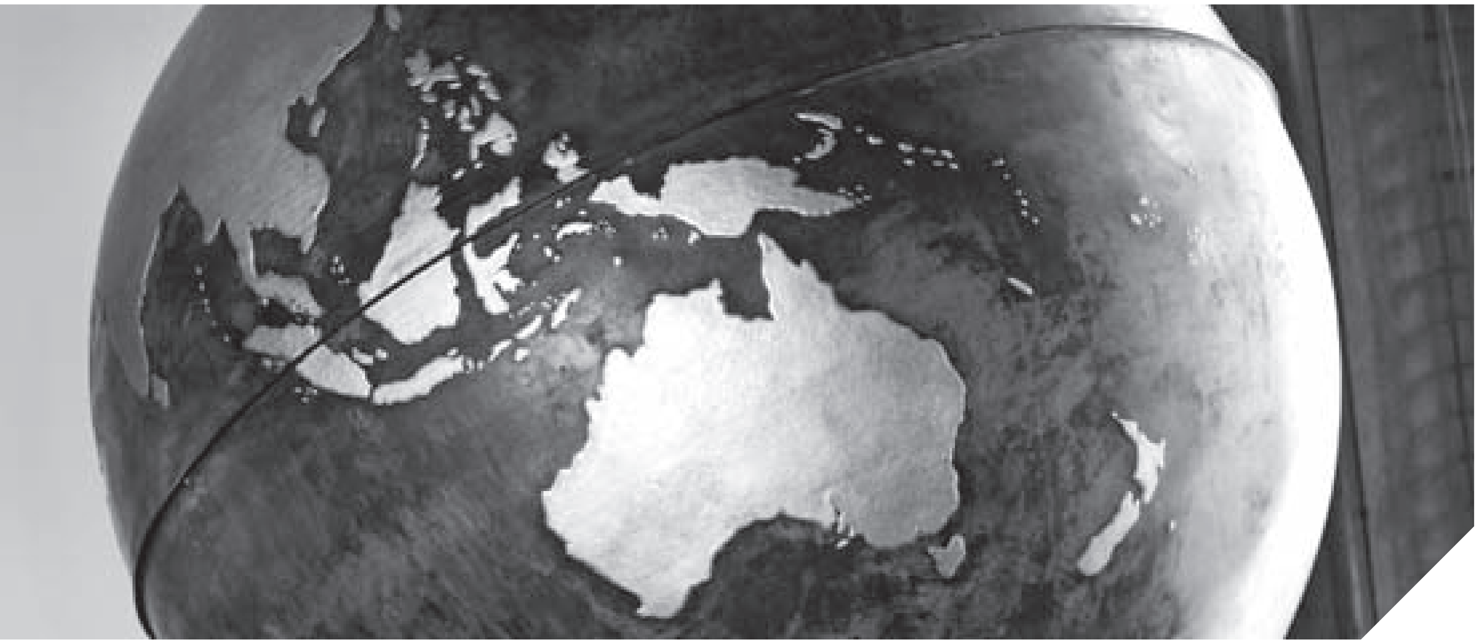
* Earnings per share from continuing operations
** Including EAC Nutrition

2003 in accordance with Danish Financial Statement Act - adopted with effect from 1 January 2002.

2004 - 2007 in accordance with IFRS - adopted with effect from 1 January 2004.

Definitions, see page 36

The ratios have been calculated in accordance with the guidelines of the Danish Association of Financial Analysts (Finansanalytikerforeningen).



Dividend

The Parent Company The East Asiatic Company Ltd. A/S achieved a net profit of DKK 414m. The Supervisory Board will propose to the Annual General Meeting that a dividend of DKK 10.00 per share will be paid in accordance with the Group's policy of distributing a dividend equal to 1/3 of the net profit. The total dividend payment proposed is DKK 150m.

Outlook for 2008

The Group expects double-digit revenue growth both in local currencies and in DKK to around DKK 5.2bn (DKK 4.4bn).

The Group consolidated operating profit (EBIT) excluding non-recurring items is expected to be around DKK 540m (DKK 603m). The reduction versus 2007 is a reflection of USD/DKK exchange rate changes and significantly increased advertising and promotion costs in EAC Foods related to new product launches.

EAC's share of profit in associates is expected to be around DKK 25m (DKK 27m).

Expectations for the Group in 2008 are based on an average DKK/USD exchange rate of 500.00, while the actual results for 2008 will be consolidated using the average exchange rates for the year. This could potentially cause variances depending on movements in exchange rates.

No adjustment in the official foreign exchange rate in Venezuela (VEF/USD 2.15) is assumed in the outlook.

The outlook for 2008 reflects management's expectations of future events and must be viewed in the context of the business environments and currency markets, which may cause actual results to deviate materially from those projected by EAC.

Note that comparative figures for previous year are stated in brackets. All currency effects refer to translation effects from reporting currencies unless otherwise stated

Strategy – Group

EAC's Group strategy is based on growth strategies for each of the three business segments

Growth and value creation
EAC's Group strategy is based on growth strategies for each of the three businesses, including organic growth initiatives, such as product and service innovation, capacity upgrades and geographical expansion.

In addition, EAC proactively seeks acquisition opportunities which are meaningful in terms of value creation and fit the existing businesses' products, services, and geographical coverage.

Growth initiatives are aimed at leveraging the existing business models and gaining further momentum, but attractive opportunities in close adjacencies where existing skills can add value may also be considered.

The pursuit of this strategy is based on a shared framework and strategic management tools applied across the three businesses.

In 2007, EAC reached important growth targets, both by organic means and through acquisitions, thereby strengthening products and services as well as its geographical coverage. The results confirm the strategic rationale and reveal the potential for further value creation.

Group capital structure and targets
The EAC Group operates in the relatively volatile developing markets in South America and Asia where unexpected currency and interest movements have been experienced from time to time. Hence it is the view of the Supervisory Board that the EAC group should maintain a ratio between debt and equity that allows management to take measures necessary to abate or eliminate effects of such unforeseen events, when appropriate.

EAC will continuously strive to achieve an efficient debt to equity ratio in the operating subsidiaries, while maintaining a cautious solvency ratio and cash position in the Parent Company.

In line with its commitment to shareholder value, EAC will continue to distribute excess capital not needed to fund acquisitions and/or investments to the shareholders. EAC's policy is annually to distribute one third of the year's net profit as dividends and EAC also expects to carry out share buy-back programmes in the most appropriate way and timing.

Towards 2011, the EAC Group will strive for average annual double-digit growth in local currencies. Results are targeted at generating an annual average return on the invested capital around 30 per cent.

As acquisitions may lead to changes in the composition of the Group, these objectives are not static and may be revised.

Strategy – Business Segments

Foods strategy

Focus on existing geography in Venezuela
- Lower-cost sourcing solutions to be explored

Capacity upgrade
- Continued optimisation of existing facilities
- Continued very high investment in additional production capacity at all levels of the value chain

Continued product and packaging innovation
- Primary focus on high-margin products until capacity limitations solved

Further development of Food Service Unit
- Providing food products to hotels, restaurants, and catering segment
- Expand product offering

Expansion into related product segments
- Acquisition of branded food products
- Achieve synergies related to distribution and sales

Industrial Ingredients strategy

Leverage existing position in South-East Asia
- Build market leading position as regional industry specialist
- Expand existing product and service portfolio

Expansion into new markets in a broader Asian geography
- Leverage positions of new businesses in India and Bangladesh
- Pursue opportunities in new markets including China, Pakistan, and Sri Lanka

Expansion through organic growth and acquisitions
- Search for attractive, value-adding acquisitions
- Evaluation to add related industry sectors to focus

Moving & Relocation Services strategy

Consolidate leadership as a true Pan-Asian provider
- Expansion in existing and new growth markets
- Greenfield set-ups in new markets
- Market expansion primarily driven by customer demand

Continuous scan for value-adding acquisitions
- Acquisition targets likely to be modest in size

Records management services to be expanded
- Investments in storage facilities

Continued expansion of relocation services
- Further strengthening of service concept
- Establishment in new markets

Financial targets towards 2011

Double-digit growth
- Lower than in 2007, but accelerating when capacity expansion becomes operational

Double digit EBIT margin
- Possible acquisitions into lower-margin segments and renewed focus on standard segment may affect margin, but improve absolute profitability

Own cash flow and borrowing capacity adequate to fund planned expansion

Financial targets towards 2011

Strong double-digit growth
- Revenue of DKK 2bn in 2010

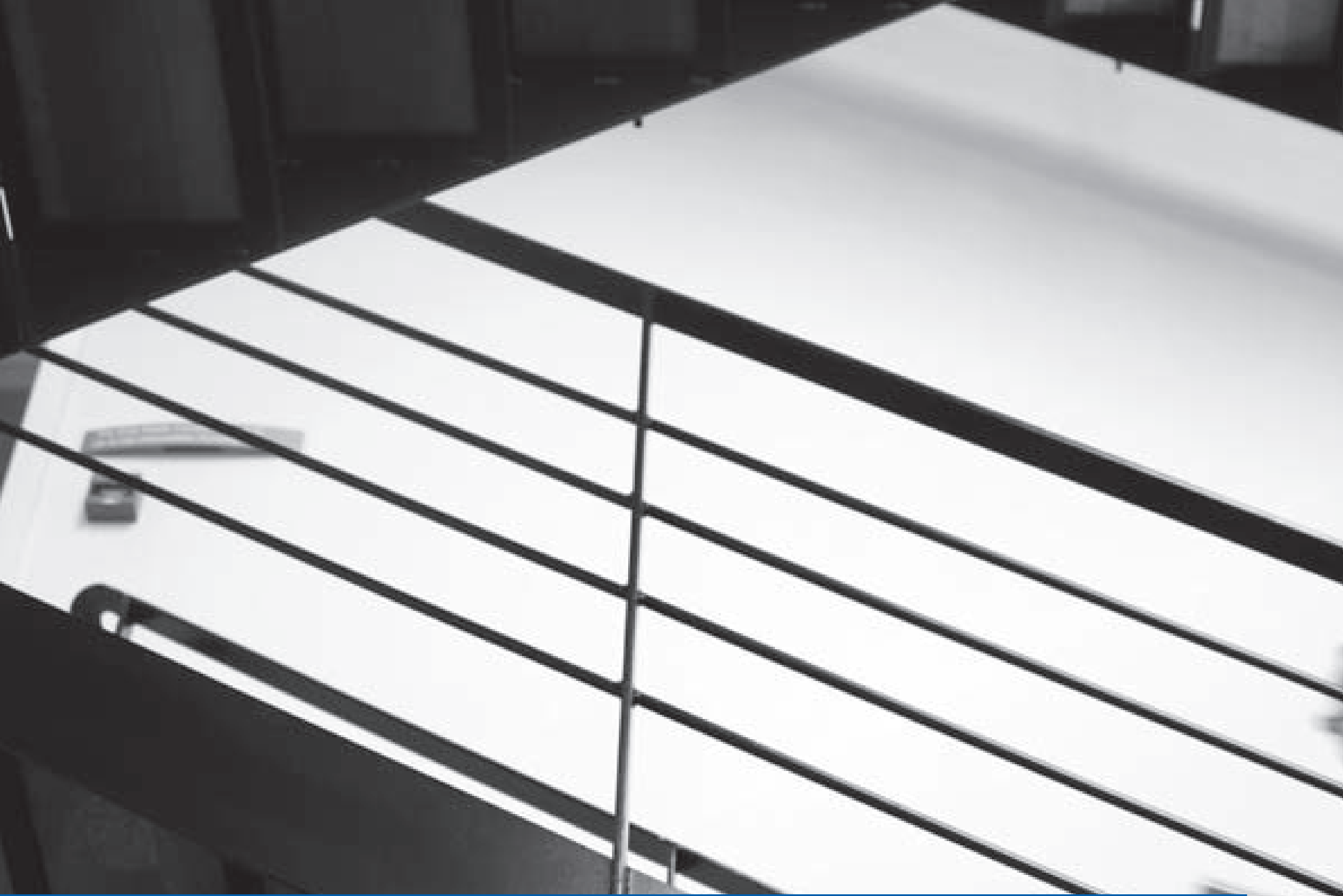
EBIT margin around 8 per cent
- EBIT margin may reduce slightly as growth accelerates

Introduce debt at operating level
- To fund acquisitions and investments in growth

Financial targets towards 2011

Continued sound revenue growth

Improving EBIT margin
- Based on increasing share of higher-margin services



Management's Financial Review 2007

EAC's consolidated revenue was DKK 4.4bn, up 23 per cent in DKK compared to 2006. Operating profit from continuing operations increased by 93 per cent to DKK 603m based on the outstanding performances by EAC Foods supported by strong results in the two other businesses.

13.7%

Operating profit and margin

Outstanding performance in EAC Foods supported by strong results in the two other businesses

Financial Performance

Consolidated income statement

Consolidated revenue was DKK 4.4bn (DKK 3.6bn), an increase of 23 per cent in DKK and 30 per cent in local currencies.

EAC Foods completed the year in accordance with the outlook of 8 November 2007, but exceeded expectations from early 2007 significantly.

EAC Industrial Ingredients and EAC Moving & Relocation Services exceeded initial expectations and the outlook announced on 8 November 2007 (Q3 2007).

Operating profit (EBIT) for the Group was DKK 603m (DKK 313m), equalling a growth of 93 per cent based on the outstanding performance by EAC Foods supported by strong results in the two other businesses.

The three businesses achieved an operating profit adjusted for non-recurring items of DKK 636m (DKK 347m), a growth of 83 per cent in DKK and 96 per cent in local currencies. Operating margin increased from 9.7 per cent in 2006 to 14.4 per cent in 2007 due to factors mentioned under the individual business segments.

Financial expenses and income, net was an expense of DKK 37m compared to an income of DKK 51m in 2006 resulting from lower interest income following the distribution to shareholders in 2006 and 2007 of DKK 9.4bn in the form of dividends and share buy back programmes. Secondarily the decrease is a result of higher interest expenses as well as increased exchange losses compared to 2006.

The **share of profit in associates** in Thailand amounted to DKK 24m (DKK 22m). The overall share of profit in associates for the Group increased to DKK 42m (DKK 27m) of which DKK 15m relates to profit from the disposal of the 30 per cent investment in Unza Indochina Pte. Ltd., Singapore.

Income tax expenses of DKK 139m (DKK 100m), of which DKK 4m (DKK 14m) was withholding tax, resulted in an effective tax rate, net of withholding tax of 22 per cent (22 per cent).

Profit from continuing operations was DKK 469m (DKK 291m), an increase of 61 per cent.

Profit from discontinued operations was DKK 4m representing divestment of EAC Trading Ltd. A/S, Copenhagen and the associated company Global Wool Alliance Pvt. Ltd., Mumbai as well as costs associated with the divestment of EAC Nutrition Ltd. A/S, Copenhagen.

Net profit
Net profit was DKK 473m compared to DKK 270m in 2006.

Minority interests was DKK 43m or an increase of DKK 13m, which is attributable to the high profitability in the Procer pig farm in Venezuela in 2007, which benefited the minority shareholder.

Equity holders of the parent EAC's share of the net profit was DKK 430m (DKK 240m).

Exchange rates
Exchange rate effects 2007 versus 2006 were material on the income statement as the average USD exchange rate decreased by 8.6 per cent relative to DKK. The weakening of the USD was to some extent compensated by strengthening of the THB, which appreciated by 7.4 per cent relative to DKK. Total currency effects impacted revenue and operating profit negatively by DKK 277m and DKK 42m respectively.

Exchange rate effects from USD were substantial on the balance sheet as the USD depreciated by 10.4 per cent versus DKK in 2007 compared to end of 2006. The weakening USD was partly offset by the appreciation of the THB versus DKK of 6.2 per cent in 2007 compared to year-end 2006.

Overall exchange rates had a negative effect on the balance sheet of DKK 170m.

Balance sheet

Total assets were DKK 2.7bn compared to DKK 2.8bn end of 2006.

Investment in intangible assets and property, plant and equipment amounted to DKK 234m of which DKK 32m relates to the acquisition of activities mainly in EAC Industrial Ingredients. Investment of DKK 177m were made in EAC Foods of which DKK 43m were invested in the pig farms and the feed mill. The remaining DKK 134m were invested in production and distribution facilities.

Depreciation and amortisation amounted to DKK 73m compared to DKK 71m in 2006.

Current assets
Current assets declined slightly from year-end 2006.

Assets held for sale of DKK 67m comprise divested properties of the 60 per cent owned Malaysian company EAC Holdings Sdn. Bhd. and the associated company INEOS Asiatic Chemical Company Limited, Thailand.

Equity
EAC's share of group equity decreased by DKK 266m after dividend payment of DKK 150m in April 2007 and purchase of own shares for DKK 500m. Other movements in Group equity refer primarily to a negative foreign currency translation of DKK 46m as a result of the depreciation of the USD relative to the DKK, although, partly offset by the appreciation of the THB.

Furthermore, the cancellation of 1.670.019 treasury shares on 11 July 2007 reduced share capital by DKK 117m.

Dividend
A dividend of DKK 10.00 per share, relating to the 2006 result was approved by the Annual General Meeting held on 27 March 2007 and subsequently paid to shareholders.

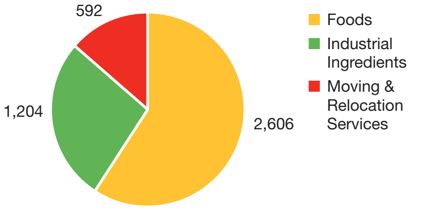
Working capital employed Increased to DKK 835m versus DKK 589m at year-end 2006 equal to an increase of 51 per cent adjusted for currency developments. The increase was primarily caused by a higher activity level in EAC Foods consequently leading to increased inventories compared to 2006. This was partly offset by trade payables, which were high following administrative delays in obtaining approval for foreign currency remittances.

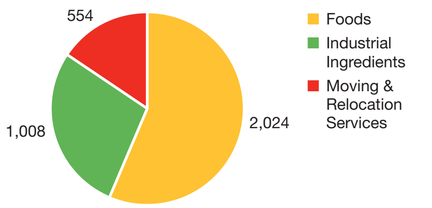
Trade receivables increased considerably in EAC Industrial Ingredients partly because of a higher activity level in the distribution businesses outside Thailand and partly as a result of acquisitions.

Invested capital increased to DKK 1,349m (DKK 1,021m). Adjusted for currency developments, invested capital increased 42 per cent compared to end of 2006.

Operating profit (EBIT)
– Continuing Operations before corporate expenses and non-recurring items

DKK million	2007	2006	Change
Foods	478	213	265
Industrial Ingredients	98	81	17
Moving & Relocation Services	60	53	7
Total	636	347	289





Invested capital in the three businesses increased to DKK 1,269m compared to DKK 968m at the beginning of the year.

Invested capital in EAC Foods increased, primarily due to increased inventories partly offset by higher trade and other payables. Invested capital in EAC Industrial Ingredients increased partly due to increased trade receivables as explained above. Additionally, acquisition of activities contributed to the increase in EAC Industrial Ingredients.

Return on Invested Capital

The return on invested capital (ROIC) was 50.9 per cent.

ROIC in aggregate for the three businesses was 56.9 per cent versus 36.0 per cent during the same period last year, adjusted for non-recurring items.

Cash Flow

Cash flow from **operating activities** was positive at DKK 284m, although change in working capital was negative at DKK 259m primarily as a consequence of the high activity level in EAC Foods.

Net cash inflow from **investing activities** was DKK 304m of which DKK 450m relates to the release of the EAC Nutrition divestment escrow arrangement, which ceased on 3 July 2007. In addition, sale of associates, discontinued operations and non-current assets investments contributed positively by DKK 60m. Cash outflow was largely related to investments in plant and equipment of DKK 202m, mainly in EAC Foods and acquisition of activities by EAC Industrial Ingredients.

Net cash outflow from **financing items** of DKK 579m related primarily to repurchase of own shares, dividend payments, and net repayment of borrowings in EAC Foods.

The return on invested capital (ROIC) was 50.9 per cent.

ROIC in aggregate for the three businesses was 56.9 per cent

Invested Capital

DKK million	31.12. 2007	31.12. 2006	Change
EAC Foods	787	627	160
EAC Industrial Ingredients	390	252	138
EAC Moving & Relocation Services	92	89	3
Total	**1,269**	**968**	**301**

Foods

EAC Foods has maintained a presence in Venezuela for 55 years and is today the largest player and market leader in the country's processed meat industry. Activities encompass the entire value chain and include production of feed, pig breeding, slaughtering processing, sales, marketing and distribution. Participation in the entire meat-production value chain has yielded significant strategic and financial advantages, enabling EAC Foods to produce quality products from prime raw materials at competitive costs.

18.3%

Operating profit and margin

06 DKK 213m

07 DKK 478m

EAC Foods has some of the most recognised and preferred consumer brands in the market

29%

- Revenue grew by 29 per cent in DKK and 41 per cent in USD as a result of higher selling prices, more profitable sales channels, and higher sales of premium products.
- Operating profit increased by 124 per cent in DKK. The operating margin reached 18.3 per cent in 2007 versus 10.5 per cent in 2006.
- Outlook for 2008: Revenue growth around 30 per cent in USD and an operating margin of around 13 percent.

EAC Foods' product portfolio includes, hams, sausages, and other premium products marketed under the Oscar Mayer and Plumrose trademarks. In addition shoulders, mortadela, bologna, bacon, chicken, and a series of other quality products address other price segments of the market.

EAC Foods' market-leading position and continued growth and value is driven by targeted product and packaging innovation, especially within the premium segment. EAC Foods has some of the most recognised and preferred consumer brands in the market, and the strong brand recognition serves as a lever for the introduction of new products.

The business also operates a fast-growing Food Service unit, which provides food products to hotels, restaurants and the catering segment.

EAC Foods has the largest and most modern refrigerated distribution network in Venezuela with seven distribution centres across the country, allowing fast delivery service to clients nationwide.

Operating profit increased by 124 per cent in DKK driven by focus on premium products

Activities are fully supported by the SAP information technology platform, which supplies online information to control operations and facilitate prompt Management decisions.

Politics and the economy

Gross Domestic Product grew 8.4 per cent according to the central bank of Venezuela.

The average Venezuelan oil export basket increased 13.6 per cent during 2007, allowing for strong fiscal spending which was the main driver of GDP growth.

According to the National Institute of Statistics in Venezuela, the unemployment rate continued to decrease from 8.9 per cent at year-end 2006 to 6.2 per cent at the end of 2007.

Inflation for 2007 reached 22.5 per cent showing an increase of 5.5 points over the 2006 rate of 17.0 per cent, mainly fuelled by abundant liquidity and fiscal spending.

Oil prices during 2007 strengthened international reserves, which stood at USD 37.3bn at the end of 2007, positioning Venezuela with a very comfortable level of reserves with respect to annual imports and foreign debt.

The exchange controls established in February 2003 remained in force throughout 2007. EAC Foods has operated normally under the exchange controls and no major difficulties have been encountered.

During 2007, the Venezuelan government continued to implement its social project, reinforcing government subsidised social, food and health programmes. The government continued investing in its subsidised food retail chain MERCAL/CASA (government-owned or franchised stores) that reaches around 50 per cent of the population in the low and medium income brackets. During 2007, EAC Foods continued participating in this program with a range of lower-margin refrigerated and canned products.

Market Developments

In 2007, the strong results were driven by high product quality and innovation. A strong strategic focus on premium products and more profitable sales channels drove results. Improving market shares confirm EAC Foods' overall no. 1 position and strong brand equity.

Processed meat product sales ended the year at a new record high volume of 62,241 tons, albeit only a 1 per cent increase compared to 2006. Product demand was not fully satisfied due to a lack of production capacity in certain product lines. During 2007, investments were made to resolve short-term capacity constraints in the existing production facilities.

GDP growth, higher employment rates, and higher disposable incomes benefited premium product sales as consumers shifted towards premium brands such as Plumrose and Oscar Mayer. Although EAC Foods' overall share of the ham market declined due to production limitations.

Market share trends of Plumrose's audited categories

Category	2007	2006
Total hams	39.5	40.6
Premium hams	49.0	51.2
Wiener sausages	82.6	75.4
Deviled ham	33.0	33.5

Figures above stated as a percentage

In the premium priced sausage category (wieners), the 32 per cent volume growth clearly documented category leadership.

The Food Service Unit had an excellent performance in 2007. The successful introduction of new products to the product offering continued to boost sales, which increased by 49 per cent in USD in 2007.

Financial Results
Revenue increased by 41 per cent compared to 2006 in USD and 29 per cent in DKK mainly due to higher selling prices implemented throughout the year and a sales mix of higher-margin products. The most significant revenue growth was in the premium segment such as hams, deviled hams and sausages, as mentioned above.

Total tonnage sold during 2007 increased by 13.5 per cent over 2006, with growth primarily generated from sales of animal feed.

Operating profit increased by 124 per cent in DKK and 147 per cent in USD. The operating margin was 18.3 per cent in 2007 versus 10.5 per cent in 2006.The operating margin was positively influenced by the strategic focus on higher-margin premium products and very good results in the farms.

Assets
Total assets amounted to DKK 1,332m at the end of 2007. The manufacturing facilities, investments in the pig farms and the feed mill are the main fixed assets.

The land adjacent to the Cagua factory was acquired to secure the future expansion of the manufacturing facilities.

The most important projects in 2007 were the expansion of the sausage and deviled ham production lines, renovations of production machinery and equipment at the factory, and the new chicken deboning rooms. Moreover, a welfare building was established at the slaughterhouse, the transport fleet was renewed and expanded, and investments were made to secure compliance with environmental standards and IT projects.

The project to expand the Procer and the AFI farms, increasing the number of reproductive sows, was still in progress at end of 2007.

The balance sheet includes, as a financial investment, the 51 per cent interest held in Procer, which operates the pig farm located in Quibor. This controlling interest in the Procer farm is considered a strategic investment, because it represents a secure source of quality raw materials at controlled prices.

8.4%

GDP Growth (real)

Foods will drive future growth through capacity upgrades and continued product and packaging innovation

Financing
Financing of long-term assets and operations was exclusively in local currency. The net bank debt balance represented 38 per cent of the approved credit line facilities at year-end.

Intellectual Capital
The success of EAC Foods lies in product development know-how, extensive market knowledge, a modern distribution infrastructure and state of the art information technology platform:

Product development know-how has positioned EAC Foods as a leader in product innovation.

In-depth understanding of consumer behavior, needs and habits supported by effective advertising and promotion has allowed EAC Foods to develop the Oscar Mayer and Plumrose brands in a way that they can command premium prices.

Modern distribution centres in major cities and one of the largest refrigerated fleets in the country give EAC Foods a powerful distribution arm.

Steady investments in information technology further enhance to the efficiency and control of EAC Foods' operations.

Risk Profile

Interest Risk
In recent years, the interest rate environment in Venezuela has presented a certain degree of volatility. However, on 29 April 2005, the Venezuelan Central Bank issued a decree to cap the lending rates, which is still in force and has brought forward significant stability.

EAC Foods manages the existing risk using debt instruments with the longest maturities available in the local financial market, which vary between one and thirty-six months. Furthermore, the company is eligible for preferential agro loan rates, which are typically the lowest in the market. By end-2007, 96 per cent of the loans' portfolio corresponded to agro loans eligible for the preferential interest rate.

Commodity Risk
Pork meat is the primary raw material for the production of EAC Foods' products and the company secures supply from own farms, a network of preferred suppliers and maintenance of adequate inven-

Foods South America
Financial Summary

(DKK million)	2007	2006	2005
Revenue	2,606	2,024	1,457
Operating profit	478	213	176
Total assets	1,332	1,024	959
Working capital employed	477	334	322
Invested capital	787	627	622
Return on invested capital (%)	67.6	34.1	31.3
Cash flow from operating activities	235	141	69
Cash flow from investing activities	-162	-72	-89
Operating margin (%)	18.3	10.5	12.1
Employees, number year-end	3,038	2,598	2,268

tory levels. EAC Foods owns pig farms, which are considered among the most important and modern pig production facilities in Venezuela.

EAC Foods also operates its own feed mill to control quality and cost of feed stuff which is the major cost component of the pig production activity.

Furthermore, EAC Foods now has a complete genetics pyramid, allowing the company to produce replacement animals, which are also sold to third parties, at a controlled cost.

Environmental Compliance
EAC Foods is constantly investing to comply with environmental standards and legislation. Construction of new oxidation lagoons at the pig farms was completed during 2007.

Manure is being managed as liquid fertilizer for grasslands. The environmental impact of slaughtering and meat processing activities includes the use of water; wastewater and wastewater emission of phosphors, nitrogen, and biogenic oxygen demand, suspended matter and sludge.

In order to minimize the environmental impact, EAC Foods emphasizes safety procedures, controls water consumption, installs filters, tests additives to reduce phosphor, biogenic oxygen demand and other elements, and has the necessary permits to upgrade its wastewater treatment plant.

Outlook for 2008
EAC Foods expects revenue growth around 30 per cent in USD and an operating margin of around 13 per cent on the following assumptions:

- Significantly increased advertising and promotion costs related to new product launches
- GDP growth of about 6-7 per cent.
- Annual inflation rate of around 11 per cent.
- The VEF/USD exchange rate remaining at 2.15.

Research by independent economists based on purchasing power parity analysis indicates a VEF/USD exchange rate around 3.0. However, the Venezuelan Government expects to maintain the VEF/USD exchange rate unchanged at 2.15 for all of 2008.

Investment made during 2007 to enhance capacity in the production lines with output constraint will add additional capacity during 2008, but it is expected that raw material shortages will continue to restrict output growth.

Long-term production capacity needs will be addressed in a master plan currently under preparation.

A preliminary assessment indicates that implementation of the master plan will require continued high capital expenditure in the years 2008-10. It is expected that the master plan will be completed during H1 2008.

Long-term production capacity needs will be addressed in a master plan currently under preparation

Industrial Ingredients

EAC Industrial Ingredients focuses on being the leading solutions provider of industrial ingredients to manufacturing industries in South and South East Asia. The business represents more than 150 manufacturers of industrial ingredients from all over the world on an exclusive basis and distributes their products throughout the nine countries, in which it operates.

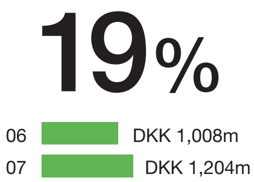
8.1 %

Operating profit and margin

06 DKK 81m

07 DKK 98m

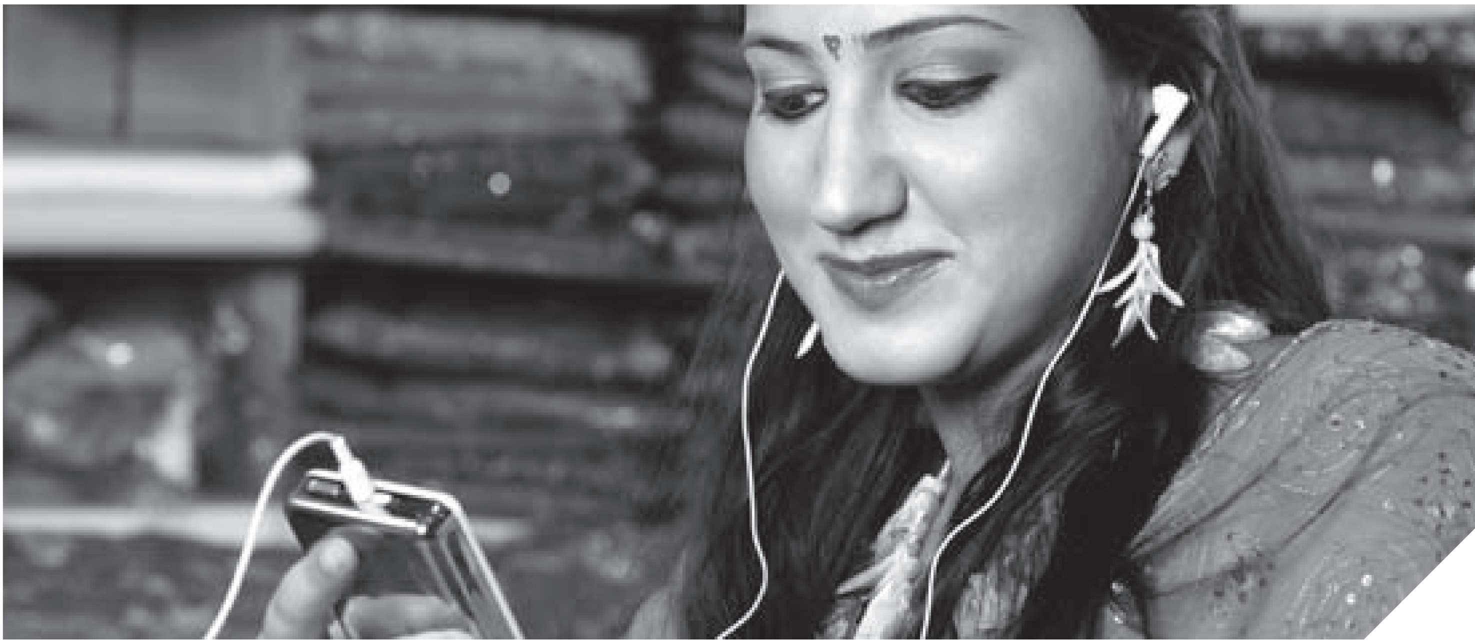
Expansion and accelerated growth in the South East Asian business drove results



- Revenue grew by 19 per cent to DKK 1.2bn.
- The operating margin increased to 8.1 per cent from 8.0 per cent in 2006 (adjusted for non-recurring items).
- Outlook for 2008: Revenue growth of around 22 per cent in local currencies with an operating margin above 7 per cent.

Technical services are the key value driver for the business' manufacturing customers. The customers operate in more than 10 industries as diverse as personal care, food, paints and automotive. They span from large multinational corporations to smaller local businesses, all of which use the industrial ingredients in their products or in their production processes. Working in close collaboration with customers, EAC Industrial Ingredients provides formulation, sampling, blending, testing and other laboratory services, plus proper approval and documentation of products for new or existing applications.

Commercial services are the key value driver for the business' principals, which are producers of industrial ingredients. Most of these principals have appointed EAC Industrial Ingredients as their exclusive distributor within the region. Pursuing mutually agreed action plans, EAC Industrial Ingredients provides a dedicated distribution channel, comprising a network of offices and warehouses facilitating broad market coverage.



The ability to offer supply chain services is becoming increasingly important for gaining a competitive edge. EAC Industrial Ingredients operates a regional supply chain capable of consolidating its purchases from key partners for subsequent redistribution on a timely basis to individual markets and customers. Focused supply chain services such as vendor managed inventories and just-in-time distribution under a responsible care programme are provided.

Market Developments
In Thailand, sales of ingredients to the metals, plastics, rubber, and film industries enjoyed particularly strong growth. Supply chain services grew satisfactorily. Some activities were negatively affected by delayed introduction of new products and similar supply shortage issues.

Vietnam, Indonesia, and the Philippines continued to show strong growth as demand particularly for specialty ingredients to the food processing and plastics industries intensified.

In line with the strategy, EAC Industrial Ingredients acquired ACI Trading Ltd. in Bangladesh, thereby becoming the market leader in this country. Furthermore, EAC Industrial Ingredients acquired the Akashi group of companies in Malaysia and Phil-Asiachem Inc. in the Philippines.

Financial Results
EAC Industrial Ingredients generated 19 percent growth in revenue in DKK and in local currencies.

Despite the political uncertainty in Thailand, revenues increased by 9 per cent in local terms compared to 22 per cent in the previous year. Discontinuation of two supplier relationships impacted the Q4 performance.

Revenue in other South East Asian markets grew by 30 per cent in local terms, with all major markets reporting strong performances. The newly acquired businesses in Malaysia and the Philippines made the projected positive contribution to growth during the second half of the year.

In its second year of full operation under EAC, the business in India reported 20 per cent revenue growth.

The newly acquired business in Bangladesh, ACI Trading Ltd., contributed to the fourth-quarter revenue and performed in line with expectations.

Adjusted for non-recurring items of DKK 9m the operating profit increased by 21 per cent in DKK due to the relatively stable gross margins throughout 2007 combined with the strong revenue growth. In local currencies the increase was 19 per cent.

The operating margin rose by 0.1 percentage point to 8.1 per cent (adjusted for non-recurring items).

Assets
EAC Industrial Ingredients deploys its assets mainly in working capital, investments in associated companies, and warehouses in Thailand and Indonesia. Total assets increased by DKK 368m, primarily due to higher cash holdings, new acquisitions as well as investments made in working capital to facilitate growth. Currency fluctuations had no material impact on asset growth.

Financing and Cash Flow
Cash flow from operations was mainly increased by the net profit, but to a large extend offset by increased working capital investment primarily as a result of increased receivables due to the higher activity level in the distribution businesses outside Thailand.

Net cash outflow from investing activities was increased due to acquisitions in Malaysia, Bangladesh, and the Philippines though partly offset by sale of non-current assets and dividends received from associates.

Intellectual Capital
As a service provider, EAC Industrial Ingredients is continuously building intellectual capital by developing the technical, commercial, supply chain and managerial

skills of its staff. The investment is returned as the staff builds professional customer, supplier and third party relationships, and develops business processes and strategies.

Recruitment of new talents and retention of key employees is extremely important for the continued growth of the business. Consequently, EAC Industrial Ingredients offers a wide range of monetary, welfare and other benefits for its employees.

Risk Profile

Economic and Political Risk
Due to the nature of the distribution business, in which demand is dependent on the general economy, regional market developments and financial results are often correlated. However, many customers serve global export markets and the diversified customer portfolio limits the impact of local political and economic fluctuations.

Operating Risk
The industry of manufacturing and distribution of industrial ingredients is in the midst of a global transformation process, which will continue in the coming years. As a result, the ownership and corporate structures of EAC Industrial Ingredients' principals have changed frequently in recent years. This constitutes an opportunity to capture new business, but also involves the risk of seeing existing supplier relationships being discontinued.
The business mitigates this risk by developing its regional industry specialist concept, which differentiates its scope of solutions from the local competitors, building barriers to exit. Also, distributing industrial ingredients for numerous world leading international manufacturers as well as hundreds of specialised niche players limits the consequences of any one manufacturer discontinuing the business.

Product Risk
EAC Industrial Ingredients' product risk is limited to ensuring appropriate product handling. The business operates all products under the guidance of manufacturers' Material Safety Data Sheets.

Commodity Risk
The product portfolio consists of a wide variety of materials, ranging from commodities to specialties. Overall, the assortment is skewed towards specialty products, limiting commodity risk and making inventory values more sensitive to obsolescence costs than replacement costs.

Environmental Compliance
The logistics activities of EAC Industrial Ingredients, comprising importation, storage, handling and delivery to customers, may directly affect the external environment.

The environmental measures taken by EAC Industrial Ingredients are based on manufacturers' Material Safety Data Sheets. These instructions provide appropriate information on the safety, health and environmental risks posed by individual products, including how to handle incidents, such as spillage or direct exposure to materials. Product stewardship activities to ensure that products are correctly stored and handled by customers contribute to the mitigation of risk. EAC Industrial Ingredients' own distribution centres in Thailand, Malaysia and Indonesia are built for safe handling and storage, and they operate under a philosophy of safety, health and environment. Likewise, rented warehouse facilities are subject to similar standards.

EAC Industrial Ingredients has ISO 9001 accreditation in all its business-related processes, which includes own distribution centre operations.

Outlook for 2008
In 2008 EAC Industrial Ingredients expects growth in revenue of around 22 per cent. The operating margin is expected to decrease somewhat from the level achieved in 2007, due to the addition of recent acquisitions and changes in the composition of the product portfolio, but will remain above 7 per cent.

EAC Industrial Ingredients' aim is to expand further within India and Bangladesh and to penetrate into other Asian markets. This strategy enables EAC Industrial Ingredients to differentiate itself from local competitors by offering principals market coverage on a regional basis, benefitting from economies of scale, shared supply chain knowledge and transfer across borders.

Another key element of the business' growth strategy is to continue to build complementing product portfolios for specific industries thereby making the business a one-stop application service and shopping centre for its customers.

Financial Summary

(DKK million)	2007	2006	2005
Revenue	1,204	1,008	800
Operating profit	*98	81	**63
Total assets	935	567	549
Working capital employed	311	225	208
Invested capital	390	252	247
Return on invested capital (%)	33.3	32.5	41.3
Cash flow from operating activities	15	45	-2
Cash flow from investing activities	-15	35	44
Operating margin (%)	8.1	8.0	7.9
No. of employees, year-end	619	525	489

*Excluding non-recurring items of DKK 9m from financial assets available for sale
**Excluding non-recurring items of DKK 28m, mainly from the sale of properties

Moving & Relocation Services

Under the Santa Fe brand, EAC Moving & Relocation Services provides office, local, domestic, and international household goods moving services and a wide range of relocation services. Records management services are provided in Beijing, Guangzhou, Hong Kong, Jakarta, Macau, Malaysia, Manila, Singapore, and Shanghai. General freight forwarding services are provided in Hong Kong and China.

10.1%

Operating profit and margin

06 DKK 53m

07 DKK 60m

Successful geographical expansion and continued growth in all business areas

7%

06	DKK 554m
07	DKK 592m

- Revenue grew by 7 per cent to DKK 592m.
- Operating profit increased by 13 per cent to DKK 60m corresponding to an operating margin of 10.1 per cent.
- The results were achieved through continued growth in relocations to/from Asia, strong sales of value-added relocation services and double-digit growth in the records management business.
- Outlook for 2008: Around 16 per cent growth in revenue in local currencies and an operating margin of around 10 per cent.

Based in Asia, EAC Moving & Relocation Services has continuously expanded operations throughout the region over the past 27 years. Currently, the business has operations in China, Hong Kong, India, Indonesia, Japan, Macau, Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam. Services are provided to customers moving to or from other areas of the world through relocation partners within the OMNI, FIDI, and ERC networks. EAC Moving & Relocation Services handles in excess of 25,000 relocations around the world annually.

The high-margin value-added relocation services is a key value driver in EAC Moving & Relocation Services' offering to corporations a full range of services, including immigration/visa, home/school

search, language/cultural training, tenancy management, financial management services and moving services. The records management business holds an attractive growth and earnings potential as the commercial centres across Asia continue to grow.

Market Developments
Continued growth in Asia resulted in double-digit growth in both outbound and inbound relocations.

The value added relocation services product line achieved solid growth both in terms of revenue and earnings. Various factors facilitated the improvements. The general increase in relocations to and within Asia resulted in an expanded customer portfolio with new strategically important contracts signed with international corporate accounts. Growth was also driven by new business from a number of overseas relocation companies that use EAC Moving & Relocation Services as a local destination services provider as well as continued growing demand from existing customers.

EAC Moving & Relocation Services is pursuing a growth strategy to expand its geographical coverage in order to meet the strong demand from its multinational corporate clients for Pan-Asian relocation services.

In line with the strategy, EAC Moving & Relocation Services acquired Vietnam's leading relocation specialist in March 2007 and established green-field operations in Korea and Taiwan.

In November 2007 EAC Moving & Relocation Services entered into an agreement to acquire 70 per cent of the shares in two Indian companies, Ikan Relocation Services Pvt. Ltd. and IR Moving Concepts Pvt. Ltd., with a total of 137 employees in six cities throughout India. The businesses offer international and domestic moving and value-added relocation services. The transaction closed in January 2008.

Following this latest expansion, EAC Moving & Relocation Services offers relocation services from own offices in 36 cities across 13 countries and territories in Asia.

To ensure continued delivery of high service standards and continued business growth, the implementation of new software – ReloAssist – was completed in 2007. The system allows access for all parties involved in a given relocation and controls the process and manages costs and revenue for every aspect of relocation, including visa and immigration.

The records management business is another key focus area in EAC Moving & Relocation Services growth strategy. In 2007, the records management activities were expanded to Singapore and Malaysia and are now available in nine markets in Asia.

Financial Results
Revenue was DKK 592m, an increase on 2006 of 7 per cent in DKK and 13 percent in local currencies.

Continued expansion and a high level of activity in moving and relocation services primarily drove growth. The records management business also generated double-digit growth, outperforming the 2006 growth rate.

General freight forwarding activities achieved results above the level of 2006.

The operations in China, Hong Kong, Singapore, Japan, and Thailand performed well ahead of last year whereas the operations in Indonesia, Malaysia, and the Philippines performed below the 2006 level. The new markets of South Korea, Taiwan, and Vietnam performed in line with expectations.

The operating profit improved by 18 per cent in local currencies and by 13 per cent in DKK to DKK 60m, corresponding to an operating margin of 10.1 per cent. The improvement was primarily due to a higher level of activity in the household goods sector as well as continued growth in the high margin relocation services and the records management business.

Assets
Total assets increased by DKK 32m to DKK 267m. Total assets increased as a consequence of an increase in sales, ex-

pansion into new locations as well as increased cash holdings.

Financing and Cash Flows

Working capital employed increased by DKK 14m to DKK 47m. The working capital employed increased due to growth in sales as well as an increase in working capital days.

The cash flow from operating activities was slightly below 2006 as the increase in operating profit was off-set partly by the increase in working capital.

Intellectual Capital

The Santa Fe brand and its market-leading position constitute key intellectual capital resources and are also major drivers of future success.

A strong brand helps to: secure new business; maintain customer loyalty; provide a sound basis for entering new markets and offering new services. It is sustained by the employees' dedicated and unrelenting commitment to quality and customer service, and underpinned by comprehensive quality procedures and operational processes.

EAC Moving & Relocation Services strives to attract and retain the best talents available. Each year, staff members are selected to participate in industry conventions and training programmes, consultative selling skills, global mobility specialist training, and the EAC Moving & Relocations Services' internal exchange programmes, which allows them to experience operations at a different EAC Moving & Relocations Services location. The objectives are to encourage the sharing of best practices, educate key staff via international experience and foster long-term loyalty.

As a leader in innovation, EAC Moving & Relocation Services continues to take advantage of the opportunities provided by new technologies to provide better customer service, reduce costs, and manage resources more efficiently. Innovations include interactive web-based records management, tenancy and expense management systems, move manager software and the launch of the ReloAssist software.

Risk Profile

Economic and Political Risk

Foreign direct investment (FDI) into Asia drives the relocation business. Relocations to China and India have increased as the economy and FDI into China and India have continued to grow. The trend is expected to continue in the coming years.

Elsewhere, investments are expected to increase in tandem with improvements in the regional economies, and increased political stability in countries such as Indonesia, Thailand, and the Philippines.

Environmental Compliance

Environmental aspects influence the operations of EAC Moving & Relocation Services. External impacts comprise of emissions from transportation activities and recycling in connection with packing activities. EAC Moving & Relocation Services follows the environmental objectives under ISO 14001 including the reduction of emissions through the use of low emission engines, material reduction programmes, and recycling.

EAC Moving & Relocation Services' consideration for the environmental aspects of its business enhances its reputation in the marketplace and helps to build a competitive advantage.

Outlook for 2008

Revenue is expected to grow by around 16 per cent in local currencies, and the operating margin is expected to be around 10 per cent.

Financial Summary

(DKK million)	2007	2006	2005
Net Sales	592	554	526
Operating result	60	53	39
Total Assets	267	235	258
Working capital employed	47	33	33
Invested capital	92	89	92
Return on invested capital (%)	66.3	58.6	43.9
Cash flow from operating activities	31	35	39
Cash flow from investing activities	-9	-9	-3
Operating margin (%)	10.1	9.6	7.4
No. of employees, year-end	1,359	1,191	1,121

Group Issues


HOUSE
14

Finance and Treasury Risk

Given the international scope of EAC's business activities the Group is exposed to financial market risk, that is, the risk of losses as a result of adverse movements in currency exchange rates, interest rates, securities and/or commodity prices. It also encompasses financial counterparty credit risk and to a lesser extent liquidity and funding risk.

EAC's market risk management activities are decentralised, although co-ordinated by EAC's Corporate Centre within a policy framework approved by the Supervisory Board. The risk management procedures are focused on risk mediation and minimisation, in particular on reducing the volatility of the Company's cash flows in local currencies.

EAC's Corporate Centre manages the market risks of the Parent Company and sets out treasury policies for each business unit. The business unit manages operational market exposures according to these policies.

Currency Risk
EAC's business activities are conducted in different currencies: Venezuelan Bolivar, Asian currencies, and DKK. In order to minimise the currency risk, EAC seeks to match the currency denomination of income and expenses and of assets and liabilities on a country-by-country basis. Consequently, EAC's functional currency varies from country to country and is typically different from the reporting currency in DKK of the listed entity EAC Ltd. A/S. The objective of EAC's currency management strategies is to minimise currency risks relating to the functional currencies i.e. to protect profit margins in local currency.

Most of EAC's excess liquidity is held in DKK and managed by the Corporate Centre.

Currency Transaction Risk
EAC is exposed to currency transaction risks in connection with cross-border purchases and the sale of goods and services and in connection with cash flows relating to financial transactions and dividend flows. It is EAC's general policy to hedge all transaction exposures as and when they occur. When assessing exposures, all contracted exposures and projected cash flows, typically for periods of between three and six months forward are taken into account.

Currency Translation Risk
EAC is exposed to currency translation risks in the balance sheet relating to its net investments in overseas group companies including the consolidation and conversion risk of the financial statements of overseas Group companies into DKK for reporting purposes. EAC's income statement is exposed to currency translation risk relating to receivables and payables in foreign currencies

The USD translation risk associated with EAC's investments in companies outside Denmark is managed to remain within a limit approved by EAC's Supervisory Board. Any currency exchange differences resulting from investments in Group companies are recognised in equity, in accordance with IAS 39, and the EAC accounting policy.

EAC's financial performance, when measured in DKK, tends to be directly impacted by changes in the DKK/USD exchange rate given that EAC conducts most of its business activities in USD-related currencies, although the USD/THB correlation versus DKK was less apparent in 2007. When measured in local currencies, however, currency exposures are minimised and the profit margins are protected to the extent possible through hedging strategies.

Economic Currency Exposure
Economic currency exposures are managed from a strategic perspective and significant currency mismatches between revenue and expenses only occur in EAC Foods and EAC Industrial Ingredients. Please refer to the business reports for further details.

Currency risk management methodology
Subsidiary currency and balance sheet-related risks are monitored using the net position method.

Interest Rate Risk

EAC is directly exposed to interest rate fluctuations in connection with its funding and liquidity portfolio. The risk is managed by matching the duration of assets and liabilities and by ensuring a smooth rollover profile. EAC is also indirectly exposed as a result of the impact of interest rates on the macro economies of the countries in which EAC operates its businesses.

EAC uses the duration method to monitor the overall interest rate exposure of the Group. The duration methodology assumes that interest rates move parallel across the yield curve and across currencies. EAC considers any instrument with duration of less than six months to have zero interest rate risk.

At the end of 2007 the combined interest rate risk of the Group was less than DKK 1 mio. in the case of a one-percentage point change in the interest rates.

Counterparty Credit Risk

EAC is exposed to the risk that financial counterparties may default on their obligations towards EAC. This risk is managed by having maximum exposure limits on each financial counterparty and by requiring a satisfactory credit rating from one of the established rating agencies for each counterparty. The current minimum Moody's rating required is a short-term rating of P-2 and a long-term rating of A3.

In some countries this is not achievable e.g. Venezuela. In such cases the net risk (net of debt and deposits) should not be positive.

Commodity Risk

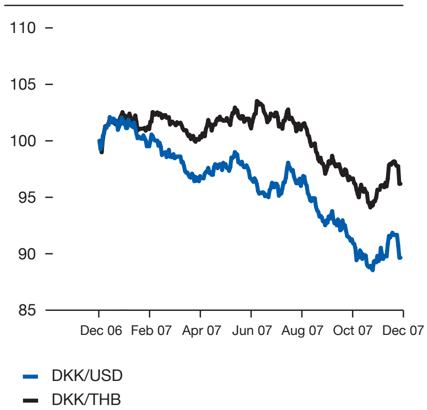
Please refer to the business reports for -information.

Liquidity and funding risks

EAC is exposed to the risk that sufficient funds may not be available should the Company's cash flows suddenly and unexpectedly develop adversely or if new funding is not forthcoming for refinancing. EAC manages this risk on the basis of three different cash flow forecasting tools: one covering a rolling three-month period, a second covering a one-year period and a third model covering a five-year period. The policy is to ensure that the Group has sufficient funds to meet all requirements for a minimum period of two years, i.e., minimum 120 per cent of peak borrowing requirement.

At the end of 2007 EAC continued to have a very low financial gearing and ample cash available, hence the Groups liquidity/funding situation was comfortable. The Group had net cash (liquid funds less debt) at the end of 2007 of DKK 209m.

DKK/USD and DKK/THB



Shareholder Information

A Shareholder Value-Driven Company
EAC aims to generate a consistent and stable return over time on the invested capital in excess of the market-based weighted average cost of capital. In pursuing this goal EAC adheres to the principles of the EVA (Economic Value Added)[1)] concept in connection with investment and divestiture assessment as well as business target setting.

A Unique Investment Opportunity
The EAC share offers investors direct exposure to the high growth economies of Venezuela (EAC Foods) and Asia (EAC Industrial Ingredients and EAC Moving & Relocation Services). At the same time investors can rely on Danish corporate governance standards throughout the Group. This combination offers investors a unique opportunity for exposure to some of the world's most interesting economies via OMX The Nordic Exchange Copenhagen through an investment in EAC.

Share Price Performance
The total return from holding EAC shares in 2007 amounted to 30 per cent including dividends and the EAC share outperformed both the OMXC20 and MidCap+ indices which appreciated by 5 per cent and depreciated 12 per cent, respectively. Both index returns are calculated excluding dividends. The average annual return from an investment in EAC over the last three years including dividends amounts to 61 per cent compared with 17 per cent on an investment in OMXC20 and 26 per cent in the MidCap+. Both index returns are calculated excluding dividends.

Share Capital Information
The EAC share capital consists of 15,030,189.5 shares at a nominal value of DKK 70 each or a total of DKK 1,052,113,265. EAC has only one class of shares.

Cancellation of 1,670,019 treasury shares, equivalent to a reduction of the share capital by DKK 117m, was executed on 11 July 2007, following a three-month notice to creditors in the Danish Official Gazette.

On 7 November 2007, EAC completed a safe-harbour share buy-back programme. Shares representing a market value of DKK 500m were bought back under this programme.

As of 31 December 2007, the Company held 1,280,275 treasury shares or 8.52 per cent of the total share capital. These shares are held at zero value in EAC's books.

Ownership Information
EAC shares are widely held and the Company has no dominant shareholders. At the end of 2007 approximately 18,000 shareholders were listed in EAC's shareholder register, representing around 70 per cent of the share capital. The 50 largest registered shareholders held a total of 38 per cent of the share capital.

According to section 28 of the Danish Public Companies Act, shareholders with an aggregate amount of directly or indirectly controlled ownership or voting rights in excess of 5 per cent must report their holdings to the Company. As of 31 December 2007, no shareholders had reported such holding.

EAC shares are issued to to the bearer, but may be recorded in the name of the holder in the Company's Register of Shareholders. EAC encourages shareholders to register by name in the Company's Register of Shareholders. Registered shareholders receive direct notice of general meetings, have the right to vote, and are generally entitled to more rights than shareholders whose shareholdings are not registered. Such registration should be made with the shareholder's bank securities department or the shareholder's broker.

Amendments to the Company's Articles of Association
The articles of association do not contain special restrictions in respect to amendments. Accordingly, only the general provisions of the Danish Public Companies Act apply in this respect.

[1]EVA® is a registered trademark of Stern Stewart & Co.

Share data as of 31 December

	2007	2006	2005	2004	2003
Share closing price	397.5	316.0	593.9	285.8	257.6
Share high/low	440/245	330/205	602/284	295/247	262/132
Total number of outstanding shares	15,030,190	16,700,209	18,797,327	20,247,327	20,247,327
Treasury Shares	1,280,275	1,670,020	216,237	1,774,4891	959,611
Nominal Value	70	70	70	70	70
Share capital (DKK m)	1,052	1,169	1,316	1,417	1,417
Equity	1,544	1,797	10,463	2,332	2,613
Market value (DKK m)	5,466	4,750	11,035	5,280	4,969
Earnings per share	*28.9	*14.6	*6.2	*9.7	11.9
Equity per share	104	101	555	1348	138
Dividend per share (DKK)	10	10	415	4	4-
Market value / shareholders equity	3.6	2.5	1.1	2.3	1.9
P/E ratio	13.8	21.6	95.8	29.5	21.6

Per share ratios are calculated based on diluted earnings per share
*) Earnings per share from continuing operations
*) Excl. treasury shares

Election of Supervisory Board members

The articles of association do not contain special restrictions in respect to the election of Board members. The term for Board members elected by the shareholders is 12 months. Board members are eligible for re-election.

Authority of the Supervisory Board

The Supervisory Board was authorised by the shareholders at the Annual General Meeting on 30 April 2003 to increase the share capital of the Company by one or more issues representing a maximum aggregate amount of DKK 400m. The Supervisory Board's authority, the details of which are set out in the articles of association, expires on 30 April 2008.

Material Contracts and Change of Control

In case of a takeover of EAC (change of control) certain contracts may become terminable at short notice.

A review of contracts within the EAC Group shows the following:

EAC Foods

A trademark license agreement contains provisions according to which licensor under certain conditions may terminate the license agreement in case of a change in control of the company.

The impact on revenue in case of termination amounts to DKK 481m (2007).

EAC Industrial Ingredients

The subsidiaries in this business are typically parties to contracts with suppliers of products, which the subsidiaries sell at their own account and risk as distributors. In certain cases the subsidiaries act as trading agents. Most often both types of contracts are entered on an exclusive basis for a specified geographic area. It is estimated that less than 50 per cent of the contracts may be terminated at short notice in case of a change in control of the company. However, such clauses only have little practical significance as the contracts in any event are terminable at relatively short notice (3 – 6 months).

EAC Moving & Relocation Services

The subsidiaries have entered into a number of framework agreements with international companies for the provision of moving and relocation services.

However, the subsidiaries do not have any exclusive rights in this respect and on this background the consequences of change of control do not seem relevant.

Other contracts within the Group

Agreements with banks concerning loan facilities typically contain clauses according to which the agreement may be terminated in case of change in control.

Investor Relations

The basis of the EAC investor relations principles and policy is the commitment

EAC, MidCap+ and OMXC20

Contacts for Institutional Investors, Analysts, and Media:

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Shareholder Information

to continually provide its stakeholders with accurate, clear, prompt, and simultaneous information about the Company, while at all times complying with the disclosure requirements of OMX The Nordic Stock Exchange Copenhagen and ensuring that EAC remains an attractive share with high liquidity, true and fair market value, and a stable upward trend. During the year, the EAC management arranges and participates in international presentations and meetings with analysts and investors as well as in information meetings in Denmark. To help maximise stakeholder reach, EAC places emphasis on continuously improving its online presence providing ways for stakeholders to easily obtain the insight about EAC they require from the corporate website, www.eac.dk. To always enhance the awareness of EAC among an ever-expanding audience and to meet disclosure requirements by OMX The Nordic Stock Exchange Copenhagen, presentation events and the AGM were webcasted in 2007.

OMX The Nordic Stock Exchange Copenhagen Annoncements 2007

Date	No.	Subject
21.02.2007	1	EAC's Preliminary Statement of Annual Results 2006
21.02.2007	2	Items Concerning EAC's General Meeting
12.03.2007	3	Notice Convening EAC's Annual General Meeting
19.03.2007	4	EAC's Annual Report 2006
27.03.2007	5	EAC's preliminary results in 2007
28.03.2007	6	Report on EAC's Annual General Meeting
03.05.2007	7	Quarterly Report 31 March 2007
01.06.2007	8	EAC's share capital and number of votes
30.07.2007	9	Acquisition strengthens EAC Industrial Ingredients in Malaysia
31.07.2007	10	EAC's share capital
16.08.2007	11	Interim Report 30 June 2007
28.08.2007	12	Share Buyback - EAC
06.09.2007	13	Share Buyback - EAC
17.09.2007	14	Share Buyback - EAC
26.09.2007	15	Share Buyback - EAC
27.09.2007	16	Acquisition introduces EAC Industrial Ingredients in Bangladesh
05.10.2007	17	Share Buyback - EAC
11.10.2007	18	EAC sells non-strategic activities
16.10.2007	19	Share Buyback - EAC
25.10.2007	20	Share Buyback - EAC
05.11.2007	21	Share Buyback - EAC
07.11.2007	22	EAC completes "Safe Harbour" share buyback programme
08.11.2007	23	EAC's Interim Report 30 September 2007
20.11.2007	24	EAC acquires two Indian businesses within moving and relocation

Financial Calender 2008

28.02.2008	Preliminary Statement of Annual Results 2007
03.04.2008	Annual General Meeting
08.05.2008	Interim Report Q1 2008
13.08.2008	Interim Report H1 2008
06.11.2008	Interim Report Q3 2008

Corporate Governance

Corporate Governance
EAC is committed to maintain a transparent and efficient form of management adapted to the Group's current needs and strategy. The EAC Group is fundamentally in agreement with most of the recommendations of OMX The Nordic Exchange Copenhagen concerning Corporate Governance. In line with EAC's objective of creating optimum shareholder value, the Group continuously considers how Corporate Governance may contribute to this objective. The following sections contain an update on significant elements of EAC's current principles of Corporate Governance based on the recommendations of OMX The Nordic Exchange Copenhagen.

The role of shareholders and their interaction with the Group management
EAC uses its website www.eac.dk to communicate with shareholders and other stakeholders on the Group's development and results.

The Supervisory Board reviews and evaluates the EAC Group's capital structure on a regular basis and as an integral part of the formulation of the Group's strategy. On page 6 the Group's targets for its capital structure are presented.

Any shareholder whose shareholding is registered in EAC's Company's Register of Shareholders is entitled to have specific business transacted at EAC's general meetings and it is important to EAC that shareholders have the opportunity to influence decisions of major significance to the Group's strategy, capital structure, etc. Shareholders can submit proxies with their position on each item on the agenda.

The role of the stakeholders and their importance to the Group
EAC has corporate policies on its social, ethical, and environmental responsibilities which may be viewed on the Group's website. The Supervisory Board ensures that these policies are adhered to.

Openness and Transparency
EAC demands openness and integrity in all aspects of its activities. The Group regularly reassesses its policies and procedures to ensure that disclosure requirements are met and that there is an equal treatment of investors in all notifications of significant information. In practice, EAC maintains a high level of information for example through regular quarterly reports and live webcasts of presentations of accounts and other news. It is also possible to subscribe to automatic notification of Group announcements. The annual report is prepared in accordance with IFRS and includes a description of the intellectual capital and environmental compliance of its three businesses.

The overall tasks and responsibilities of the Supervisory Board
In accordance with the Public Danish Company Act the duties and responsibilities of the Supervisory Board and cooperation with the Board are defined in the Board's Rules of Procedure which are assessed regularly and updated when necessary, most recently in December 2007. The Supervisory Board formulates and decides the vision, strategic focus, and investment policy of the EAC Group. One of its venues for this purpose is an annual strategy seminar.

The Supervisory Board receives regular reports on the financial and commercial development of the Group activities. Reports are considered at quarterly Board meetings. In addition, the Executive Management keeps the Supervisory Board briefed on all significant information relating to the EAC Group.

The composition of the Supervisory Board
The composition and recruitment of new members of the Supervisory Board are based on an annual evaluation at the Board's strategy seminar in order to secure the relevant representation of competences and experience. Following the launch of the renewed strategy in 2007, two new members were elected for the Supervisory Board in order to strengthen competences to support the Group's growth scenario and special focus on the food industry. In order to secure continuity, only one member resigned from the Board in 2007. At the Annual General Meeting 2008, Kaare Vagner who has been member of the Board for the past 16 years has decided not to stand for re-election.

New Supervisory Board members receive a thorough introduction to the Group including presentations and visits to the businesses as and when appropriate.

As the EAC Parent Company has fewer than 35 full-time employees, there is no requirement of employee representatives on EAC's Supervisory Board.

All members of the Supervisory Board are independent of EAC and have no significant interest in EAC except as shareholders. Details regarding the members' managerial positions, other board memberships, etc. are included in the Annual Report. Some of the members of the Supervisory Board are also executives in other active companies or hold more than the recommended number of board memberships. The Supervisory Board considers, however, that these responsibilities do not affect their engagement in EAC in any negative manner.

Supervisory Board members are shareholders in EAC, but the number of shares held by each member is not disclosed as

Corporate Governance

the Supervisory Board considers this to be personal information.

The retirement age of Supervisory Board members is 70 years.

Members of the Supervisory Board are elected for a term of 12 month and are eligible for re-election.

The Supervisory Board considers use of committees when appropriate. No committees have been appointed during 2007. Eight Supervisory Board meetings were held in 2007 including a two-day strategy seminar, held at EAC Foods in Venezuela in December.

Remuneration of the members of the Supervisory Board and Executive Board

The Supervisory Board fees are stated in note 12, page 53. The Supervisory Board does not receive share options or other incentive schemes.

The Supervisory Board determines the remuneration of the Executive Board of the EAC Parent Company. The remuneration is determined on the basis of principles that support long-term value creation and current earnings performance, providing an incentive to the performance of the Executive Board. In 2007 remuneration to the Executive Board consisted of base salaries and standard benefits. Remuneration of the Executive Management is specified in note 12 to the financial statements.

The terms of employment of the Executive Management, including remuneration and severance terms, are deemed to be consistent with generally accepted standards for positions of this nature and do not entail any special liabilities on the part of EAC. The Supervisory Board believes that information regarding the remuneration and severance terms applied to the individual members of the Executive Management should be considered a personal matter.

In 2007 EAC introduced a new three-year share option programme for the Executive Management and 26 key managers in EAC. The programme was approved at the Annual General Meeting in 2007. Details of the programme are specified in note 13.

Risk management

The EAC Group's risk management is subject to regular review by the Supervisory Board, which, in consultation with the Executive Management, regularly debates risk assessments and planning. The Supervisory Board also reviews current insurance arrangements on an annual basis. Detailed procedures have been defined with a view to handle the Group's operating risks.

The detailed description of risk management is given in the Finance and Treasury Risk section, page 28 and in the report of each business unit.

Audit

A proposal for the appointment of an auditor at the Annual General Meeting is submitted on the basis of an evaluation made annually by the Supervisory Board in consultation with the Executive Management. At the Supervisory Board meeting, during which the Annual Report is presented for approval, the Supervisory Board also examines and discusses with the auditor the Group's reporting and control procedures and accounting principles. In addition, the Chairman and the group's auditor meet annually to discuss general events and any special matters arising from the audit. Based on the size of the Supervisory Board and the strong presence of financial competences among its members, it has not been considered necessary to appoint an audit committee under the Supervisory Board.

Group Consolidated Financial Statements

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Definitions

Equity per share	EAC's share of equity divided by the number of shares of DKK 70 nominal value each adjusted for portfolio of own shares and dilution effect of share options.
Stock exchange quotations /internal value	Year-end stock exchange quotation divided by equity per share.
Market value	Year-end stock exchange quotation times number of shares excluding treasury shares.
EPS	Earnings per share equals net profit in DKK per share of DKK 70 nominal value each adjusted for portfolio of own shares and dilution effect of share options.
P/E ratio	Year-end stock exchange quotation divided by earnings per share.
Operating margin	Operating profit in per cent of revenue.
Return on invested capital	Operating profit in per cent of average invested capital.
Return on parent equity	Net profit in per cent of EAC's share of equity (average opening/closing balances).
Solvency ratio	EAC's share of equity in per cent of total assets.
Cash and cash equivalents	Bank and cash balances and bonds included in current and non-current assets.
Working capital employed	Inventories plus trade accounts receivable less trade accounts payable and prepayments from customers.
Invested capital	Intangible assets plus property, plant and equipment plus deferred tax asset plus current assets (excl. receivables from associates, bank and cash balances, shares and bonds) less: non-interest bearing liabilities and provisions.
Interest bearing debt	Long-term debt plus short-term bank debt, bills payable and accounts payable to associates.
Net interest bearing debt	Interest bearing debt less cash and cash equivalents.

Consolidated Income Statement

Continuing operations

DKK million	Note	2007	2006
Revenue	4	**4,402**	**3,586**
Cost of sales		3,084	2,657
Gross profit		**1,318**	**929**
Selling and distribution cost		531	452
Administrative expenses		210	181
Other operating expenses	5	2	9
Other operating income	6	19	26
Gain on financial assets available for sale		9	
Operating profit		**603**	**313**
Financing expenses and income, net	7	-37	51
Share of profit in associates		27	27
Gain on disposal of associates		15	
Profit before income tax		**608**	**391**
Income tax expense	8	139	100
Profit from continuing operations		**469**	**291**
Discontinued operations			
Operating profit	4	**2**	**-20**
Financing expenses and income, net		1	1
Share of profit in associates	4		-2
Profit before income tax		**3**	**-21**
Income tax expense		-1	
Profit from discontinued operations		**4**	**-21**
Net profit		**473**	**270**
Attributable to:			
Minority interest		43	30
Equity holders of the parent EAC		430	240
Earnings per share (DKK)	9		
from continuing operations		29.0	14.6
from discontinued operations		0.3	-1.2
Earnings per share diluted (DKK)			
from continuing operations		28.9	14.6
from discontinued operations		0.3	-1.2

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Consolidated Balance Sheet

Assets

DKK million	Note	31 Dec 2007	31 Dec 2006
Non-current assets			
Intangible assets	14	92	62
Property, plant & equipment	15	535	492
Livestock	16	9	9
Investment in associates	18	60	90
Other investments	18	11	32
Deferred tax	8	52	12
Trade and other receivables		1	
Total non-current assets		**760**	**697**
Current assets			
Inventories	22	522	392
Trade receivables	23/24	651	540
Other receivables	25	141	127
Cash and cash equivalents		543	554
Restricted cash		3	450
		1,860	2,063
Assets held for sale	26	67	
Total current assets		**1,927**	**2,063**
Total assets		**2,687**	**2,760**

Equity and liabilities

DKK million	Note	31 Dec 2007	31 Dec 2006
Equity			
Share capital		1,052	1,169
Other reserves		-62	-14
Retained earnings		541	642
EAC's share of equity		**1,531**	**1,797**
Minority interests		110	104
Total equity		**1,641**	**1,901**
Liabilities			
Non-current liabilities			
Borrowings	29	58	70
Deferred tax	8	2	1
Provisions for other liabilities and charges	27	35	19
Total non-current liabilities		**95**	**90**
Current liabilities			
Trade payables		338	343
Other liabilities	28	205	202
Current tax payable	8	115	35
Borrowings	29	281	181
Provisions for other liabilities and charges	27	12	8
Total current liabilities		**951**	**769**
Total liabilities		**1,046**	**859**
Total equity and liabilities		**2,687**	**2,760**

The notes on pages 42 to 69 are an integral part of these consolidated financial statements.

Amortisation and depreciation	17
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Credit Risk, Currency Risk, and Interest Rate Risk including derivative instruments	30
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Related parties and ownership	39
Related party transactions	40

Consolidated Statement of Changes in Equity

	Share capital	Hedging reserve	Translation reserves	Fair value adjustment	Retained earnings	EAC's Share of equity	Minority Interest	Total Equity
Balance at 1 January 2007	**1,169**	**12**	**-37**	**11**	**642**	**1,797**	**104**	**1,901**
Foreign currency translation adjustments			-46			-46	-9	-55
Foreign currency translation transferred to income statement			6			6		6
Value adjustment, other investments				-2		-2		-2
Other investments, transferred to income statement				-9		-9		-9
Adjustments to unrealised exchange gains on long-term items hedging net investments		3				3		3
Net income recognised directly in equity		3	-40	-11		-48	-9	-57
Profit for the year					430	430	43	473
Total recognised income for the year		3	-40	-11	430	382	34	416
Dividends paid to shareholders					-150	-150	-28	-178
Purchase of own shares					-500	-500		-500
Share based payments					2	2		2
Reduction of share capital	-117				117			
Other movements in shareholders' equity	-117				-531	-648	-28	-676
Balance at 31 December 2007	**1,052**	**15**	**-77**	**0**	**541**	**1,531**	**110**	**1,641**

At the end of the year proposed dividends of DKK 150m (DKK 10.00 per share in accordance with the Company's policy of distributing a dividend equal to 1/3 of the net profit) are included in retained earnings. No dividend is declared on treasury shares.

	Share capital	Hedging reserve	Translation reserves	Fair value adjustment	Retained earnings	EAC's Share of equity	Minority Interest	Total Equity
Balance at 1 January 2006	**1,316**	**30**	**-116**		**9,233**	**10,463**	**150**	**10,613**
Foreign currency translation adjustments			-63			-63	-12	-75
Reclassified to retained earnings		-25	142		-117			
Value adjustment, other investments				11		11		11
Value adjustment, bonds				-1		-1		-1
Bonds transferred to income statement				1		1		1
Adjustments to unrealised exchange gains on long-term items hedging net investments		9				9		9
Realised exchange gains/losses on non-current items, where hedging has ceased		-2				-2		-2
Net income recognised directly in equity		-18	79	11	-117	-45	-12	-57
Profit for the year					240	240	30	270
Total recognised income for the year		-18	79	11	123	195	18	213
Dividends paid to shareholders					-6,935	-6,935	-19	-6,954
Share options					-165	-165		-165
Purchase of own shares					-1,763	-1,763		-1,763
Reduction of share capital	-147				147			
Purchase of minority interests					2	2	-45	-43
Other movements in shareholders' equity	-147				-8,714	-8,861	-64	-8,925
Balance at 31 December 2006	**1,169**	**12**	**-37**	**11**	**642**	**1,797**	**104**	**1,901**

At the end of the year proposed dividends of DKK 167m (DKK 5.00 per share in accordance with the Company's policy of distributing a dividend equel to 1/3 of the net profit and DKK 5.00 per share as an extraordinary dividend) are included in retained earnings. No dividend is declared on treasury shares.

Consolidated Cash Flow Statement

DKK million	Note	31 Dec 2007	31 Dec 2006
Cash flows from operating activities			
Net profit		473	270
Adjustment for:			
Depreciation and gain/loss from changes in fair-value of livestock		73	71
Other non-cash items	32	11	-71
Change in working capital	33	-259	-28
Interest paid		-40	-40
Interest received		26	95
Net cash provided in operating activities		**284**	**297**
Cash flows from investing activities			
Dividends received from associates		16	43
Investments in intangible assets and property, plant and equipment		-202	-96
Proceeds from sale of non-current assets		21	9
Acquisition of activities	34	-37	
Acquisition of associates			-27
Sale of associates		26	
Proceeds from sale of discontinued operations	35	13	9,154
Restricted cash		447	-450
Proceeds from non-current assets investments		20	-2
Net cash provided in investing activities		**304**	**8,631**
Net cash provided in operating and investing activities		**588**	**8,928**
Cash flows from financing activities			
Proceeds from borrowing		133	
Repayment of borrowing		-34	-45
Dividend paid out to minority shareholders in subsidiaries		-28	-19
Purchase of minority shares in subsidiaries			-43
Purchase of own shares		-500	-1,763
Sale of own shares, net			5
Settlement of share option incentive programmes			-170
Dividend paid		-150	-6,935
Net cash used in financing activities		**-579**	**-8,970**
Changes in cash and cash equivalents		**9**	**-42**
Cash and cash equivalents at beginning of year		554	613
Translation adjustments of cash and cash equivalents		-17	-17
Cash and cash equivalents at end of period		**546**	**554**
Cash		543	1,004
Restricted Cash		3	-450
Cash and cash equivalents at end of period		**546**	**554**

Notes to the consolidated financial statements

Note 1. Accounting policies of the EAC Group (consolidated financial statements)

General Information
The East Asiatic Company Ltd. A/S (the company) and its subsidiaries (together the Group) are focusing its efforts on three businesses:

- EAC Foods is an integrated manufacturer and distributor of processed meat products in Venezuela,
- EAC Industrial Ingredients distributes ingredients manufactured by third parties to various industries in Asia, and
- EAC Moving & Relocation Services with activities within premium household removals, office relocation, records management and freight forwarding.

The company is a limited liability company incorporated and domiciled in Denmark. The address of its registered office is 20 Indiakaj, DK-2100 Copenhagen Ø, Denmark.

The company has its listing on the Copenhagen Stock Exchange.

The Supervisory Board on 28 February 2008 has approved these consolidated financial statements for issue.

The level of precision used in the presentation of figures in the financial statements is in general DKK millions or otherwise as stated.

Refer to page 37 for further details regarding the EAC Group and page 71 for the Parent Company.

Basis of preparation of the consolidated financial statements for the EAC Group
The consolidated financial statements for EAC for 2007 are prepared in accordance with International Financial Reporting Standards (IFRS), which have been adopted by the EU, as well as additional Danish disclosure requirements for annual reports for listed enterprises. The additional Danish disclosure requirements are stated in the IFRS act promulgated by the Danish Commerce and Companies Agency in accordance with the Danish Financial Statements Act. It makes no difference whether the consolidated financial statements are prepared in accordance with IFRS adopted by the EU or IFRS promulgated by IASB.

The consolidated financial statements have been prepared under the historical cost convention, as modified in the description below by the revaluation of live stock, available-for sale financial assets and derivative instruments.

At the making of the consolidated financial statements, the management defines assumptions, which influence the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period. Accounting estimates and judgements considered material for the preparation of the consolidated financial statements are stated in note 2.

Changes in accounting policies
The accounting policies remain unchanged compared to last year.

New accounting standards which has to be used in preparing the consolidated accounts in future are stated in note 3.

Consolidated Financial Statements

Subsidiaries
Subsidiaries are all entities over which the EAC Group has control, i.e. the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the EAC Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the EAC Group. They are de-consolidated from the date that control ceases.

The cost of an acquisition is measured, as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the EAC Group's share of the identifiable net assets and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the EAC Group.

Minority interests
In the statement of group results and group equity, the parts of the profit and equity of subsidiaries attributable to minority interests are stated separately. Minority interests are recognised on the basis of a revaluation of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Associates
Associates are all entities over which the EAC Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The EAC Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The EAC Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves (equity method). The cumulative post-acquisition

Notes to the consolidated financial statements

movements are adjusted against the carrying amount of the investment. When the EAC Group's share of losses in an associate equals or exceeds its interest in the associate, the EAC Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the EAC Group and its associates are eliminated to the extent of the EAC Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the EAC Group.

Segment reporting
The EAC Group's business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The EAC Group's geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Corporate overheads are stated as unallocated items in the primary as well as the secondary segment disclosure.

Discontinued operations and non-current assets held for sale
Operations of which the EAC Group's strategic plan dictates disposal, closure or cessation are classified as discontinued operations to the extent that they are available for immediate sale, an active plan to locate a buyer has been initiated, the activity is marketed at a sales price reasonable to its current value and the sale is expected to be completed within one year. Assets and liabilities related to such activities are presented separately as assets and liabilities respectively. Operations, which represent a separate major line of a business, are presented separately as a net item in the income statement below operations from continuing activities.

Foreign currency translation
Functional and presentation currency
Items included in the financial statements of each of the EAC Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Danish Kroner.

Transaction and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

EAC Group companies
The results and financial position of foreign subsidiaries and associates with a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) income and expenses are translated at the dates of the transactions or an approximate average rates; and
(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the closing rate.

Derivative financial instruments and hedging activities
Derivative financial instruments are initially recognised in the balance sheet at their fair value. Positive and negative fair values of derivative financial instruments are included as other receivables and other liabilities respectively.

Upon initial recognition a derivative is either designated as a hedge of the fair value of recognised assets or liabilities, hedge of highly probable forecast transactions or firm commitments or hedge of a net investment in a foreign entity, or not treated as an accounting hedge. Changes in the fair value of derivatives, which qualify for hedge accounting, are treated as described below. Changes in the fair value of derivative transactions, which do not qualify for hedge accounting, are recognised immediately in the income statement.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

Notes to the consolidated financial statements

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is recognised, cf. above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Hedges of net investments in foreign entities are treated as cash flow hedges.

Fair value estimation
Certain financial instruments are measured at fair value. The fair value of other financial instruments is disclosed in the notes to the financial statements. The estimation of these fair values is described below.

The fair value of financial instruments traded in active markets (such as publicly traded available-for-sale securities) is based on quoted market prices at the balance sheet date.
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of interestrate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

INCOME STATEMENT

Revenue recognition
Revenue comprises the fair value for the sale of goods and services, net of value-added tax, rebates and discounts and after eliminated sales within the EAC Group. Revenue is recognised as follows:

Sales of goods – wholesale
Sales of goods are recognised when an EAC Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

Sales of services
Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Royalty income
Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Dividend income
Dividend income is recognised when the right to receive payment is established.

Cost of sales
Cost of sales comprises costs incurred to achieve sales for the year. Cost comprises raw materials, consumables, direct labour costs and production overheads such as maintenance and depreciation, etc, as well as operation, administration and management of factories. Impairment loss of goodwill is also included to the extent that goodwill relates to production activities.

Selling and distribution expenses
Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Impairment loss of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative expenses
Administrative expenses comprise expenses for management, administrative staff, office expenses, depreciation, etc. Impairment loss of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses
Other operating income and other operating expenses comprise items of a secondary nature to the EAC Group's main activity, including revenue from investment property, gains and losses on the sale of intangible assets and property, plant and equipment.

Research and development costs
In 2007 and 2006 no research and development costs has been recognised in the financial statements.

Financial expenses and income
Financial expenses and income comprise interest receipts and expenses, changes in the fair values of securities and derivative financial instruments not acquired for hedging purposes, exchange gains and losses on debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax on account scheme, etc.

Financial expenses and income are recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the EAC Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Corporation tax and deferred tax
The tax for the year consists of current tax and movements in deferred tax for the year. The tax relating to the profit for the year is recognised in the income statement, whereas the tax directly relating to items recognised in equity is recognised directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial

Notes to the consolidated financial statements

statements. However, if the deferred income tax arises from goodwill which cannot be deducted for tax purposes and initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

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 a current tax. Changes to deferred tax due to changed tax rates are recognised in the income statement.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the EAC Group and it is probable that the temporary difference will not reverse in the foreseeable future.

ASSETS

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the EAC Group's share of the net identifiable assets and contingent liabilities of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill included in intangible assets is tested annually for impairment and measured at cost less accumulated impairment losses. Goodwill included in investments in associates is tested if there is indication of impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the EAC Group's investment in each country of operation by each primary reporting segment.

Brands, trademarks and licences

Brands, trademarks and licences have a definite useful life and are measured at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of brands, trademarks and licences over their estimated useful lives.

Trademarks with finite useful life	max. 20 years Useful life
Software etc.	3-5 years
None-Compete agreements	Max. 5 years Depending on contract
Supplier contracts	Max. 5 years Depending on contract
Customer relationships	3-5 years

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (3-5 years).

Costs that are directly associated with the production of identifiable and unique software products controlled by the EAC Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over there estimated useful lives (3-5 years).

All other costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Tangible assets

Property, plant and equipment

Property, plant and equipment are measured at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the EAC Group and the cost of the item can be measured reliably.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Plants etc	20-30 years
Other installations	3-10 years
IT equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Leases

Leases of property, plant and equipment where substantially all the risks and rewards of ownership are transferred to the Group are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are allocated between the lia-

Notes to the consolidated financial statements

bility and finance charges so as to achieve a constant rate of interest on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term taking into consideration bargain purchase options.

All other leases are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease term unless another systematic base is more representive of the time pattern of benefits.

In 2007 and 2006 all leases are operating leases.

Borrowing costs
Borrowing costs are recognised as an expense in the period in which they are incurred.

Livestock
Livestock (i.e. pigs in the farms owned by EAC Foods) are measured at their fair value less estimated point-of-sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit in the local area. Changes in the fair value of livestock are recognised in the income statement.

Impairment of fixed assets
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Loans to associates
Loans to associates are measured at amortised cost.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the EAC Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Prepayments and deferred income
Prepayments comprise expenses paid relating to subsequent financial years.

Deferred income comprises payments received relating to income in subsequent years.

Both are recognised initially and subsequent at cost.

Other investments
The line item 'Other investments' consists of other securities categorised as available for sale. Other investments are initially measured at fair value plus transaction costs that are directly attributable to the acquisition. After initial recognition other investments are measured at fair value. However, investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

A gain on loss on an available-for sale financial asset measured at fair value is recognised directly in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss is recognised in profit or loss.

At each balance sheet date, it is assessed whether there is any objective evidence that a financial asset or group of financial assets is impaired.

When a decline in the fair value of an available-for-sale financial asset measured at fair value has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss.

If there is objective evidence that an impairment loss has incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments.

Notes to the consolidated financial statements

SHAREHOLDERS' EQUITY

Share capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Dividend distribution
Dividend distribution to the Company's shareholders is recognised as a liability in the EAC Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends proposed for the year are shown as a separate equity item.

Treasury shares
Where any EAC Group company purchases the Company's equity share capital (Treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes,) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Reserves
Hedging reserves and foreign currency reserves are presented as a separate component of equity.

LIABILITIES

Provisions
Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the EAC Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Employee benefits
Pension obligations
EAC's pension plans are defined contribution plans. The EAC Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other long-term benefits
A number of employees are covered by a long-service benefit plan including jubilee benefits. The liability recognised in the balance sheet is the present value of the obligation at the balance sheet date. The obligation is calculated annually using the projected credit unit method.

Share-based compensation
The EAC Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at the grant date. At each balance sheet date, the EAC Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the EAC Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

STATEMENT OF CASH FLOWS

Cash flows from operating activities
Cash flows from operating activities are stated as the consolidated profit/loss adjusted for non-cash operating items, including depreciation, amortisation and impairment losses, provisions and changes in working capital, interest received and paid and corporation taxes paid or received. Working capital comprises current assets less short-term debt excluding the items included in cash and cash equivalents.

Cash flows from investing activities
Cash flows from investing activities comprise cash flows from business acquisitions and sales and cash flows from the purchase and sale of intangible assets, property, plant and equipment and fixed asset investments.

The cash flow effect of the acquisition and sale of companies is shown separately in cash flows from investing activities. Cash flows relating to acquisitions are recognised in the statement of cash flows as of the date of acquisition, and cash flows relating to sales are recognised up to the date of sale.

Cash flows from financing activities
Cash flows from financing activities comprise changes in the amount or composition of the Group's share capital and re-

Notes to the consolidated financial statements

lated expenses as well as cash flows from borrowing, repayment of interest-bearing loans as well as payment of dividends to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash and bank balances as well as short-term securities with a term to maturity of less than 3 months, which are easily realisable and only subject to immaterial risk of change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Note 2. Significant accounting estimates and judgements

At the making of the annual report, it is necessary for the management to define assumptions, which affect the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period. We continuously assess the estimates and judgements.

We base our estimates and assessments on historical experience and a number of other factors, which are considered reasonable in the given circumstances. The actual results can, under other assumptions or conditions, deviate from these estimates. The group accounting policies are described in note 1. The following estimates are considered significant for the description of the financial position.

- The useful life for property, plant and equipment is set on the basis of periodic examinations of actual useful lives and the planned use of the property, plant and equipment. Such examinations are carried out or updated when new events occur which may affect the setting of the useful life of the property, plant and equipment, for example, when events or circumstances occur which indicate that the carrying amount of the property, plant and equipment is greater than the recoverable amount and therefore should be impairment tested. Any change in the useful life for property, plant and equipment is included in the annual report as soon as such a change has been set. The carrying amount of property, plant and equipment at the balance sheet date is: DKK 535m (2006: DKK 492m).

- EAC carry out impairment tests of intangible assets at least once a year and more often, if necessary, when events or other circumstances indicate that the carrying amount could become greater than the recoverable amount. The measurement of intangible assets is a complicated process that requires a considerable management estimate in connection with the definition of various assumptions including expectations for future cash flow discount factor and growth rates in the term. The sensitivity of the estimated measurement under said assumptions, accumulated and individually, can be considerable. Furthermore, the use of various estimates and assumptions for the setting of the fair value of such assets can result in different values and may cause depreciation for loss from impairment in future financial periods. The carrying amount of intangible assets at the balance sheet date is: DKK 92m (2006: DKK 62m).

- Estimates of deferred taxes and material items, which have resulted in deferred tax assets and tax liabilities, are reflected in note 8. They reflect the assessment of the actual future tax, which should be paid relating to items in the annual report, taking the time placement, and probability of said estimates into consideration. Furthermore, said estimates reflect expectations for future taxable results and, if necessary, tax planning strategies. The actual tax and the result can vary in relation to said estimates due to changes in expectations for future taxable results, future amendments to legislation relating to corporation tax or results from a final review of the company's tax returns carried out by the tax authorities. The carrying amount of deferred tax assets at the balance sheet date is: DKK 52m (2006: DKK 12m). The carrying amount of deferred tax liabilities at the balance sheet date is: DKK 2m (2006: DKK 1m).

The following judgements are considered significant for the description of the financial position:

- Decisions relating to the treatment of contingent assets and liability in the annual report are based on an assessment of the expected result of the situation in question. Internal and external attorneys and other experts will be consulted. An asset or a liability is recognised if it is virtually certain and more likely than not, respectively, that the case will have a positive and negative result, respectively, and the amount is estimable. If that is not the case, we inform of the situation. Decisions in connection with such situations can, in the following financial periods, result in realised gains or losses that deviate from the recognised amount.

Note 3. New accounting standards

As of 31st January 2008, IASB and the EU have approved the following new accounting standards which are effective for 2008 or later and which are not adopted by EAC:

IFRS 8 Operating segments applies to the financial year which starts 1 January 2009 or later. IFRS 8 replaces the present standard on segment information, IAS 14. As compared to previously, IFRS 8 now requires that segment information be based entirely on the internal reporting. EAC expects to implement the standard for the financial year, which starts 1 January 2008, and the implementation is not expected to give occasion for an increase in the range of segment information in the annual report.

As of 31st January 2008, IASB has issued and the EU has endorsed the following new interpretation contributions (IFRIC), which are effective for 2008 or later and which are not adopted by EAC:

IFRIC 11 IFRS 2 - Group and Treasury Share Transactions is effective for the financial year which starts 1 March 2007 or later. IFRIC 11 provides guidance on whether share-based transactions involv-

Notes to the consolidated financial statements

ing treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. EAC's recognition of share-based remuneration arrangements is in accordance with IFRIC 11 and IFRIC 11 is therefore not expected to affect the preparation of the annual report.

IASB has issued the following new accounting standards and interpretation contributions (IFRIC), which are effective for 2008 or later but which have not been approved by the EU and not adopted by EAC:

IFRS 3 Business Combinations (Revised). According to the amendment, transaction costs no longer form a part of the purchase price, they are expensed as incurred. Consideration includes the fair value of all interests that the acquirer may have held in the acquired business. Contingent consideration is required to be recognised at fair value even if it is not deemed to be probable of payment at the date of the acquisition. Also it is possible to record goodwill on the non-controlling interest as well as the acquired controlling interest.

The amended IFRS 3 comes into effect for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Accordingly it will not affect EAC's past business combinations.

IAS 27 Consolidated and Separate Financial Statements (Revised) applies to the financial year which starts 1 July 2009 or later. According the amendment all providers of equity capital are regarded as shareholders of the entity, even when they are not shareholders in the parent company. The standard will only effect future transactions between the shareholders of EAC and the non-controlling interests.

IFRS 2 Share-based payment - vesting conditions and cancellations (Amendment) is effective for the financial year beginning on or after 1 January 2009. The amendment clarifies that vesting conditions are service conditions and performance conditions only. The amendment to IFRS 2 is not expected to affect the preparation of the annual report.

IAS 1 Financial Statement Presentation (amendment) applies to the financial year which starts 1 January 2009 or later. The amendment affects among other things the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRSs. Accordingly, it will only have an effect on the presentation of EAC's financial statements.

IAS 23 Borrowing Costs (amendment) applies to the financial year which starts or 1 January 2009 or later. The amendment to IAS 23 requires the capitalisation of borrowing costs, to the extent they are directly attributable to the acquisition, production or construction of a qualifying asset. The amendment is expected to affect the preparation of the Annual Report in view of planned investments in EAC Foods.

IFRIC 12 Service Concession Arrangements is effective for the financial year which starts 1 January 2008 or later. IFRIC 12 relates to whether existing infrastructure or improvements in infrastructure covered by a service concession arrangement should be treated in the annual report of concessionary companies. EAC has no and does not expect to enter into such service concessions arrangements. IFRIC 12 is therefore not expected to affect the preparation of the annual report.

IFRIC 13 Customer Loyalty Programmes applies for annual periods beginning on or after 1 July 2008, IFRIC 13 addresses how companies, that grant their customers loyalty award credits (often called 'points') when buying goods or services, should account for their obligation to provide free or discounted goods or services if and when the customers redeem the points. EAC has not granted customers loyalty ward credits. IFRIC 13 is therefore not expected to affect the preparation of the annual report.

IFRIC 14 IAS 19—The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction applies for annual periods beginning on or after 1 January 2008. IFRIC 14 addresses three issues: 1) how entities should determine the limit placed by IAS 19 Employee Benefits on the amount of a surplus in a pension plan they can recognise as an asset 2) how a minimum funding requirement affects that limit and 3) when a minimum funding requirement creates an onerous obligation that should be recognised as a liability in addition to that otherwise recognised under IAS 19. As EAC's pension plans are defined contribution plans, the interpretation is not expected to affect the preparation of the annual report.

Notes to the consolidated financial statements

4. Segmental information

Primary segments	Foods		Industrial Ingredients		Moving & Relocation Services		Other activities and disposed businesses		Continuing Operations/ Group		Discontinued Operations	
Income statement, DKK million	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Revenue	2,947	2,335	1,213	1,008	628	588			4,788	3,931		4
Intra-group sales	341	311	9		36	34			386	345		
External sales	**2,606**	**2,024**	**1,204**	**1,008**	**592**	**554**	**0**	**0**	**4,402**	**3,586**	**0**	**4**
Operating profit before depreciation and amortisation (EBITDA) and non-recurring items	**528**	**262**	**109**	**91**	**69**	**62**	**-1**	**3**	**705**	**418**	**-5**	**-1**
Depreciation and amortisation	50	49	11	10	9	9	1	2	71	70		
Impairment charges												
Non-recurring items			9						9			
Segment operating profit	**478**	**213**	**107**	**81**	**60**	**53**	**-2**	**1**	**643**	**348**	**-5**	**-1**
Unallocated operating profit before depreciation and amortisation (EBITDA)									-38	-34		
Non-recurring items											7	-19
Depreciation and amortisation									2	1		
Unallocated operating profit/(loss)									-40	-35	7	-19
Group operating profit									**603**	**313**	**2**	**-20**
Share of profit from associates			24	22	1	1			25	23		-1
Share of profit from associates - Unallocated									2	4		
Gain on disposal of associates - Unallocated									15			
Share of profit from associates	0	0	24	22	1	1	0	0	42	27	0	-1
Balance sheet, DKK million												
Goodwill			18	4	34	36			52	40		
Other intangible assets	5	1	33	19	2	2			40	22		
Property, plant and equipment	441	361	53	25	32	34		62	526	482		
Financial fixed assets	44	4	8	29	2	3			54	36		
Investment in associates			55	55	4	3		3	59	61		
Inventories	348	243	170	145	4	4			522	392		
Trade receivables	255	223	288	228	107	88			650	539		4
Other current assets	239	192	299	62	82	65	31	28	651	348		12
Assets held for sale			11				56		67			
Sub-total	1,332	1,024	935	567	267	235	87	93	2,621	1,919		16
Unallocated corporate assets									66	825		
Total assets	**1,332**	**1,024**	**935**	**567**	**267**	**235**	**87**	**93**	**2,687**	**2,744**	**0**	**16**
Current liabilities	332	267	198	187	107	94	3	17	640	565		
Non-current liabilities	36		9	8	3	4			48	12		
Sub-total	368	267	207	195	110	98	3	17	688	577		
Unallocated corporate liabilities									19	30		
Liabilities									**707**	**607**		
Interest bearing debt									339	248		4
Minority interests									110	104		
Equity									1,531	1,785		12
Total equity and liabilities									**2,687**	**2,744**	**0**	**16**
Invested capital	**787**	**627**	**390**	**252**	**92**	**89**	**54**	**46**	**1,323**	**1,014**		**-3**
Invested capital - unallocated									**26**	**10**		
									1,349	**1,024**		**-3**
Working capital employed	**477**	**334**	**311**	**225**	**47**	**33**	**0**	**0**	**835**	**592**		**-3**
Cash flows, DKK million												
Cash flows from operations	235	141	15	45	31	35	-3	-4	278	217		
Cash flows from investing activities	-162	-72	-15	35	-9	-9			-186	-46		
Cash flows from financing activities	-14	-35	231	-86	-4	-21	3	-16	216	-158		
Sub-total	59	34	231	-6	18	5	0	-20	308	13		
Unallocated cash flow, net									-299	-55		
Changes in cash & cash equivalents	59	34	231	-6	18	5	0	-20	9	-42		
Financial ratios in %												
Operating margins:												
EBITDA (excluding Unallocated items	20.3	12.9	9.1	9.0	11.7	11.2			16.0	11.7		
EBIT (excluding Unallocated items)	18.3	10.5	8.9	8.0	10.1	9.6			14.6	9.7		
EBITDA (Group)									15.2	10.7		
EBIT (Group)									13.7	8.7		
Return on average invested capital (ROIC) including goodwill	67.6	34.1	33.3	32.5	66.3	58.6			50.8	5.6		
Return on average invested capital (ROIC) excluding goodwill	67.6	34.1	34.4	34.6	108.1	101.9			52.9	5.6		

Notes to the consolidated financial statements

4. Segmental information (continued)

Secondary segments	Revenue		Segment fixed assets		Segment current assets		Assets held for sale		Segment assets total		Investments in property, plant		Investments in acquisitions and equipment	
DKK million	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Continuing Operations	**4,402**	**3,586**	**741**	**648**	**1,835**	**1,428**	**67**		**2,643**	**2,076**	**198**	**91**	**41**	**0**
Asia	1,796	1,562	252	282	990	761	67		1,309	1,043	21	12	41	
Europe	0	0	0	0	2	9			2	9				
South America	2,606	2,024	489	366	843	658			1,332	1,024	177	79		
Discontinued Operations	**0**	**4**	**0**	**-11**	**0**	**28**			**0**	**17**	**0**	**0**	**0**	**0**
Europe		4		-11		28				17				
Sub-total	**4,402**	**3,590**	**741**	**637**	**1,835**	**1,456**	**67**	**0**	**2,643**	**2,093**	**198**	**91**	**41**	**0**
Unallocated corporate assets			**18**	**47**	**26**	**620**			**44**	**667**	**2**	**2**		
EAC Group	**4,402**	**3,590**	**759**	**684**	**1,861**	**2,076**	**67**	**0**	**2,687**	**2,760**	**200**	**93**	**41**	**0**

5. Other operating expenses

DKK million	2007	2006
Provisions and other charges	2	9
Total	**2**	**9**

6. Other operating income

DKK million	2007	2006
Profit on sale of intangible/tangible assets	5	
Rental income, management fees and other operating income	14	26
Total	**19**	**26**

7. Financial income /expenses

DKK million	2007	2006
Financial income:		
Income from other investments		1
Other interest income	25	94
Total financial income	**25**	**95**
Financial expenses:		
Translation adjustment and exchange losses	21	4
Other interest expenses	41	40
Total financial expenses	**62**	**44**
Total	**-37**	**51**

Notes to the consolidated financial statements

8. Tax

DKK million	2007	2006
Tax on profit from continuing operations	139	100
Total taxes charged to income statement	**139**	**100**
Current tax on profit for the year	152	80
Change in deferred tax during the year	-39	20
Other taxes	26	
Total tax charged	**139**	**100**
Corporation tax rate adjustments		
Danish corporate tax rate in per cent	25.0	28.0
The tax effect from:		
Change in tax rate		
Differences from non-taxable income / non-deductible expenses	-1.4	0.4
Difference in tax rate of non-Danish companies	-1.7	-7.1
Utilisation of unrecognized deferred tax assets	-1.1	-5.9
Adjustments relating to derecognized deferred tax assets		7.7
Other	2.1	2.6
Effective tax rate	**22.9**	**25.7**

Deferred tax

DKK million	2007 Assets	2007 Liabilities	2006 Assets	2006 Liabilities
Fixed assets	4		2	9
Current assets, net	34		16	
Long-term debt		2		
Losses carried forward	13			
Provisions	2	1	3	1
Deferred tax assets / liabilities	53	3	21	10
Set-off within legal tax unit	1	1	9	9
Deferred tax assets / liabilities	**52**	**2**	**12**	**1**

The Group did not recognise deferred income tax assets of DKK 4m (DKK 14m) in respect of losses amounting to DKK 14m (DKK 49m) that can be carried forward against future taxable income.

Deferred tax assets maturing within 12 months amounts to DKK 38m. No deferred tax liabilities mature within 12 months.

Deferred tax has not been calculated on temporary differences relating to investments in subsidiaries and associates as these investments are not expected to be sold within the foreseeable future. Divestment of associates is not expected to cause any tax liability based on the current composition of the EAC Group as well as the current tax legislation.

Tax payable

DKK million	2007	2006
1 January	35	42
	35	42
Movements:		
Provision for income taxes	152	80
Payment / refund of income taxes	70	87
31 December	**115**	**35**

Notes to the consolidated financial statements

9. Earnings per share

DKK	2007	2006
Profit from continuing operations	469	291
Minority interest	43	30
EAC's share of profit from continuing operations	426	261
EAC's share of profit from discontinued operations	4	-21
Average number of shares outstanding	15,908,665	17,977,419
Average number of own shares	1,217,384	138,427
Average number of shares excluding own shares	**14,691,281**	**17,838,992**
Average dilution effect of share options	23,952	
Diluted average number of shares	**14,715,233**	**17,838,992**
Basic earning per (EPS) share		
from continuing operations	29.0	14.6
from discontinued operations	0.3	-1.2
Diluted earnings per (EPS) share		
from continuing operations	28.9	14.6
from discontinued operations	0.3	-1.2

10. Audit fees

DKK	2007	2006
PricewaterhouseCoopers:		
Audit	5	4
Other assistance	6	5

11. Average number of employees

	2007	2006
EAC Group	5,030	4,133

12. Salaries, wages and fees, etc.

DKK	2007	2006
Salaries and wages to employees	594	474
Share-based payments to employees	2	
Salaries to the Executive Board of the Parent Company	4	4
Share-based payments to the Executive Board of the Parent Company	0	
Board fees to the Supervisory Board of the Parent Company*	2	3
Contribution to pension schemes	7	5
Social security and other staff expenses	28	22
Total	**637**	**508**

*) Including DKK 0.0m (DKK 0.1m) to the chairmanship for special assignments.

Executive management compensation		
Salaries and other current employee benefits	6	6
Share-based payments	0	
Total	**6**	**6**

Notes to the consolidated financial statements

13. Incentive schemes

Share options (number)	Executive Management	Other Operations Management Team members	Other Senior Executives	Total
2007				
New Share Option Scheme				
Granted in 2007	18,000	21,000	59,000	98,000
Lapsed in 2007			-3,000	-3,000
Outstanding at 31 December 2007	18,000	21,000	56,000	95,000
Exercise period and price:				
2007 / 28.03.10 - 28.03.13, DKK 268	18,000	21,000	56,000	95,000

The total value of the outstanding New Share Option Scheme and the Share Option / Purchase Schemes as of 31 December 2007 was DKK 17.7m (Calculated using Black Scholes formula including the following assunptions: Spot Price 397.50, Excercise price 268.00, Expected Duration 3.75 years, Dividend Yield 0 per cent *), Risk Free Interest Rate 4.35 per cent, Volatility 31.00 per cent, Computed on 31.12.07).
The expected volatility is based one year's volatility in the EAC share.
*) The exercise price is adjusted for dividend.

Share options
EAC operates a share option programme, according to which the management and certain other key employees in the EAC Group are granted share options.

The programme, which over 3 years will comprise a total of 2 per cent of the share capital, was adopted by the Annual General Meeting in 2007.

The underlying objective of this allocation is to retain and motivate the employees in question and to ensure a community of interests between shareholders and day-to-day management, while at the same time building long term loyalty and staff retention.

The exercise price is based on the average price for EAC shares on the 10 first trading days after the announcement of EAC's preliminary statement of annual results, plus 10 per cent. Thus, the options will only be of actual value to the relevant persons if the market price exceeds the exercise price at the time of exercise.

The options have a term of six years and are exercisable after three years. For tax purposes, the term of the award entails that a potential gain is taxed as share income while the costs of the award are not tax-deductible for EAC.

Exercise of the options granted under this scheme is conditional upon the option holder being employed by the EAC Group at the time of exercise.

The Share options are covered by EAC's stock of treasury shares.

Share options are not offered as part of the remuneration of Supervisory Board members.

Share options (number)	Executive Board	Other Operations Executive Group Members	Operations Management Team	Other Senior Executives	Total
2006					
New Share Option Scheme					
Outstanding at 1 January 2006	151,500	109,000	45,000	187,000	492,500
Cash settlement	-151,500	-109,000	-45,000	-157,000	-462,500
Exercised				-25,000	-25,000
Expired				-5,000	-5,000
Outstanding at 31 December 2006	0	0	0	0	0
Share Option / Share Purchase Scheme					
Outstanding at 1 January 2006	6,000	6,000	0	3,200	15,200
Cash settlement	-6,000	-6,000			-12,000
Exercised				-1,920	-1,920
Expired				-1,280	-1,280
Outstanding at 31 December 2006	0	0	0	0	0

Notes to the consolidated financial statements

14. Intangible assets

DKK million	Goodwill	Trademarks	Software	Other	Total
2007					
Cost:					
1.1.2007	57	82	61	21	221
Translation adjustments	-4	-3	-4	-1	-12
Additions	15		2	18	35
Reclassification from tangible assets			6		6
Reclassification	-7	7	3	-3	0
31.12.2007	61	86	68	35	250
Amortisation:					
1.1.2007	17	82	57	3	159
Translation adjustments	-1	-3	-3		-7
Amortisation for the year			3	3	6
Reclassification	-7	7			0
31.12.2007	9	86	57	6	158
Carrying amount 31.12.2007	**52**	**0**	**11**	**29**	**92**

Goodwill consists of DKK 33m (DKK 36m) attributable to Global Silverhawk (EAC Moving & Relocation Services), DKK 4m (DKK 4m) attributable to Nitrex India (EAC Industrial Ingredients).

Furthermore acquired goodwill consist of DKK 14m attributable to Akashi Group (EAC Industrial Ingredients) and DKK 1m attributable to Santa Fe Vietnam (EAC Moving & Relocation Services).

DKK million	Goodwill	Trademarks	Software	Other	Total
2006					
Cost:					
1.1.2006	88	82	67		237
Translation adjustments	-10		-4		-14
Additions			2		2
Disposals			4		4
Reclassification	-21			21	0
31.12.2006	57	82	61	21	221
Amortisation:					
1.1.2006	20	82	63		165
Translation adjustments	-3		-5		-8
Amortisation for the year			2	3	5
Disposals			3		3
31.12.2006	17	82	57	3	159
Carrying amount 31.12.2006	**40**	**0**	**4**	**18**	**62**

Goodwill consists of DKK 36m (DKK 41m) attributable to Global Silverhawk (EAC Moving & Relocation Services) and DKK 4m (DKK 27m) attributable to Nitrex India (EAC Industrial Ingredients).

Purchase price allocation in accordance with IFRS 3 Business Combinations has taken place in 2006 in respect of the acquisition of Nitrex India resulting in a reclassification from goodwill to other intangible assets (i.e. non-competition clause, supplier contracts, and customer relationships).

Notes to the consolidated financial statements

14. Intangible assets (continued)

Goodwill

According to EAC's Accounting Policies goodwill is not amortised, but is tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill recognised in connection with the acquisition of Global Silvehawk in 2000 (EAC Moving & Relocation) and Nitrex India (EAC Industrial Ingredients) in 2005, has been impairment tested.

The recoverable amount of the CGU is determined based on value-in-use calculations. The basis is cash flow projections based on financial budgets approved by management covering a 1-year period as well as a financial forecast covering a 4-year period. Cash flows beyond the five-year period are extrapolated using a growth rate that does not exceed the long-term average growth rate for the businesses and the environment in which the CGU operates.

The discount rate used, the EAC Groups internal WACC rate computed after tax and reflects specific risks relating to the businesses, varies from 5.6 per cent to 11.0 per cent.

Margins are based on past performance and the expectations for the market development.

15. Property, plant and equipment

DKK million	Land etc.	Plants etc.	Other assets, installations, vehicles etc.	IT equipments	Prepayments	Total
2007						
Cost:						
1.1.2007	433	180	167	52	45	877
Translation adjustment	-12	-17	-9	-2	-5	-45
Additions	2		18	1	170	191
Disposals	8	1	10	2		21
Reclassification to assets held for sale	-75					-75
Reclassification to intangible assets	-6					-6
Reclassification	40	40	33	4	-117	0
31.12.2007	374	202	199	53	93	921
Depreciation						
1.1.2007	137	96	116	36		385
Translation adjustment	-11	-11	-8			-30
Depreciation for the year	21	17	20	4		62
Disposals	1	1	8	2		12
Reclassification to assets held for sale	-19					-19
31.12.2007	127	101	120	38	0	386
Carrying amount 31.12.2007	**247**	**101**	**79**	**15**	**93**	**535**
Finance expenses						0
Financial leases						0
2006						
Cost:						
1.1.2006	433	173	159	54	67	886
Translation adjustment	-34	-18	-11	-2	-7	-72
Additions	1		13		65	79
Disposals	3		9	4		16
Reclassification	36	25	15	4	-80	0
31.12.2006	433	180	167	52	45	877
Depreciation						
1.1.2006	130	92	111	35	0	368
Translation adjustment	-12	-10	-8	-1		-31
Depreciation for the year	21	14	21	5		61
Disposals	2		8	3		13
31.12.2006	137	96	116	36	0	385
Carrying amount 31.12.2006	**296**	**84**	**51**	**16**	**45**	**492**
Finance expenses						0
Financial leases						0

Notes to the consolidated financial statements

16. Livestock

DKK million	2007	2006
Reconciliation of carrying amounts of breeding stock		
Carrying amount 1.1.	9	6
Translation adjustment	0	-1
Increase due to purchases	9	15
Gain/loss arising from changes in fair value less estimated point-of-sale costs attributable to physical changes	-5	-5
Decrease due to sales	4	6
Carrying amount 31.12.	**9**	**9**

17. Amortisation and depreciation

DKK million	2007	2006
Amortisation and depreciation of intangible assets and property, plant and equipment are included in the income statement under the following captions, according to the use of the assets:		
Cost of sales	40	40
Selling and distribution espenses	15	15
Administrative expenses	13	11
Total	**68**	**66**

18. Financial assets

DKK million	Investment in associates	Other securities and investments	**2007 Total**	Investment in associates	Other securities and investments	2006 Total
Cost at the beginning of the year	103	22	125	74	27	101
Translation adjustments	2	1	3			
Additions		1	1	29	9	38
Disposals	32	21	53		14	14
Cost at the end of the year	73	3	76	103	22	125
Value adjustment at the beginning of the year	-13	10	-3	-6	-1	-7
Net profit/loss	27		27	25		25
Dividend	16		16	43		43
Fair value adjustment		-2	-2		11	11
Reclassified from other recievables				13		13
Reclassified to assets held for sale, net	-11		-11			
Translation adjustments				-2		-2
Value adjustment at the end of the year	-13	8	-5	-13	10	-3
Carrying amount at the end of the year	**60**	**11**	**71**	**90**	**32**	**122**

The carrying amount of the investment in associates includes net capitalised goodwill of DKK 0.0m at the end of the year (DKK 12.8m).

Notes to the consolidated financial statements

18. Financial assets (continued)

The Group's interests in its principal associates, all of which are unlisted, were as follows:

DKK '000	Country of incorporation	Assets	Liabilities	Revenue	Profit/Loss	% Interest held
2007						
INEOS Asiatic Chemical Company Limited [5]	Thailand	38,887	12,553	75,210	9,447	40.00
ICI Paints (Thailand) Ltd.	Thailand	188,963	109,374	346,522	48,134	33.33
Asiatic Acrylics Company Ltd. [2]	Thailand	35,977	16	1	3,097	51.00
Thai Poly Acrylic Public Company Ltd. [3]	Thailand	174,447	69,142	232,788	9,124	2.81
Siri Asiatic Company Ltd	Thailand	4,420	865	3,386	936	50.00
Berli Asiatic Soda Co. Ltd	Thailand	45,042	33,837	80,946	4,848	50.00
AB Far East Sdn. Bhd. [2]	Malaysia	5,017	4,454	5,128	-202	50.00
Beijing Zhongboa Drinking Water Co. Ltd. [2]	China	9,478	5,278	12,530	548	34.89
Griffin Travel (HK) Ltd.	Hong Kong	22,245	6,927	113,236	4,178	25.00
2006						
Global Wool Alliance Ltd. [1]	India	63,672	47,915	69,427	-3,934	33.68
INEOS Asiatic Chemical Company Limited	Thailand	48,968	10,883	63,400	5,367	40.00
ICI Paints (Thailand) Ltd.	Thailand	135,480	104,198	306,150	40,592	33.33
Asiatic Acrylics Company Ltd. [2]	Thailand	35,296	14	5,642	5,629	51.00
Thai Poly Acrylic Public Company Ltd. [3]	Thailand	144,895	41,492	202,457	16,536	2.81
Siri Asiatic Company Ltd	Thailand	3,769	507	2,906	684	50.00
Berli Asiatic Soda Co. Ltd	Thailand	38,390	27,813	99,475	7,155	50.00
Beijing Zhongboa Drinking Water Co. Ltd.	China	8,995	4,724	11,392	571	34.89
Unza Indochina Pte. Ltd. [4]	Singapore	79,854	38,039	115,709	15,147	30.00
Griffin Travel (HK) Ltd.	Hong Kong	19,901	7,431	99,257	3,546	25.00

1 Financial year ending 31.03.
2 EAC are not in control of the company
3 Publicly listed company. Interest held through Asiatic Acrylics Ltd. (17.40%) and The East Asiatic (Thailand) Public Company Limited (2.81%).
4 Financial year ending 30.04.
5 Reclassified to assets held for sale

19. Financial assets and liabilities

DKK million	2007	2006
Financial assets through profit or loss		
Bank and cash balances	543	554
Restricted cash	3	450
Total	**546**	**1,004**
Available for sale financial assets		
Other investments	11	32
Total	**11**	**32**
Financial assets measured at amortised cost		
Trade account receivables, current and non-current trade and other receivables	652	540
Other receivables, current	141	127
Total	**793**	**667**
Financial liabilities measured at amortised cost		
Non-current debt	93	89
Bank loans, current	281	181
Trade accounts payable, current	338	343
Other payables, current	332	245
Total	**1,044**	**858**

Notes to the consolidated financial statements

20. Number of active companies

	2007	2006
Continuing Operations		
Parent company	1	1
Danish subsidiaries	6	6
Foreign subsidiaries	43	33
Associates	10	10
	60	50
Discontinued Operations		
Danish subsidiaries	1	
Associates	1	
	2	0
Total	**62**	**50**

21. Share capital

	Shares of DKK 70	Nominal value DKK '000
1 January 2007	16,700,209	1,169,015
Cancellation of treasury shares	-1,670,019	-116,902
31 December 2007	**15,030,190**	**1,052,113**
1 January 2006	18,797,327	1,315,813
Cancellation of treasury shares	-2,097,118	-146,798
31 December 2006	**16,700,209**	**1,169,015**

Treasury shares

	Shares of DKK 70	Nominal value DKK million	% of share capital
1 January 2007	1,670,019	117	10.00
Cancellation of treasury shares	-1,670,019	-117	
Purchase of treasury shares	1,280,275	90	
31 December 2007	**1,280,275**	**90**	**8.52**
1 January 2006	216,237	15	1.15
Purchase of treasury shares	3,577,821	251	
Excercise of share options	-26,920	-2	
Cancellation of treasury shares	-2,097,119	-147	
31 December 2006	**1,670,019**	**117**	**10.00**

Notes to the consolidated financial statements

22. Inventory

DKK million	2007	2006
Raw materials	169	113
Work in progress	7	10
Finished goods	345	269
Prepayments to suppliers	1	
Total	**522**	**392**
Indirect production costs included in work in progress and finished goods	30	14
Amounts of write-down of inventory recognised as expense during the year	3	8
Amount of reversal of write-down of inventories during the year	0	0

23. Trade receivables

DKK million	2007	2006
Trade receivables (gross)	665	556
Allowances for doubtful trade receivables:		
Balance at the beginning of the year	16	22
Change in allowances during the year and realised losses during the year	-2	-6
Balance at the end of year	14	16
Total trade receivables	**651**	**540**

24. Trade receivables - Provision for credit losses

	2007	2006
Provision for credit losses 1 January	16	22
Translation adjustment	-2	-2
Additions for the year	2	1
Reversals for the year	2	5
Provision for credit losses 31 December	**14**	**16**

25. Other receivables

DKK million	2007	2006
Other receivables	98	127
Prepayments	20	
Receivables from sale of associates	23	
Total	**141**	**127**

Notes to the consolidated financial statements

26. Assets held for sale

DKK million	2007	2006
Assets held for sale comprises the following:		
Properties	56	
Associates	11	
Total	**67**	**0**

Assets held for sale comprises properties and an associated company.

In the third quarter of 2007 EAC Malaysia Holdings Sdn. Bhd. of which EAC owns 60 per cent entered into a contract for the divestment of its remaining properties. Closing of the transaction is expected to take place early in 2008.

The agreed sales price exceeds the carrying amount and, consequently, no impairment has been charged to the income statement.

A share sales agreement of EAC's 40 per cent equity interest of the sharecapital in INEOS Asiatic Chemical Company Limited, Thailand, was entered into late 2007. Completion of the transaction is expected to take place during the first quarter of 2008.

The agreed sales price exceeds the carrying amount of assets held for sale, and no impairment has been charged to the income statement.

27. Provisions for other liabilities and charges

DKK million	Other Provisions	Employee Benefits	2007	Other Provisions	Employee Benefits	2006
At the begining of the year	17	10	27	7	8	15
Translation adjustment	-1		-1			
Utilised		1	1	4		4
Reclassified from other liabilities				14		14
Reversed	10		10			
Provided	31	1	32		2	2
At the end of the year	**37**	**10**	**47**	**17**	**10**	**27**
Specification of other provisions:						
Non-current	25	10	35	9	10	19
Current	12		12	8		8
	37	**10**	**47**	**17**	**10**	**27**

Other provisions are primarily related to potential labour indemnifications in Venezuela.

Employee benefits are primarely related to obligations in EAC Industrial Ingredients in Thailand.

Non-current other provisions are expected to mature within two years of the balance sheet date.

Notes to the consolidated financial statements

28. Other liabilities

DKK million	2007	2006
Other current liabilities	205	216
Reclassified to provisions		-14
Total	**205**	**202**
Other liabilities by origin:		
Staff payables*	57	41
Duties to public authorieties	21	17
Deferred income	5	7
Dividends current year	7	3
Other accrued expenses*	115	134
Total	**205**	**202**

* mature within 12 months

29. Borrowings

DKK million	2007	2006
Non-current borrowings:		
Bank loans	47	64
Other non-current debt	11	6
Total	58	70
Current borrowings:		
Bank loans	281	181
Total	281	181
Total borrowings	**339**	**251**
Liquidity risk		
Maturity of current and non-current borrowings (including finance lease liabilities)		
< 1 year	318	198
1-5 years [1)]	50	70
> 5 year [1)]	8	
Total	**376**	**268**

The borrowings are exposed to interest rate and currency risk. See note 30 and 31.

1) Loans with a duration exceeding one year is primarily related to EAC Foods in Venezuela. Estimation of interest charges related thereto is not possible in this highly volatile interest environment where only variable interest rates are obtainable.

Notes to the consolidated financial statements

30. Credit Risk, Currency Risk and Interest Rate Risk including Derivative Instruments[1]

Credit Risk
EAC has no significant concentration of credit risk. At the balance sheet date the total credit risk amounts to DKK 1.2bn (DKK 1.5bn). The EAC Group has policies in place that insure that sales of products and services are made to customers with appropriate credit history. The credit risk lies in the potential insolvency of a counterpart and is thus maximally equal to the sum of the positive net market values in respect of the corresponding business partners.

Trade receivables past due compounds as follows:

DKK million

	month (due)						
	not due	0 - 1	1 - 2	2 - 3	3 - 6	> 6	31.12.2007
Receivables, not due	407						407
Receivables past due but not impaired		148	52	23	21	0	244
							651
In % of receivables not due and due but not impaired	62	23	8	4	3	-	
Impaired receivables past due						14	14
							665
Allowances for doubtful trade receivables							-14
Total trade receivables (net)							**651**

DKK million

	month (due)						
	not due	0 - 1	1 - 2	2 - 3	3 - 6	> 6	31.12.2006
Receivables, not due	378						378
Receivables past due but not impaired		106	24	21	11	0	162
							540
In % of receivables not due and due but not impaired	70	20	4	4	2	-	
Impaired receivables past due					3	13	16
							556
Allowances for doubtful trade receivables							-16
Total trade receivables (net)							**540**

Currency Risk
The EAC Group is exposed to foreign currency risk on assets and liabilities denominated in foreign currencies. The EAC Group has a profit/loss exposure on financial assets and liabilities comprising mainly of receivables and borrowings and an equity exposure on net investments in foreign entities.

The risk is to some extent hedged by derivative financial instruments.

The currency exposure is monitored locally, as explained in the Finance and Treasury Risk sections. The net exposure is insignificant at Group level, and consequently, no information is provided internally to key Management.

Interest Rate Risk
The EAC Group is exposed to mainly floating interest rate risk on marketable securities, bank balances and borrowing. All interest bearing assets, DKK 546m and interest bearing liabilities, DKK 339m are repriced within one year. The EAC Group monitors the risk under the duration method. Under this method, the assumption is made that the interest rates move parallel across the yield curve. The assumption is made that balances are on average fixed for 6 months and that consequently a change in interest rates will have no impact on interest payment for the first three months.

1) See note 31 and the Finance and Treasury Risk section for more details.

Notes to the consolidated financial statements

31. Derivative financial instruments

The Group is hedging the foreign currency exposure on receivables and payables and forecasted purchases and sales in foreign currencies by foreign exchange forward contracts. The Group has elected not to treat the transactions as hedge transactions in accordance with IAS 39, and consequently, the gains and losses on the hedging instruments are recognised in profit or loss as they occur.

The Group is hedging Investments in foreign entities using forward exchange contracts and loans. These transactions are treated as hedge transaction in accordance with IAS 39.

At the balance sheet date, the following instruments are outstanding.

Net investment hedge

	2007			2006		
Instruments DKK million	Contract Amounts at Year End	Positive Fair Value at Year End	Negative Fair Value at Year End	Contract Amounts at Year End	Positive Fair Value at Year End	Negative Fair Value at Year End
Foreign currency payable/receivable						
USD	26			26		
USD	-7			-7		
SGD	-105			-108		
Total	**-86**			**-89**		

The open positions at year end is hedging the following proportions of the main investments:

	2007		2006	
DKK million	Net Investments	% hedged	Net Investments	% hedged
VEB	578		439	
THB	471		340	
SGD	126	83	108	100
HKD	81		58	
MYR	66		58	
INR	32		33	
PHP	18		14	
USD	48	15	34	21
USD	-47	55	-41	63
CNY	1		2	
Other	23		24	
	1,397		**1,069**	

32. Adjustments to reconcile net result to net cash flows from operating activities

DKK million	2007	2006
Share of earnings after tax in asociated companies	-27	-25
Gains/losses and provision relating to fixed assets	-17	
Gains/losses relating to acquisition/disposal of activities	-29	
Share based payments	2	
Changes in provisions	33	-2
Tax provided	156	80
Deferred tax	-40	20
Tax paid	-75	-84
Foreign currency and other adjustments	8	-60
Total	**11**	**-71**

Notes to the consolidated financial statements

33. Changes in working capital

DKK million	2007	2006
Changes in inventories	-141	-62
Changes in trade accounts receivable	-116	-54
Changes in trade accounts payable	-5	55
Changes in other receivables/payables	3	33
Total	**-259**	**-28**

34. Acquisition of activities

DKK million	2007	2006
Other intangible assets	15	
Property, plant and equipment	23	
Financial assets, non-current	1	
Inventories	11	
Receivables	24	
Cash and cash equivalents	4	
Borrowings	-17	
Bank overdrafts	-14	
Trade payables and other liabilities etc.	-21	
Net assets	26	
Minority interests	0	
Equity, EAC's share	26	
Goodwill	15	
Purchase price	41	
Cash and cash equivalents, acquired	4	
Cash outflow, net	**37**	**0**

35. Proceeds from sale of discontinued operations

DKK million	2007	2006
EAC Trading Ltd. A/S		
Deferred tax asset	1	
Cash and cash equivalents	8	
Net assets sold	9	
Profit on sale		
Total	**9**	**0**
Cash and cash equivalents in companies sold	-8	
Total	**1**	**0**
Global Wool Alliance Pvt. Ltd.		
Gain on sale of associate	12	
Total proceeds from sale of discontinued operations	**13**	**0**

Notes to the consolidated financial statements

36. Acquisition of entities

DKK million				2007
Acquisition of entities				
Name of business	Primary activity	Acquisition date	Holding acquired	Cost
Akashi Sdn Bhd., Malaysia	Distribution of Industrial Ingredients	17.08.07	100%	24
ACI Trading Ltd., Bangladesh	Distribution of Industrial Ingredients	30.09.07	100%	15
Phil-Asiachem, Inc., Phillippines	Distribution of Industrial Ingredients	30.06.07	100%	1
Santa Fe, Vietnam	Moving & Relocation Services	03.01.07	70%	1
Total				**41**

	Total	
	Carrying amount prior to acquisition	Fair value at acquisition date
Other intangible assets		15
Property, plant and equipment	25	23
Financial assets, non-current	1	1
Inventories	11	11
Receivables	24	24
Cash and cash equivalents	4	4
Borrowings	-17	-17
Bank overdrafts	-14	-14
Trade payables and other liabilities etc.	-19	-21
Net assets	15	26
Minority interests	0	0
Equity, EAC's share	15	26
Goodwill		15
Purchase price		41
Elements of cash consideration paid:		
Cash		40
Directly atributable acquisition costs - legal fees, due diligence		1
Total		**41**

Notes to the consolidated financial statements

36. Acquisition of entities (continued)

Industrial Ingredients

The principal activity of Akashi Sdn. Bhd., ACI Trading Ltd. and Phil-Asiachem Inc. is the distribution of various industrial ingredients. The companies focus on a few major suppliers and have consistent profits. The acquired companies fit well with the strategy of the Industrial Ingredients business and the intention is to retain the businesses.

The intangible assets acquired, including goodwill, represents the value of customer lists, workforce acquired, distribution rights with major suppliers plus access to distribution and sales channels.

Akashi Sdn. Bhd.
The Akashi Group is included in the result from 17th August 2007. Consolidated revenue of Akashi Group was DKK 25m, operating profit amounted to DKK 1.7m and net profit was DKK 0.4m.

The revenue of Akashi Group for 2007 as if the acquisition date had been the 01.01.2007 was DKK 76.0m and the corresponding operating profit amounted to DKK 4.5m. The share of net profit amounted to DKK 1.7m.

ACI Trading Ltd.
ACI Trading Ltd. is included in the result from 30th September 2007. Revenue since the acquisition date was DKK 3.6m. Operating profit amounted to DKK 0.2m and net profit was DKK 0.2m.

The revenue of ACI Trading Ltd. for 2007 as if the acquisition date had been the 01.01.2007 was DKK 16.5m and the corresponding operating profit amounted to DKK 0.7m. The share of net profit amounted to DKK 0.2m.

Phil-Asiachem Inc.
Phil-Asiachem Inc. is included in the result from 30th June 2007. Revenue since the acquisition date was DKK 0.4m. Operating profit amounted to DKK 0m and net profit was DKK 0m.

The revenue of Phil-Asiachem for 2007 as if the acquisition date had been the 01.01.2007 was DKK 0.5m and the corresponding operating profit amounted to DKK 0.2m. The share of net profit amounted to DKK -0.2m.

Moving & Relocation Services

Santa Fe Relocation Services, Vietnam/ HR2B Relocations
HR2B is the leading Vietnamese relocation specialists operating throughout Vietnam.

HR2B has been Santa Fe's strategic partner in Vietnam for four years and have seamlessly integrated into the network of Moving & Relocation Services and their well-developed work process will contribute to Santa Fe's continuing success as the premier Asia-wide relocation services provider. Vietnam is one of the fastest developing countries in Asia and Santa Fe is now well-positioned to provide world-class service to its existing and new clients moving to and from Vietnam.

In determining the purchase consideration the cost, expenses and time to build up a sizeable business from green field have been duly considered and Moving & Relocation Services are of the opinion that the price paid for HR2B, Vietnam is less than the operational loss for the initial first two years of operation.

Santa Fe Relocation Services, Vietnam is included in the result of Santa Fe Group from 1st March 2007. The share of revenue is DKK 4.0m, and operating profit of DKK 0.5m The share of net profit is DKK 0.2m.

The revenue of Santa Fe Relocation Services, Vietnam for 2007 as if the acquisition date had been the 01.01.2007 cannot be measured at a reliable basis.

Notes to the consolidated financial statements

36. Acquisition of entities (continued)

Acquisition of entities after the balance sheet date:

DKK million				2007
Acquisition of entities				
Name of business	Primary activity	Acquisition date	Holding acquired	Cost
Ikan Relocation Services Pvt. Ltd.	Relocation Services	24.01.2008	70%	22
IR Moving Concepts Pvt. Ltd.	Moving Services	24.01.2008	70%	7
Total				**29**

	Total
	Carrying amount prior to acquisition
Property, plant and equipment	2
Receivables	10
Cash and cash equivalents	3
Provisions, excl. Deferred tax	-3
Borrowings	-1
Trade payables and other liabilities etc.	-4
Net assets	7
Minority interests	-2
Equity, EAC's share	5

EAC Moving & Relocation Services

EAC Moving & Relocation Services (Santa Fe Holdings Ltd.) has acquired 70 per cent of the shares in two Indian companies, IR Moving Concepts Pvt. Ltd. and IKAN Relocation Services Pvt. Ltd. with a total of 137 employees located in six cities. The remaining share holdings will be held by key management in the two companies. Santa Fe Holdings Ltd. has an option to purchase the remaining shares after three years.

The two businesses are experiencing strong growth. Santa Fe expects that the businesses can sustain strong double-digit growth going forward based on a growing Indian GDP and continued investments into the country from international corporations that are relocating still more employees.

The two businesses are co-operating closely and are associated through partly common ownership. From the six important cities, New Delhi, Mumbai, Bangalore, Hyderabad, Chennai and Pune, the businesses offer international and domestic moving and value-added services to relocated employees in international corporations and institutions. The two companies are already integrated into Santa Fe's Pan-Asian network, offering among others value-added relocation services. These high-margin services include immigration, visa, work permits, home and school search, language and cross culture training, maid services and a number of other services to help the relocated employees and their families settling in.

The businesses' EBIT margin of 25 per cent reflects their reputation for high quality and efficiency in an Indian relocation market still relatively immature.

Purchase price allocation has not yet been finalized and consequently no fair value is disclosed.

The transaction is completed in January 2008, and have no impact on the results for 2007.

Notes to the consolidated financial statements

37. Contingent liabilities

DKK million	2007	2006
Carrying amount of pledged assets	1	1
Other guarantees	30	35

38. Lease obligation

DKK million	2007	2006
Lease obligations relate mainly to leases of production equipment, offices, vehicles, office equipment etc.		
The operating lease cost expensed in the income statement during 2007 and 2006 were DKK 22m and DKK 20m respectively.		
Total commitments fall due as follows:		
Within one year	25	20
Between one and five years	33	26
After five years	3	6
Total	**61**	**52**

Total commitments represent the total minimum payments at the balance sheet date.

39. Related parties and ownership

The EAC Group has no related parties with controlling interest.

Related parties in the EAC Group comprise affiliated companies and associates, as listed on pages 82-83, members of the Supervisory Board, Executive Board, Operations Management Team, and other senior executives.

40. Related party transactions

The EAC Group has certain transactions with associates which are all performed on an arm's lenght basis, apart from intercompany transactions, and eliminated in the consolidated Financial Statements; salaries on market conditions to the Executive Board, etc., and speciel assignments of the Supervisory Board, ref. below. No further transactions with related parties have taken place during the year.

Torsten Erik Rasmussen - Morgan Management ApS
Special assignments besides Chairmanship of the Supervisory Board DKK 0.0m (DKK 0.1m) on an arm's length basis.

Parent Company Financial Statements

Contents

Parent - Income Statement

DKK million	Note	2007	2006
Share of profit before tax of ordinary activities in subsidiaries	13	560	312
Administrative expenses		38	37
Other operating expenses	2	2	26
Other operating income	3	13	15
Operating profit		**533**	**264**
Financing expenses and income, net	4	-2	77
Share of profit in associates		2	3
Gain on disposal of associates		15	
Profit before income tax		**548**	**344**
Provision for income tax	5	134	96
Net profit		**414**	**248**
Proposed distribution of profit			
Proposed dividend for the year		150	167
Retained earnings		264	81
Total		**414**	**248**

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Salaries, wages and fees, etc.	8
Incentive schemes	9

Parent - Balance Sheet

Assets

DKK million	Note	31 Dec 2007	31 Dec 2006
Fixed assets			
Intangible assets	10	**0**	**0**
Property, plant & equipment			
Other installations, equipment & fixtures		2	2
	11	2	2
Fixed assets investments			
Investment in subsidiaries	13	1,520	1,267
Investment in associates	14		28
Loan to subsidiaries	13	26	26
		1,546	1,321
Total fixed assets		**1,548**	**1,323**
Current assets			
Receivables from subsidiaries		282	54
Other receivables	15	26	20
		308	74
Bank and cash balances		**1**	**733**
Total current assets		**309**	**807**
Total assets		**1,857**	**2,130**

Equity and liabilities

DKK million	Note	31 Dec 2007	31 Dec 2006
Share capital		1,052	1,169
Retained earnings		316	453
Proposed dividend for the year		150	167
Total equity		**1,518**	**1,789**
Provisions			
Other provisions	16	23	19
		23	19
Long term debt			
Accounts payable to subsidiaries		179	284
		179	284
Short-term debt			
Trade accounts payable/bank loans		16	1
Accounts payable to subsidiaries		110	23
Other payables	17	11	14
		137	38
Total liabilities		**339**	**341**
Total equity and liabilities		**1,857**	**2,130**

The notes on pages 75 to 81 are an integral part of these consolidated financial statements.

Derivative financial instruments	18
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Related parties and ownership	20

Parent - Statement of Changes in Equity

DKK million	Share capital	Retained earnings	Proposed dividend for the year	Total equity
Balance at 1 January 2007	**1,169**	**453**	**167**	**1,789**
Profit for the year		414		414
Dividends paid to shareholders			-150	-150
Dividends own shares		17	-17	
Foreign currency translation, transferred to income statement		6		6
Foreign currency translation adjustments		-46		-46
Adjustments to unrealized exchange gain/losses on long-term items (in the Parent Company and in subsidiaries) hedging net investments		3		3
Share based payments		2		2
Purchase/sales of own shares, net		-500		-500
Reduction in share capital	-117	117		
Proposed dividends for the year		-150	150	
Balance at 31 December 2007	**1,052**	**316**	**150**	**1,518**

No dividend is declared on treasury shares.

DKK million	Share capital	Retained earnings	Proposed dividend for the year	Total equity
Balance at 1 January 2006	**1,316**	**1,430**	**7,712**	**10,458**
Profit for the year		248		248
Dividends paid to shareholders			-6,935	-6,935
Dividends own shares		777	-777	
Foreign currency translation adjustments		-61		-61
Adjustments to unrealized exchange gain/losses on long-term items (in the Parent Company and in subsidiaries) hedging net investments		9		9
Realised exchange gains/losses on long-term items (in the Parent Company and in subsidiaries) where hedging has ceased		-2		-2
Share options		-165		-165
Purchase/sales of own shares, net		-1,763		-1,763
Reduction in share capital	-147	147		
Proposed dividends for the year		-167	167	
Balance at 31 December 2006	**1,169**	**453**	**167**	**1,789**

No dividend is declared on treasury shares.

Notes to the Parent Company financial statements

1. Accounting policies of the Parent Company

Basis of preparation
The separate financial statements of the Parent Company for 2007 are presented in accordance with the Danish Financial Statements Act.

The accounting policies remain unchanged compared to last year.

Share of profit in subsidiaries
"Share of profits from ordinary activities before tax of subsidiaries" in the income statement includes the Parent Company's pro rata share of the subsidiaries' profits before tax for the year less goodwill amortisation

Share of profit in associates
The item "Share of profits after tax of associates" in the income statement includes the Parent Company's pro rata shares of the associates' profits after tax for the year less goodwill amortisation.

Administrative expenses
Administrative expenses comprise expenses for management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses
Other operating income and other operating expenses comprise items of a secondary nature to the Group's main activity, including revenue from investment property, gains and losses on the sale of intangible assets, property, plant and equipment.

Financial expenses and income
Financial expenses and income comprise interest receipts and expenses, changes in the fair values of securities and derivative financial instruments not acquired for hedging purposes, exchange gains and losses on debt and transactions in foreign currencies, amortisation of financial assets and liabilities etc.

Corporation tax and deferred tax
The tax for the year consists of current tax and movements in deferred tax for the year. The tax relating to the profit for the year is recognised in the income statement, whereas the tax directly relating to items recognised in equity is recognised directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from goodwill which cannot be amortised for tax purposes and initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

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 crystallize as a current tax. Changes to deferred tax due to changed tax is recognised in the income statement.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the EAC Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Intangible assets
Intangible assets are measured at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives (2-20 years).

Notes to the Parent Company financial statements

1. Accounting policies of the Parent Company (continued)

Investments in subsidiaries and associates
Investments in subsidiaries and associates are measured in the balance sheet under the equity method including deduction or addition of the pro rata share of unrealised intercompany profits and losses and with addition or deduction of goodwill or negative goodwill, respectively.

Subsidiaries and associates with a negative net asset value are valued at DKK 0. Where the Parent Company has a legal or constructive obligation to cover the companies' negative balance, the obligation is recognised by way of a provision.

Upon profit distribution, the total net revaluation of investments in subsidiaries and associates is allocated to a "Reserve for net revaluation under the equity method" in the financial statements of the Parent Company. The revalulation is released upon dividend distribution.

Goodwill relating to the acquisition of interests in subsidiaries and associates is amortised over the expected useful life, not exceeding 20 years. However, any goodwill is included in the item "Investments in subsidiaries" in the balance sheet of the Parent Company. Goodwill is tested for impairment if there is an indication that goodwill has been impaired.

Receivables
Receivables including receivables from subsidiaries are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Accounts payable
Accounts payable are measured at amortised cost, normally equal to the nominal amount.

Notes to the Parent Company financial statements

2. Other operating expenses

DKK million	2007	2006
Other operating expenses, discontinued operations		18
Provisions and other charges	2	8
Total	**2**	**26**

3. Other operating income

DKK million	2007	2006
Other operating income, discontinued operations	4	
Rental income, management fees and other operating income	9	15
Total	**13**	**15**

4. Financial income /expenses

DKK million	2007	2006
Financial income:		
Translation adjustment and exchange gain		2
Receivables from subsidiaries	6	2
Other interest income	18	86
Total financial income	**24**	**90**
Financial expenses:		
Translation adjustment and exchange losses	15	4
Payables to subsidiaries	11	9
Total financial expenses	**26**	**13**

5. Tax provision

DKK million	2007	2006
Tax on ordinary profit	4	4
Total taxes charged to income statement	**4**	**4**
Current tax on profit for the year:		
Change in deferred tax		30
Tax related to subsidiaries	130	62
Total tax charge	**130**	**92**

6. Audit fees

DKK million	2007	2006
PricewaterhouseCoopers:		
Audit	1	1
Other assistance	1	4

Notes to the Parent Company financial statements

7. Average number of employees

	2007	2006
EAC Parent	12	8

8. Salaries, wages and fees, etc.

DKK million	2007	2006
Salaries and wages to employees	11	8
Share based payments to employees	2	
Salaries to the Executive Board of the Parent Company	4	4
Share based payments to the Executive Board of the Parent Company	0	
Board fees to the Supervisory Board of the Parent Company*	2	3
Contribution to pension schemes	1	1
Total	**20**	**16**

*) Including DKK 0.0m (DKK 0.1m) to the chairmanship for special assignments.

9. Incentive schemes

Please refer to note 13 in consolidated financial statements.

10. Intangible assets

DKK million	Trademarks	Total
2007		
Cost:		
1.1.2007	16	16
31.12.2007	16	16
Amortisation:		
1.1.2007	16	16
31.12.2007	16	16
Carrying amount 31.12.2007	**0**	**0**
2006		
Cost:		
1.1.2006	16	16
31.12.2006	16	16
Amortisation:		
1.1.2006	16	16
31.12.2006	16	16
Carrying amount 31.12.2006	**0**	**0**

Notes to the Parent Company financial statements

11. Property, plant and equipment

DKK million	Land etc.	Other installations	IT equipment	Total
2007				
Cost:				
1.1.2007	0	6	11	17
Additions		1		1
Disposals		1		1
31.12.2007	0	6	11	17
Depreciation:				
1.1.2007	0	4	11	15
Depreciation for the year				0
31.12.2007	0	4	11	15
Carrying amount 31.12.2007	**0**	**2**	**0**	**2**
Finance expenses				0
Financial leases				0
2006				
Cost:				
1.1.2006	2	5	13	20
Additions		1		1
Disposals	2		2	4
31.12.2006	0	6	11	17
Depreciation:				
1.1.2006	1	4	13	18
Depreciation for the year	0	0	0	0
Disposals	1		2	3
31.12.2006	0	4	11	15
Carrying amount 31.12.2006	**0**	**2**	**0**	**2**
Finance expenses				0
Financial leases				0

12. Amortisation and depreciation

DKK million	2007	2006
Amortisation and depreciation of intangible assets and property, plant and equipment are included in the income statement under the following caption, according to the use of the assets:		
Administrative expenses	0	0
Total	**0**	**0**

Notes to the Parent Company financial statements

13. Investment in subsidiaries

DKK million	2007		2006	
	Investment in subsidiaries	Loan to subsidiaries	Investment in subsidiaries	Loan to subsidiaries
Investment in subsidiaries at equity including goodwill 1.1.	1,248	26	1,229	33
Addition/disposals				-7
Foreign currency translation	-46		-65	
Sale of shares including translation adjustments	-9		-49	
Share of profit before tax in continuing operations	560		312	
Share of taxes on profit in continuing operations	-130		-53	
Equity movements in subsidiaries	-34		-27	
Dividends	-92		-99	
Investment in subsidiaries at equity including goodwill 31.12.	**1,497**	**26**	**1,248**	**26**
Reclassification of negative equity to other provisions	23		19	
Carrying amount	**1,520**		**1,267**	

The carrying amount of the investment in subsidiaries includes net capitalised goodwill of DKK 44m and aquired goodwill in 2007 of DKK 15m, DKK 59m in total at the end of the year (DKK 31m).

14. Investment in associates

DKK million	2007	2006
Cost:		
Cost at 1.1.	29	0
Disposals during the year	-29	29
Cost at 31.12.	0	29
Revaluation:		
Revaluation at 1.1.	0	0
Disposals during the year including translation adjustment	-3	
Currency translation adjustment etc.	1	-3
Net profit/(loss) for the year after tax	2	3
Revaluations at 31.12.	0	0
Impairment losses and amortisation at 1.1.	1	0
Disposals during the year	-1	
Amortisation of goodwill	0	1
Impairment losses and amortisation at 31.12.	0	1
Carrying amount at 31.12.	**0**	**28**
Remaining positive difference (goodwill) included in the above carrying amount at 31.12.	0	12

Notes to the Parent Company financial statements

15. Other receivables

DKK million	2007	2006
Receivable from sale of associated company	23	
Other receivables and prepayments, etc.	3	20
Total	**26**	**20**

16. Provisions for other liabilities and charges

DKK million	Provision relating to subsidiaries with negative equity	2007	Other provision	Provision relating to subsidiaries with negative equity	2006
At the begining of the year	19	19	3	18	21
Utilised			3		3
Provided	4	4		1	1
At the end of the year	**23**	**23**	**0**	**19**	**19**
Specification of provisions for other liabilities and charges:					
Current liabilities	23	23	0	19	19

17. Other payables

DKK million	2007	2006
Employee cost payable	2	2
Other payables	9	12
Total	**11**	**14**

18. Derivative financial instruments

Net investment hedge

All net investment hedging is done in the parent company, please refer to note 31 in the consolidated financial statements.

19. Contingent liabilities

DKK million	2007	2006
Guaranties and similar commitments relating to subsidiaries	46	

20. Related parties and ownership

Please refer to note 39 and 40 in the consolidated financial statements.

Subsidiaries, Branches, and Associates

Share Capital		Entities per Business	Share in % Direct	Share in % EAC
		EAC FOODS		
VEB	4,995,520,400	Agropecuaria Fuerzas Integradas, C.A., Estado Guarico, Venezuela	100.00	100.00
VEB	6,866,224,000	I.E.N.C.A. Inversiones C.A., Venezuela	100.00	100.00
VEB	12,353,359,010	Plumrose Latinoamericana C.A., Venezuela	100.00	100.00
VEB	17,400,000,000	Procer C.A., Venezuela	51.00	51.00
		EAC INDUSTRIAL INGREDIENTS		
BDT	2,000,000	ACI Trading Ltd., Bangladesh	100.00	100.00
MYR	500,000	Akashi Biosystems Sdn. Bhd., Malaysia	100.00	100.00
MYR	100,000	Akashi Logistics Sdn. Bhd., Malaysia	100.00	100.00
MYR	5,000,000	Akashi Sdn. Bhd., Malaysia	100.00	100.00
MYR	1,000,000	Akashi Specialities Sdn. Bhd., Malaysia	100.00	100.00
MYR	500.000	Casechem Industries Sdn. Bhd., Malaysia	100.00	100.00
INR	262,740,132	EAC Industrial Ingredients (India) Private Limited, India	100.00	100.00
PHP	80,000,000	EAC Industrial Ingredients (Philippines) Inc., Philippines	100.00	100.00
DKK	2,000,000	EAC Industrial Ingredients Ltd. A/S, Denmark	100.00	100.00
SGD	7,100,000	EAC Industrial Ingredients Pte. Ltd., Singapore	100.00	100.00
MYR	2,400,000	EAC Industrial Ingredients Sdn. Bhd., Malaysia	100.00	100.00
MYR	300,000	Oridient Sdn. Bhd., Malaysia	100.00	100.00
PHP	200,000	Phil-Asiachem Inc., Philippines	100.00	100.00
THB	893,310,000	The East Asiatic (Thailand) Public Company Limited, Thailand	100.00	100.00
THB	1,000,000	Thai-Dan Corporation Limited, Thailand	99.70	99.70
USD	6,740,519	PT EAC Indonesia, Indonesia	94.95	94.95
THB	150,000,000	Asiatic Acrylics Company Ltd., Thailand	51.00	51.00
MYR	500,000	AB Far East Sdn. Bhd., Malaysia	50.00	50.00
MYR	500,000	Amochem Sdn. Bhd., Malaysia	50.00	50.00
THB	40,000,000	Berli Asiatic Soda Co. Ltd., Thailand	50.00	50.00
THB	10,000,000	Siri Asiatic Company Ltd., Thailand	50.00	50.00
THB	112,000,000	East Asiatic Service Ltd., Thailand	49.00	100.00
THB	216,328,300	Thai-Dan Enterprises Ltd., Thailand	49.00	100.00
THB	115,000,000	INEOS ASIATIC Chemical Company Limited, Thailand	40.00	40.00
THB	3,750,000	ICI Paints (Thailand) Ltd., Thailand	33.33	33.33
THB	121,500,000	Thai Poly Acrylic Public Company Ltd., Thailand	2.81	20.21
	Representative Office	EAC Industrial Ingredients Pte. Ltd., Vietnam		
		EAC MOVING AND RELOCATION SERVICES		
IDR	500,000,000	PT Global Santa Indonusa, Indonesia	100.00	100.00
IDR	500,000,000	PT Relokasi Jaya, Indonesia	100.00	100.00
USD	420,000	PT Santa Fe Indonusa, Indonesia	100.00	100.00
THB	45,150,000	Santa Fe (Thailand) Ltd., Thailand	100.00	100.00
HKD	27,000,002	Santa Fe Holdings Ltd., Hong Kong	100.00	100.00
MOP	25,000	Santa Fe Macau Limited, Macau	100.00	100.00
PHP	16,000,000	Santa Fe Moving and Relocation Services Phils., Inc., Philippines	100.00	100.00
SGD	500,000	Santa Fe Relocation Services (S) Pte. Ltd., Singapore	100.00	100.00
JPY	80,000,000	Santa Fe Relocation Services Japan K.K., Japan	100.00	100.00
MYR	355,908	Santa Fe Relocation Services Sdn. Bhd., Malaysia	100.00	100.00
WON	300,000,000	Santa Fe Relocation Services, Korea	100.00	100.00
JPY	10,000,000	Santa Fe Transport International (Japan) Ltd., Japan	100.00	100.00
HKD	920,000	Santa Fe Transport International Limited, Hong Kong	10.00	100.00
CNY	1,000,000	Sino Santa Fe Real Estate (Beijing) Co. Ltd., China	100.00	50.00
CNY	100,000	Sino Santa Fe Real Estate (Shanghai) Co. Ltd., China	100.00	50.00
TWD	7,500,000	Santa Fe Relocation Services, Taiwan	90.00	90.00
VND	780,000,000	Santa Fe Relocation Services, Vietnam	70.00	70.00
CNY	11,046,000	Sino Santa Fe International Transportation Services Co. Ltd., China	50.00	50.00
HKD	600,000	Griffin Travel (HK) Ltd., Hong Kong	25.00	25.00

Subsidiaries, Branches, and Associates

Share Capital		Other Entities per Country	Share in % Direct	Share in % EAC
		ASIA		
		China		
CNY	2,605,000	Beijing Zhongbao Drinking Water Co. Ltd., Beijing	34.89	34.89
USD	10,000,000	The East Asiatic Company (China) Ltd., Beijing	100.00	100.00
		Malaysia		
MYR	82,485,300	EAC Holdings (Malaysia) Sdn. Bhd., Kuala Lumpur	60.00	60.00
		Singapore		
SGD	10,000,000	The East Asiatic Company (Singapore) Pte. Ltd., Singapore	100.00	100.00
		EUROPE		
		Denmark		
DKK	87,614,000	DS Industries ApS, Copenhagen	100.00	100.00
DKK	1,000,000	EAC Consumer Products Ltd. ApS, Copenhagen	100.00	100.00
DKK	600,000	EAC Technical Marketing Services Ltd. ApS, Copenhagen	100.00	100.00
DKK	1,000,000	EAC Timber Ltd. A/S, Copenhagen	100.00	100.00
DKK	200,000	Ejendomsanpartsselskabet af 31. Maj 1996, Copenhagen	100.00	100.00
		Germany		
EUR	42,692,981	Die Ostasiatische Kompagnie G.m.b.H. & Co., Flensburg	100.00	100.00

Supervisory Board

Henning Kruse Petersen
Chairman
Joined the Supervisory Board in 2006.
Born in 1947, Danish nationality.

Other Supervisory Board Assignments:
Chairman of the Supervisory Boards:
Advizer A/S
Den Danske Forskningsfond
Scandinavian Private Equity Partners A/S
Socle du Monde ApS
Erhvervsinvest Management A/S
BPT Asset Management A/S
Boxer TV A/S

Deputy Chairman of the Supervisory Boards:
Asgard Ltd.
Sund & Bælt Holding A/S
A/S Storebæltsforbindelsen

Member of the Supervisory Boards:
William H. Michaelsens Legat
A/S Øresundsbro Konsortiet
Scandinavian Private Equity A/S
JNSFA Holding A/S
C.W. Obel A/S
Det Østasiatiske Kompagnis
Almennyttige Fond

Torsten Erik Rasmussen
Deputy Chairman
President & CEO, Morgan Management ApS
Joined the Supervisory Board in 1998.
Born in 1944, Danish nationality.

Other Supervisory Board Assignments:
Chairman of the Supervisory Boards:
Amadeus Management A/S
Ball ApS
CPD Invest ApS
EVO Management A/S

Deputy Chairman of the Supervisory Boards:
JAI Group Holding ApS and two subsidiaries
TK Development A/S
Vestas Wind Systems A/S

Member of the Supervisory Boards:
Acadia Pharmaceuticals Inc., USA and one subsidiary
Arvid Nilsson A/S
Coloplast A/S
Morgan Invest ApS
NatImmune A/S
Schur International A/S
Vola Holding A/S and one subsidiary
Outdoor Holding A/S and one subsidiary
ECCO Sko A/S and the following five subsidiaries:
ECCO'let - Fabrica de Sapatos Ltda., Portugal
PT ECCO Indonesia, Indonesia
ECCO Thailand Co. Ltd., Thailand,
ECCO Slovakia a.s., Slovakia,
ECCO (Xiamen) Co. Ltd., China

Connie Astrup-Larsen
Executive Director, ROYAL UNIBREW A/S.
Alternating Director of Dansk Retursystem Holding A/S
Joined the Supervisory Board in 2007.
Born in 1959, Danish nationality.

Other Supervisory Board Assignments:
Chairman of the Supervisory Boards:
Lacplesa Alus A/S, Latvia
SIA "Cido Grupa", Latvia
AB Kalnapilio-Tauro Grupe, Lithuania
Royal Unibrew Polska Sp zo.o., Poland

Member of the Supervisory Boards:
Aktieselskabet Cerekem International Ltd.
Hansa Borg Skandinavisk Holding A/S
Faxe Getränke-Vertrieb GmbH, Germany
Perla Browary Lubelskie S.A., Poland

Mats Lönnqvist
CEO, Resolvator AB and Förvaltnings AB Värde Invest, Trosa, Sweden.
Joined the Supervisory Board in 2006.
Born in 1954, Swedish nationality.

Other Supervisory Board Assignments::
Chairman of the Supervisory Boards:
Ovacon AB
Polynova Nissen AB

Member of the Supervisory Boards:
Bordsjö Skogar AB
Camfil AB
Intellecta AB
Ledstiernan AB
Spendrups Bryggeri AB
Telge Kraft AB

Preben Sunke
Group Chief Financial Officer and Member of the Executive Board of Danish Crown a.m.b.a.
Joined the Supervisory Board in 2007.
Born in 1961, Danish nationality.

Other Supervisory Board Assignments:
Chairman of the Supervisory Boards:
Emidan A/S
Skandia Kalk International Trading A/S
Danish Crown Insurance a/s

Member of the Supervisory Boards:
SFK/OTZ Holding A/S
ESS-FOOD A/S
Slagteriernes Gruppeliv g/s
Slagteriernes Arbejdsgiverforening
Skandia Holding

Kaare Vagner
Managing Director, N&V Holding ApS.
Joined the Supervisory Board in 1992.
Born in 1946, Danish nationality.

Other Supervisory Board Assignments:
Chairman of the Supervisory Boards:
ERRIA A/S
Strandøre Invest A/S

Deputy Chairman of the Supervisory Boards:
Banedanmark A/S

Member of the Supervisory Boards:
DermaPharm A/S
Fyns Shipping ApS
Nordatlantisk Venture A/S
Nunaminerals A/S
Riegens A/S
Saigon Shipping Company J/S

Executive Board & Operations Management Team

Niels Henrik Jensen
Executive Board
President and CEO
Member of the Board of Directors:
Kelsen Holding A/S

Bent Ulrik Porsborg
CEO, EAC Foods

Michael Østerlund Madsen
Group CFO

Jan Dam Pedersen
CEO, EAC Industrial Ingredients

Lars Lykke Iversen
CEO, EAC Moving & Relocation Services

Management's Statement on the Annual Report

The Executive and Supervisory Board have today considered and adopted the Annual Report of The East Asiatic Company Ltd. A/S for 2007.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act. Further, the Annual Report is prepared in accordance with additional Danish disclosure requirements for annual reports of listed companies. We consider the accounting policies applied appropriate so that 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 2007.

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

Copenhagen, 28 February 2008

Executive Board

Niels Henrik Jensen

Supervisory Board

Henning Kruse Petersen
Chairman

Torsten Erik Rasmussen
Deputy Chairman

Mats Lönnqvist

Preben Sunke

Kaare Vagner

Connie Astrup-Larsen

Independent Auditor's Report

To the Shareholders of The East Asiatic Company Ltd. A/S (EAC)
We have audited the Annual Report of the EAC Group and the Parent Company for the financial year 1 January - 31 December 2007, pages 1-89, which comprises Management's Review, income statement, balance sheet, statement of changes in equity, notes and Management's Statement for the EAC Group as well as for the Parent Company and consolidated cash flow statement. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act. Further, the Annual Report is prepared in accordance with additional Danish disclosure requirements for annual reports of listed companies.

Management's Responsibility for the Annual Report
Management is responsible for the preparation and fair presentation of the Annual Report in accordance with the said legislation and accounting standards. 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 and International Standards on Auditing. 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.

Opinion
In our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2007 of the EAC Group and of the results of the EAC Group operations and consolidated cash flows for the financial year 1 January - 31 December 2007 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

In addition, in our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2007 of the Parent Company and of the results of the Parent Company operations for the financial year 1 January - 31 December 2007 in accordance with the Danish Financial Statements Act and additional Danish disclosure requirements for annual reports of listed companies.

Copenhagen, 28 February 2008

PricewaterhouseCoopers
Statsautoriseret Revisionsaktieselskab

Søren Skov Larsen
State Authorised Public Accountant

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