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**Kemira Specialty Crop Care B.V.**  
**(formerly Liprokem B.V.)**

**Annual report 2003**

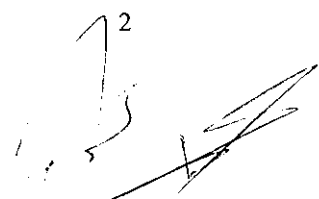
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## Balance sheet as at 31 December 2003

(for appropriation of result)

	31 December 2003		31 December 2002*	
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
<b>Fixed assets</b>		—		—
Inventories	445		700	
Receivables	29,086		26,392	
Liquid assets	64		2,635	
<b>Current assets</b>	29,595		29,727	
<b>Current liabilities</b>	32,429		31,896	
<b>Net current assets</b>		-2,834		-2,169
<b>Assets less current liabilities</b>		-2,834		-2,169
<b>Shareholder's equity</b>				
Called and paid-in share capital		18		18
Share premium reserve		—		—
Accumulated losses		-2,187		-8
Unappropriated result		-665		2,179
		-2,834		-2,169

The notes on pages 4 through 7 form an integral part of these financial statements.

\*: Restated for comparison purposes

## **Notes to the financial statements**

### **General**

Kemira Specialty Crop Care B.V., formerly Liprokem B.V. ("the Company"), is part of the group of which Kemira Oyj is the ultimate parent company. The financial and other data of the Company is (ultimately) consolidated with that of Kemira Oyj, Helsinki, Finland. The accounts of the latter company are available from its offices in Helsinki.

The Company provides services to other Kemira group companies regarding the trading of specialty crop care products on a commissionaire basis. The Company's UK Branch acts as a trading company in the United Kingdom.

### **Basis of presentation**

Further to Article 396 part 9 Book 2 of the Dutch Civil Code Book, the Company classifies as a so-called 'small company'. Accordingly, the financial statements are presented taking into account the exemption facilities of this Article.

The net current liabilities of EUR 2.8 million as at 31 December 2003 may raise questions about the ability of the company to continue as a going concern. However, mayor portion of the current liabilities represent payables to Kemira group companies in respect of the company's role as commissionair whereby payment is in principle due following collection of related receivables. The company is also currently financed through short-term loans provided by its ultimate parent company. Management believes that the company will generate sufficient cash flows and will have the necessary financing to enable the company to continue as a going concern. Consequently, these financial statements have been prepared on a going concern basis.

### **Change of accounting policies concerning balance sheet presentation**

With effect from financial years starting on or after 1 January 2003, the Council for Annual Reporting has decided that proposed dividend payments approved after the balance sheet date can no longer be stated as a liability as at balance sheet date. Consequently a change in accounting policies has been made concerning the balance sheet presentation, which is now presented prior to appropriation of profit. The result after taxes for the financial year is included as a separate item in the shareholders' equity. The comparative figures have been adjusted to incorporate this change in accounting principles.

### **Currency translation**

All assets and liabilities expressed in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Transaction conducted in foreign currencies

translated at the exchange rates approximating those ruling at the date of the transactions. Differences arising on translation are processed in the profit and loss account.

### **Accounting principles for valuation and the determination of the result**

The financial statements have been prepared under the historical cost convention. Unless mentioned otherwise, all assets and liabilities have been stated at their face values.

#### **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost represents historic purchase prices determined on the "first in-first out" (FIFO) basis. Where applicable, provisions are formed to account for the effect of obsolescence and are applied to reduce the carrying value of the inventories.

#### **Receivables**

Receivables are stated at their face value less any provisions considered necessary.

#### **Deferred taxes**

Deferred taxes arising from timing differences between the commercial and fiscal valuation of assets and liabilities are calculated at the standard rate of corporation tax ruling at the balance sheet date.

Deferred tax assets, in excess of any deferred tax liabilities, are only recognized in the event that there is reasonable assurance of future profits that justifies attributing a carrying value to such deferred tax assets.

#### **Long-term liabilities**

These represent amounts outstanding at the balance sheet date that are due for redemption more than twelve months after the end of the financial year under review. The redemptions due within twelve months are classified under "current liabilities".

#### **Net turnover**

Net turnover represents the commissions received for services provided to other Kemira group companies. Net turnover of the UK Branch represents the invoiced value of goods and services supplied, net of turnover tax and discounts.

**Cost and expenses**

Cost and expenses are accounted for on an accrual basis applying the principle of matching income and expense.

**Taxation**

Taxation for the financial year is calculated applying the standard rates of income tax to taxable income determined after taking account of the available fiscal facilities and allowances.

## **Notes to the balance sheet**

### **Receivables**

The majority of the accounts receivables are due within one year.


### **Liquid assets**

Represent cash in hand and bank balances and are freely available.

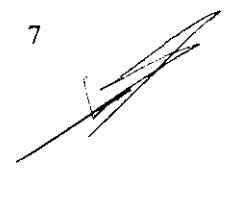
### **Shareholder's equity**

#### **Called-up and paid-in share capital**

As at 31 December 2003, the authorized share capital of the Company amounted to EUR 90,000 comprising 9,000 ordinary shares with a nominal value of EUR 10 each of which 1,815 shares have been issued fully called up and paid-in.



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## **Notes to the profit and loss account**

### **Employee information**

The average number of personnel employed by the Company in the financial year was 4 (2002: nil).

### **Subsequent events**

Kemira Oyj is reorganizing its business by concentrating on core areas and the targets for its strategic business units have been tightened. As a result of this new strategy it has been decided that the GrowHow business unit will be separated from the Kemira group, effective 30 September, 2004. However, SCC's water solubles remain in Kemira group

Rozenburg, December 20<sup>th</sup>, 2004

Executive Directors:



J. van den Bosch

H.G.T. Helsen