Approved at the Annual
general meeting on / 2012

SKAMOL A / S

11

ANNUAL REPORT

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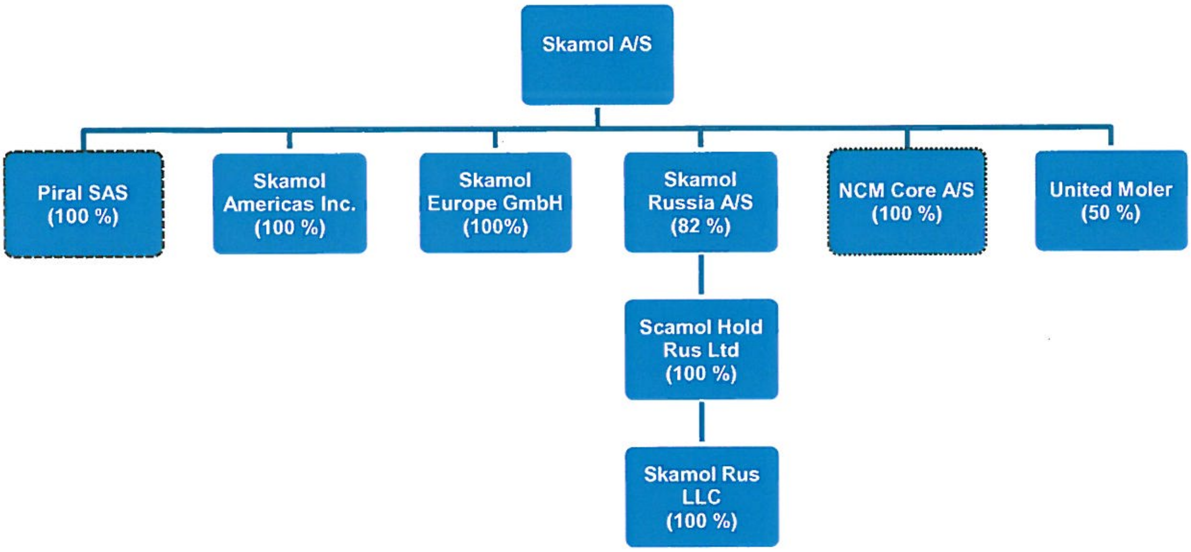
Contents



Companies without operational activity are marked with a dashed box.
The companies Skamol Europe GmbH and Skamol Americas Inc. are sales companies.

Skamol A/S - Owner share 100%	Østergade 58-60, 7900 Nykøbing Mors, Denmark Telephone : +45 97 72 15 33 Facsimile : +45 97 72 49 75
Piral SAS - Owner share 100%	485 Route de Chamaras, 07210 Alissas, France Telephone : +33 4 75 64 52 10 Facsimile : +33 4 75 64 57 98
Skamol Americas Inc. -Owner share 100%	10100 Park Cedar Drive, Suite 124, Charlotte, NC.128210, USA Telephone : +1 704 544 1015 Facsimile : +1 704 544 1239
Skamol Europe GmbH -Owner share 100%	Düsseldorfer Str. 88, D-40667 Meerbusch, Germany Telephone : +49 2131 10 640 Facsimile : +49 2131 10 6464
NCM Core A/S -Owner share 100%	Østergade 58-60, 7900 Nykøbing Mors, Denmark Telephone : +45 98 25 25 26 Facsimile : +45 98 25 25 34
United Moler Aps -Owner share 50%	Østergade 58-60, 7900 Nykøbing Mors, Denmark Telephone : +45 97 72 15 33 Facsimile : +45 97 72 49 75
Skamol Russia A/S -Owner share 82,4 %	Østergade 58-60, 7900 Nykøbing Mors, Denmark Telephone : +45 97 72 15 33 Facsimile : +45 97 72 49 75
Scamol Rus Hol - Owner share 100 %	12 Kennedy Avenue Kennedy Business Centre, 2 floor, 1087 Nicosia, Cyprus P.O. Box 24293, 1703 Nicosia, Cyprus
Skamol RUS LLC -Owner share 100 %	12 Lomonosova Street, Inza, Ulyanovskaya Oblast 433031, Russian Federation

KEY FIGURES 2007-2011

Skamol Koncern

DKK 1,000	2011	2010	2009	2008	2007
1. Revenue	334	270	242	259	250
2. EBITDA	74	41	23	18	23
3. Operating profit	55	21	8	1	-1
4. Net financials etc.	-3	-3	-4	-5	44
5. Profit/loss before tax	52	18	4	-4	44
6. Net profit/loss after tax	35	12	3	-4	44
7. Balance sheet total	329	315	312	238	212
8. Share capital	43	43	43	40	40
9. Equity	156	120	109	77	82
10. Equity incl. Minorities	162	127	114	77	82
11. Net assets	260	243	231	188	151
12. Investments in property, plant and equipment	8	16	51	52	11
13. Investments in intangible assets	8	14	59	-1	0
14. Net debt	88	109	106	102	61
15. Cash flows from operating activities	69	24	69	11	60
16. Cash flows from investing activities	-16	-27	-107	-52	34
17. Available cash flow	53	-3	-38	-41	94
18. Number of fultime employees	419	445	171	207	201
19. EBITDA margin	22%	15%	10%	7%	9%
20. Profit margin	16%	8%	3%	1%	0%
21. ROIC (return on invested capital)	16%	6%	3%	1%	0%
22. Debt ratio	34%	45%	46%	54%	40%
23. Solidity incl. Minority interests	49%	40%	37%	32%	39%
24. Return on equity in %	26%	10%	3%	-4%	50%
25. Return on equity incl. Minorities in %	25%	10%	3%	-4%	50%

Key figures have been calculated in accordance with the recommendations by the Danish Society of Financial Analysts.

NOPAT = Operating profit/loss after tax

Net assets = Non-current assets + working capital

Net debt = Interest-bearing debt - cash and cash equivalents and investments

ROIC = $\frac{\text{NOPAT * 100}}{\text{net assets}}$

Debt ratio = $\frac{\text{Net debt * 100}}{\text{Net assets}}$

Return on equity in ' = $\frac{\text{Net profit/loss for the year * 100}}{\text{Average equity}}$

Operating margin = $\frac{\text{Operating profit * 100}}{\text{Turnover}}$

EBITDA margin = $\frac{\text{Operating profit before depreciation * 10(}}{\text{Turnover}}$

Supervisory Board

Frank Gad, president, CEO in SP Group A/S and SP Moulding A/S.
Board member in Danionics A/S and Plastics Industry in Denmark. Member of the Board in Nykredit.
Previous occupations: CEO in FLSmidth A/S, CEO in Maersk Container Industri A/S, Director in Odense Staalskibsvaerft.

Leif Kirk, member of the Board in Dralle A/S, former sales director in FLSmidth A/S.

Jørgen Bech Madsen, CEO in Fibertex Nonwovens A/S, member of the Board in Thygesen & Birk Fabrics A/S.

Viggo Nedergaard Jensen, senior advisor in Polaris Private Equity. Vice-chairman of the Board in Dansk Vækstkapital K/S.
Member of the Board in Frontier Investment Management ApS.

Mette Feldtstedt, employee representative

Ove Justesen, employee representative
All board members except the employee representatives are designated by Polaris Private Equity.

Executive Board

Jesper Kirkeby Hansen, CEO
Per Rahbech CFO

Auditors

PricewaterhouseCoopers
Chartered Public Accountants

Group structure

The parent immediately above the company in the corporate structure is:
Skamol Holding A/S, Nykøbing Mors
The ultimate parent of the group is:
Polaris Private Equity II K/S owns 95.5% of Skamol Group through P-SKA 2007 A/S.
The rest of Skamol Group is owned by the Board of Directors (2.6%) and Board of Executives (1.9%).

General guidelines

As a portfolio company of Polaris Private Equity, Skamol A/S basically follows the guidelines of DVCA (Danish Venture Capital and Private Equity Association) for preparing the annual report.

Information about DVCA, see www.dvca.dk
Information about Polaris, see www.polarisequity.dk
Information about Skamol, see www.skamol.com

Corporate Covernance

Skamol A/S share capital is not divided into classes.
In 2011, a total of 5 board meetings were held in Skamol. Board committees have not been established.
The general meeting has not adopted specific authorizations for e.g. allocations.

Objectives and strategy

2011 was a good year for Skamol and the company maintained the positive trend already indicated in 2010. At the beginning of 2012, when the company is celebrating its 100-year anniversary, Skamol thus appears as an even stronger and well-consolidated company than ever.

Skamol's business is based on the production of high-temperature insulation products manufactured from the materials Moler, vermiculite and calcium silicate. In addition, the company produces and sells a range of other high-temperature products - including trade products.

Skamol works on the basis of an overall strategy to ensure growth within high temperature insulation for the primary aluminium industry, cement, steel and other high-temperature industries, as well as the supply of insulation materials to producers of stoves and fireplaces. In addition, Skamol will continue to secure a role on several markets as supplier of high temperature insulation materials for the multitude of applications that Skamol products allow.

Skamol's strategy is aimed at growth in areas of the world with a high potential growth of Skamol products, which means that the BRIK countries and other third World countries form an important part of the strategy.

In 2011, Skamol had great focus on internal optimizations at the plants, which has been beneficial to the customers. It has been important for Skamol to focus on customer supply security, and by the end of 2011 the company's ability to deliver on time was greatly improved and had reached a satisfactory level.

At the end of 2009, Skamol's production of vermiculite products was relocated from Skarrehage to new modern facilities in Rodding, Salling. After the initial year of commissioning, a number of improvements were made in 2011 and the facility now appears as a modern and fully automated production plant.

Considerable focus has also been attached to continuous improvements in Skamol's other production plants, and at the end of 2011 the production equipment and available capacity is generally improved as compared to the beginning of the year.

For the subsidiary Skamol RUS LLC, Inza, Russia, 2011 was also a good year. The company appears still more professional and has implemented a number of CSR activities to improve the working environment.

In 2011 Skamol acquired the shares of the minority shareholder, Carvalho Enterprises Limited. Skamol considers the acquisition of shareholding as a further strengthening of Skamol RUS LLC, and looks forward to developing the company further. Ownership shares in the subsidiary Skamol RUS LLC now amounts to 82.4%.

In 2011 Skamol strengthened the organization by merging the business area DHA (insulation materials for combustion chambers in fireplaces and wood stoves) with HTI (high-temperature industry) and thereby created the business area LIS (Lining and Insulation Solutions). This contributes to a more agile and flexible organization, providing improved service and focusing to our customers.

Generally, the positive trend is expected to continue in 2012.

Market development and sales

Skamol's turnover was DKK 334 million in 2011 against DKK 270 million in 2010. The turnover was also higher than budget.

Almost all Skamol's business areas developed favourably in 2011. Most segments appear to have overcome the crisis of 2009 and 2010, while Skamol's focused strategy has materialized in the turnover for 2011.

Skamol's traditionally largest business is the aluminium industry (ALU). 2011 turned out as a good year after several difficult years, and a growth of over 30% was achieved in this business area. Especially, the aluminium industry experienced a major relining activity (maintenance), while the project activity was more limited. Starting up of major new aluminium projects continues to be limited after the financial and economic crisis.

Considerable volatility is still seen on the world's commodity exchanges and after heavy increases during the first half of 2011, aluminum prices have generally decreased. Meanwhile, international stocks are relatively constant at a high level throughout 2011, which does not indicate significantly higher project activity in the near future.

For 2012, a reduced relining activity is foreseen, and the overall turnover is foreseen to decline in 2012 compared with 2011.

The business segment of insulation materials for combustion chambers in fireplaces and stoves also developed very positively in 2011. The growth was more than 30%, which is an indicator of the development in energy prices and a rapidly increasing environmental focus. At the same time, the growth is a result of the highly systematic sales efforts carried out, increasing the number of customers. This systematic approach will continue and is expected to generate further growth for Skamol within the area.

Also the business segment fireplace buildups rose again in 2011 due to sales to several countries and a greater market share in established countries. The trend towards replacing brick-built fireplaces with more modern and fire-resistant materials such as calcium silicate continues. At the same time Skamol takes market shares in this market due to Skamol's lightweight, dust-free and strong product that is ideal for rapid and economical construction of a stylish fireplace.

Skamol also had good growth in supplies to the cement industry due to major project activity, especially in countries outside Europe.

One of Skamol's more recent business areas is calcium silicate to fight mould growth. Skamol has experienced rapid growth in this market and expects continued growth through the introduction in other countries, including Denmark.

Manufacturing and Product Development
Throughout 2011 Skamol has worked with a number of ongoing improvements in production and thus removed bottlenecks and achieved substantial increases in capacity. As a result, free capacity is still available on Skamol's plants despite the fact that the level of activity in 2011 for Skamol as a whole was the highest ever in the company's history.

Based on the expectation of increased demand for Skamol's products the capacity increasing activities will be continued in 2012.

In addition, much work has been done at all plants to implement various efficiency projects, which have contributed to maintaining Skamol's competitive position in the market, despite rising energy and raw material prices of several major raw materials.

Product development is carried out on many fronts and some of the projects may be vital for Skamol's future development opportunities. If product development continues in a positive direction, this may lead to establishing of new plants in new marketplaces.

Skamol's products are used for a wide range of applications and new approvals for the use of calcium silicate products as fire-resistant material in the European markets have been obtained in 2011. This is a breakthrough after several years of work and highly important for Skamol's success in this business.

Environment & CSR
Skamol complies with Polaris Equity's Corporate Social Responsibility (CSR) policy.

Skamol's environmental impacts are seen mainly in connection with the emission of substances, consumption of energy and mining of Moler.

Installations for reduction of environmental impacts in the form of dust filtration and sludge treatment plants are found as integral parts of the production. In principle, as much filtered material as possible is reused, whereas waste that cannot be reused is disposed in controlled landfills.

Skamol has developed solutions to eliminate the need for depositing of Moler dust. Much is now reused in the process and the excess is sold to other production.

Also in 2012 projects will be initiated to reduce energy consumption and environmental impact.

The Board consists of 6 members, 2 of which are employee representatives. One representative on the Board is female.

See separate section on CSR reporting.

Risk Management
The company focuses on both internal and external risks.

The Supervisory Board defines the overall framework for managing interest rates and exchange rate risks and the company's insurance policy is also approved by the Board.

Internal risks are eliminated through policies and procedures that address the issues. Follow up on policies and procedures are made to ensure compliance.

Also, the company has established backup in key jobs so that the firm is less person-dependent. The company has a well defined procuration document that clearly describes the employees' freedom, thus ensuring that decisions are made in accordance with job function.

The company has also addressed external risks and in 2011 worked to secure raw material supplies by securing minimum two suppliers of selected raw materials.

Financial Risks
For the whole Skamol Group the net interest-bearing debt amounted to DKK 88 million at the end of 2011, which is a significant reduction compared to the end of 2010, totaling DKK 21 million. The significant reduction in net debt is realized as a result of greatly

improved operating results and continued focus on working capital, which has allowed the reduction of debt commitments.

The company follows a financial policy, which operates with a low risk profile, so that currency and credit risks only occur due to commercial circumstances.

As a international company Skamol Group is exposed to risks related to currency transactions in connection with the purchase and sale of goods and services. It is Group policy to undertake identification of currency risks on current transactions. Skamol Group's main currencies are EUR, USD and RUR. The total value of currency contracts at exchange rates applicable at balance date is DKK -0.5 million.

The costs of Skamol's Russian subsidiary are primarily in Roubles, whereas sales are ca. 90% in RUR and the rest in EUR and USD, which means that Skamol's total earnings are sensitive to fluctuations in the exchange rate of the Rouble.

It is Group policy to optimize the loan portfolio through continuous adjustments and to carry out an ongoing assessment of optimization opportunities.

Result, Balance and Cash Flow
The figures in brackets are 2010-figures
The turnover increased in 2011 to DKK 334 million (269.8 million), while EBITDA was DKK 74.1 million (40.8 million) corresponding to 22.2% (15%) of the turnover. Depreciation was DKK 19.4 million (DKK 19.7 million). EBIT was DKK 54.7 million (DKK 21.1 million). The result before tax was DKK 51.7 million (DKK 17.8 million).

Regarding the remuneration of Executive Board and Supervisory Board, refer to financial statement note 4.

The company is continuously involved in disputes and lawsuits which are not expected to affect the Group's financial position.

The total balance was DKK 329 mio. (DKK 315 mio.).

Cash flows from operating activities were DKK 68.7 mio. (DKK 24.1 mio.). The increase in cash flows from operating activities is attributable to the increase in operating profit and a continued strict control of working capital. After the cash flows from investing activities of DKK 15.7 million (DKK 26.8 million) and financing activities of DKK -57.7 million (DKK -9.6 million) the change in cash flow amounted to DKK -4.7 million (DKK -12.1 million).

Management
Since 2007 Polaris Private Equity is the owner of Skamol, with a capital share of 95.5 per cent. All board members are appointed by Polaris. The Board is composed of the following members:

Frank Gad. Chairman, CEO in SP Group A/S.
Leif Kirk. Former Sales Director in FLSmidth A/S.
Jørgen Bech Madsen. CEO in Fibertex Nonwovens A/S
Viggo Nedergaard Jensen, Senior Consultant in Polaris.
Ove Justesen, employee representative 2011.
Mette Feldstedt, employee representative 2011.

A detailed description of the board members' executive functions is included in the annual report on page 4.

Employee representatives are elected for the Skamol A/S Board of Directors. The company complies with the notice about employee representation in public and private companies of the 1st July 2010. The latest election of employee representatives took place in 2011. Two employee representatives are elected to the board of Skamol A/S.

The Executive Board does not have subcommittees. This is justified by the size and complexity of the company and the experience of the Board. This means that the joint Board during the financial reporting process has special focus on accounting processes in key areas and significant accounting estimates, any transactions with related parties, as well as uncertainty and risks. Together with the auditors, the quality of the internal control system of the company is continuously assessed and the independence of the auditors ensured.

Outlook for 2012
Skamol is optimistic about the development for the coming year. However, Skamol expects a general decline in activities for the year 2012.

The uncertainty of the global economy, prompted by the debt crisis in Europe and other parts of the world, and the continued low growth rates seen in many parts of the world, makes it difficult to believe in a total growth for the Group in 2012. Management is however confident that Skamol's products will represent an increasing value for our customers and expect further growth for the company already from 2013.

Therefore, Skamol works to ensure that adequate capacity is available so that customers can be served with satisfactory delivery times.

A major part of the growth is expected to come in emerging markets. This is where projects using Skamol products will first be started. A positive development is also expected in the Russian market.

Skamol makes targeted efforts in these markets, for instance through implementation of market analyses, in order to establish a foothold in these markets.

Skamol will continue the business system optimization in 2012. Major investment projects are in process to continue the automation and to ensure reduced energy costs in production.

Skamol expects a continued increase in EBITDA compared to 2011, and a positive cash flow from operations.

Corporate Social Responsibility

Skamol recognizes its responsibility to contribute to sustainable development and sees a good correlation between taking on social responsibility, while the company's growth and earnings increase.

Skamol's CSR work is based on the company's core business, Polaris Private Equity's CSR policy and principles of the UN Global Compact. Skamol ensures compliance with human rights and workers rights through Skamol Code of Conduct, based on UN guidelines for corporate work. Skamol attaches importance to ensuring a well-documented, safe working environment and high safety standards in the production plants and all three plants in Denmark have at a risk-based supervision achieved a green smiley by the Labour Inspectorate.

Skamol undertakes to meet the applicable environmental legislation and to work on sustainable use of raw materials and energy resources, including the reduction of waste in the production processes. At the same time a greater proportion of the remaining product waste is recycled, so landfill is reduced successively.

Employee Relations

Skamol employed at the end of 2011 419 employees. Of these, 161 employees in Denmark, 255 employees in Russia and 3 employees in the U.S. Compared to 2010, the total number of employees dropped by 26.

The number of employees in Russia is expected to decrease, while the number of employees in Denmark is expected to be stable.

Skamol complies with the guidelines in the Code of Conduct, based on UN and EU human rights conventions and the ILO (International Labour Organization) conventions protecting labour rights and child labour. This means that Skamol does not tolerate forced labour, child labour and the employment of minors, and that any form of discrimination in employment and working conditions is prohibited. Skamol does not tolerate discrimination under any circumstance, and employees have the right freely to organize, express themselves and participate in or choose people to collective bodies for both cooperation and safety at work.

Skamol regularly visits its key suppliers, focusing on their compliance with the ILO conventions.

Wages and working conditions are determined in Denmark, through national and local agreements. In Russia, the terms and rights are to a greater extent determined by legislation, regulations and codes. As a minimum, Skamol adheres to national law applicable for working hours and freedom. In Russia an action plan for CSR issues has been made and the progress shown in the annual CSR report. Since Skamol's takeover of the company at the end of 2009, a wide range of CSR related improvements have been implemented at the company. For instance, the welfare facilities, such as bathing facilities etc. have been greatly improved, office facilities have been refurbished recently with access to air conditioning at the workstations, excessive noise and dust reduced activity in production have been implemented and energy saving measures are being implemented in production .

Skamol constantly seeks to ensure the right people for the right jobs. This is done through performance reviews and HR audits, where the strengths and weaknesses and possible development potential and requirements are identified.

Interviews with sick employees are carried out in order to maintain their connection to the company, while the reasons for any work accidents are analysed in order to reduce risks.

Environmental

Skamol has a strong focus on reducing the company's impact on internal and external environment. This is done continuously in production through the reduction of waste production and recycling where possible.

Skamol also focuses on reducing the consumption of energy and resources by developing new products.

Skamol monitors greenhouse gases such as CO_2, NOx and SOx, which are all emitted from Skamol's plants.

As a minimum, the company's production is carried out in compliance with the requirements of relevant authorities for environmental and occupational safety. If at key areas no demands are formulated by the authorities, the company evaluates the need to set requirements. For all production sites targets are set for improvement in the environmental and safety areas and plans are made for achieving these goals. The progress is closely monitored to ensure that the objectives are met.

The production of Skamol's products results in relatively high energy consumption and involves the excavation of natural resources in sensitive areas. Skamol considers it top priority for the company that the production is undertaken with the utmost consideration of sustainability and accountability.

Skamol's products are heat insulating and therefore aimed to reduce energy consumption during use. The amount of energy used for production of a Skamol product, is typically saved within the first day of use, while the life of the products typically is between 5 and 25 years. For this reason Skamol products fit very well into the global goals of increased awareness and energy saving measures.

The excavation of Moler is carried out according to excavation and restoration plans established on a voluntary basis in cooperation with a working group with members from the Moler producers, Ministry of Environment, Conservation Authority and relevant municipalities. The working group monitors the excavation and restoration work and holds an annual meeting to explain the activities of the past year and plans for the coming year. The diatomaceous deposits are on the candidate list to the UNESCO World Heritage of natural heritage, and it is therefore important that the excavation and restoration is carried out in respect for nature.

Corruption

Skamol does not allow corruption in any form. Thus, it is not allowed Skamol employees to accept gifts or the like exceeding triviality level. It is also not allowed Skamol employees to provide improper benefits to customers, business partners, authorities or similar. Likewise, requests for bribes are rejected.

Further work on CSR

Skamol will continue to adhere to the principles of the UN Global Compact in word and deed.

Skamol will continue to focus on promoting the use of more environmentally friendly technologies and materials and expand the knowledge of the company's environmentally friendly products.

Basis of accounting
The Annual Report for 2011 has been prepared in accordance with the Statements Act for large companies reporting class C.

Recognition and Measurement
On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are described for each item below.

Basis of consolidation
The consolidated financial statements include Skamol A/S (the Parent) and the subsidiaries in which the Parent has direct or indirect stake in the form of at least 50 per cent of the voting rights or in any other way has control. The corporate structure is shown on page 1. Furthermore, enterprises which are owned and managed together with others and in which the parties exercise their control jointly are included through pro rata consolidation in the consolidated financial statements. Pro rata consolidated companies are included in the consolidated financial statements with a share equal to the Group's shareholding in these companies.

The consolidated financial statements are prepared based on the audited financial statements of the parent company, subsidiaries and pro rata consolidated companies through a consolidation of items of similar nature. Intra-group income and expenditure, shareholdings, balances, dividends and unrealised profits and losses have been eliminated.

Income statements of subsidiaries are translated at average exchange rates and balance sheets are translated at the closing exchange rate. Exchange differences arising on translation of subsidiaries' equity beginning of the year and from the translation of subsidiaries' income statements at average exchange rates are recognised directly in equity. On acquisition of new subsidiaries and affiliates, the difference between purchase price and the acquired company's net asset value is calculated at the time of acquisition, after the individual assets and liabilities are adjusted to fair value (purchase method). Positive differences (goodwill) are recognised under intangible assets and depreciated over the expected life, which can represent up to 20 years.

Minority interests include the share of subsidiaries' profit/loss after tax and equity attributable to minority shareholders.

The subsidiary Skamol Russia A/S is consolidated into the accounts based on the management report received. The data have not been reviewed by local accountants, but include operating results for one month only.

Foreign currency translation
The Group's Danish companies convert transactions in foreign currency during the year at average rates. Gains and losses arising between the average and the price of pay-day are recognised in the income statement.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the closing exchange rates. Differences between the closing rate and average rate are recognised in the income statement.
Currency exchange translations of loans and lending in foreign currencies that are considered as security or as addition to investments in foreign subsidiaries are recognised directly in equity.

Derivative financial instruments
Derivative financial instruments are measured at initial recognition in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables as assets or in other payables under liabilities.

Changes from cost to fair value of derivative financial instruments that are designated and effective as hedges of expected future transactions related to buying and selling in foreign currency are recognised in equity under retained earnings. If the expected future transaction results in the recognition of assets or liabilities, amounts that are recognised in equity will be transferred from equity and recognised in the cost of the asset or the liability. If future transactions result in income or expenses, amounts that are recognised in equity will be transferred to the income statement. The transfer happens in the same period in which the hedged transaction is implemented.

Revenue
Net turnover includes the invoiced turnover if delivery and transfer of risk to the buyer has taken place within the year, and is recorded net of discounts that are directly related to sales.

Cost of sales
Comprises the consumption of raw materials, including delivery costs, repairs and maintenance, payroll, remuneration and other costs of sales as well as depreciation.

Sales and distribution costs
Include costs incurred in connection with marketing and sales, including payroll and remuneration, rent, advertising, freight, customs duties and depreciation

Administrative expenses
Comprise payroll for administrative staff and management plus other office costs, including depreciation, bad debts, IT operations and canteen costs.

Research and development costs
Include remuneration and payroll and other costs, including depreciation, which relate to the Group's research and development activities. These costs also include costs incurred in respect of development projects, where such costs do not fulfil the capitalisation requirements. Also included are costs incurred on an ongoing basis in connection with the maintenance of registration rights in respect of the Group's products.

Other operating income
Includes income of a secondary nature in relation to the companies' main objectives, including profit/loss of non-commercial derivative instruments, the disposal of fixed assets and royalties.

Financial income and expenses
Include interest income, revaluation of portfolio investments (securities etc.) and allowances according to the on-account tax rules.

Balance sheet

Intangible assets

Excavation rights, know-how and goodwill
Excavation rights, know-how and goodwill are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated linearly over the expected life of the assets, which constitutes 5 to 20 years.

Development projects
Costs related to development projects, including costs to achieve sales and registration rights etc., are recognised - if certain criteria are met - under intangible assets and measured at cost less accumulated depreciation and amortisation. Activation requires adequate security for future expenses.

Tangible assets
Tangible assets are measured at cost less accumulated depreciation and impairment losses. Cost includes purchase price and costs directly attributable to the acquisition until the date when the asset is ready to be put into operation. The cost of own production of non-current assets includes direct and indirect expenses incurred in respect of wages and salaries, consumption of materials and subcontractors.

Interest expenses on loans taken directly to fund the production of tangible fixed assets are recognised in cost during the production period. All indirectly attributable borrowing costs are recognised in income statement

Depreciation is calculated linearly over the expected lifetime as stated below:

Office and laboratory buildings, residential and rental properties, garages	50 years
Production and factory buildings, roads	15-50 years
Technical plants and machinery	8-20 years
Fixtures and fittings, tools and equipment	3-5 years
Own Moler deposits	20 years

Leases in respect of property, plant and equipment in which the individual enterprises have all the material risks and rewards of ownership (finance leases), are recognised in the balance sheet at the time of acquisition at the present value of future lease payments.

Impairment of intangible and tangible fixed assets
The carrying amount of intangible and tangible fixed assets are assessed on a continuing basis to decide whether there is an indication of impairment losses in excess of what is expressed in the amortisation and depreciation. In such cases, the asset's recoverable amount is assessed and the asset is written down to the lower of this recoverable amount and the carrying amount. The recoverable amount of the asset is stated as the higher of the expected net selling price and the estimated value in use.

Financial assets

Investments in subsidiaries and associates
Investments in subsidiaries and associates are recognised and measured according to the equity method.

The proportionate share of profit/loss for the year, adjusted for unrealised intra-group gains or losses, is recognised under the items "Income from subsidiaries" and "Share of profit/loss in associates".

The balance includes under "Investments in subsidiaries" and "Investments in associates" the pro rata ownership share of the net asset value calculated in accordance with the parent's accounting practices, minus or plus unrealised intra-group gains or losses, plus goodwill.

The total net revaluation of investments in subsidiaries and associates is transferred for profit sharing to " Reserve for net revaluation under the equity method Reserve for net revaluation in accordance with the equity method" under equity.

Inventories
Inventories are stated at the lower of cost and net realisable value according to the average cost formula. The net realisable value is assessed on an individual basis.

Cost of finished goods and work in progress comprises labour costs, raw materials and energy plus indirect production overheads. Indirect production costs include labour costs in production, maintenance and depreciation etc. Financing costs are not included.

Stock of strategic spare parts are capitalized and included at cost price.

Receivables
Receivables are measured at amortised cost, which for short unremunerated receivables and floating-rate loans usually corresponds to the nominal value. A write down to net realizable value is performed, if this value is lower. Net realizable value is determined based on an individual assessment of individual receivables.

Securities (current assets)
The securities portfolio consists of unlisted shares. This item is classified as trading book and is measured at fair value at balance sheet date.

Equity

Dividend
Dividend is recognised as a liability at the time of adoption by the general meeting. Proposed dividend for the financial year is shown as a separate item under equity.

Provisions
Provisions are recognised when the Company as a result of events occurring before or on the balance sheet date has a legal or constructive obligation, and it is likely that it will lose economic benefits to settle the obligation.

Corporation tax and deferred tax
The parent company is jointly taxed with all Danish group companies. Tax on taxable income is distributed to Danish companies in proportion to their taxable income (full distribution with reimbursement of fiscal deficit). The jointly taxed companies are included in the interim tax-quota scheme.

Current tax payable is based on the taxable profit for the year. The Group's tax liability is calculated using the tax rates at the balance sheet date. The tax for the year, comprising the expected current tax for the year and deferred tax for the year, is recognised in the income statement with the portion attributable to the profit/loss for the year and directly in equity with the portion attributable to items recognised directly in equity.

Current tax is recognised in the balance under receivables where excess on-account tax has been paid and under payables where the on-account tax paid does not cover the current tax.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities when transactions do not affect the tax or accounting result.

The carrying amount of deferred tax assets is reviewed on the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the deferred asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, provided they relate to taxes levied by the same taxation authority and when the Group intends to settle current tax assets and liabilities on a net basis.

Liabilities
All the Company's liabilities are scheduled to be held to maturity, and thus measured at amortised cost.

For fixed rate loans as mortgages and loans from credit institutions the use of amortised cost means that borrowings are recognised at proceeds received deducted transaction costs incurred. In subsequent periods, loans are measured at amortised cost equal to the capitalised value using the effective interest rate, so that the difference between proceeds and the nominal value is recognised in the profit/loss over the loan period.

Leasing
Lease commitments relating to finance leases are recognised in the balance sheet as liabilities and measured at the time of contract at the present value of future lease payments. After the initial recognition the lease obligations will be measured at amortised cost. The difference between the present value and the nominal value of the lease payments is recognised in the income statement over the duration of the lease as a financial cost.

Lease payments under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

For other payables, the amortised cost is equivalent to the nominal value.

Cash flow statement
The cash flow statement is presented using the indirect method based on net profit and shows cash flows for the year divided into cash flows from operating, investing and financing activities.

Cash flows from operating activities are calculated as profit before tax adjusted for non cash items and changes in working capital, deducted interest paid and tax.

Cash flows from investing activities include cash flows from purchases and sales of fixed assets.

Cash flows from financing activities include cash flows from the raising and repayment of long term debt, profit sharing and dividends.

Cash and cash equivalents comprise cash and investments less the share of the short-term bank debt included in the Company's continuous liquidity management.

The cash flow statement cannot be compiled exclusively on the basis of the published financial statements.

		Group		Parent	
DKK 1,000	Note	2011	2010	2011	2010
Revenue	1	**333.966**	269.886	**288.562**	**234.001**
Cost of sales	2	**-197.519**	-175.092	**-180.588**	**-159.793**
Gross profit/loss		**136.447**	94.794	**107.974**	**74.208**
Other operating income	3	**400**	575	**391**	**755**
External costs	5	**-20.213**	-17.111	**-16.270**	**-14.342**
Staff costs	2,4	**-42.524**	-37.469	**-35.047**	**-31.646**
EBITDA		**74.110**	40.789	**57.048**	**28.975**
Depreciation and amortization		**-19.444**	-19.736	**-14.929**	**-15.385**
Operating profit/loss		**54.666**	21.053	**42.119**	**13.590**
Share of profit/loss in subsidiaries		**-**	-	**4.940**	**773**
Share of profit/loss in associates		**-20**	-7	**-20**	**-7**
Financials	6	**-2.910**	-3.235	**-190**	**769**
Profit/loss before tax		**51.736**	17.811	**46.849**	**15.125**
Tax on profit/loss for the year	7	**-13.293**	-5.078	**-10.337**	**-3.567**
Net profit/loss after tax		**38.443**	12.733	**36.512**	**11.558**
Share of profit/loss attributable to minority interests		**-2.992**	-1.175	**-1.061**	**-**
Share of profit/loss for the year, Skamol A/S		**35.451**	11.558	**35.451**	**11.558**
Proposed appropriation of profits:					
Revenue		**-**		**-**	**-**
Transferred to retained profits		**35.451**	11.558	**35.451**	**11.558**
Total		**35.451**	11.558	**35.451**	**11.558**

BALANCE SHEET AS AT DECEMBER 31

ASSETS

		Group		Parent	
DKK 1,000	Note	2011	2010	2011	2010
Non-current assets					
Intangible assets	8				
Goodwill		**69.778**	66.941	**-**	-
Projects		**881**	508	**396**	421
Excavation rights		**307**	307	**307**	307
Projects in progress		**1.802**	971	**1.802**	971
Total intangible assets		**72.768**	68.727	**2.505**	1.699
Property, plant and equipment	9				
Land and buildings		**47.858**	46.483	**40.600**	39.567
Technical plant and machinery		**80.435**	88.133	**76.562**	84.694
Fixtures and fittings, tools and equipment		**3.223**	4.123	**1.580**	2.886
Plant under construction		**2.727**	3.301	**1.857**	3.013
Total property, plant and equipment		**134.243**	142.040	**120.599**	130.160
Financial assets					
Investments in subsidiaries	10	**-**	-	**52.993**	33.983
Investments in associates	10	**120**	142	**120**	142
Payable from subsidiaries		**-**	-	**42.463**	50.840
Deferred tax asset	7	**3.683**	6.313	**-**	-
Total financial asets		**3.803**	6.455	**95.576**	84.965
Total non-current assets		**210.814**	217.222	**218.680**	216.824
Current assets					
Inventories	11	**37.395**	41.460	**32.640**	38.901
Receivables					
Trade receivables		**31.247**	31.645	**30.355**	29.425
Receivables from subsidiaries		**34.268**	1.621	**34.268**	2.188
Receivable corporate tax		**-**	359	**-**	39
Other receivables		**2.700**	5.336	**1.404**	4.226
Total receivables		**68.215**	38.961	**66.027**	35.878
Cash at bank and in hand		**12.437**	17.118	**6.970**	11.871
Total current assets		**118.047**	97.539	**105.637**	86.650
Total assets		**328.861**	314.761	**324.317**	303.474

BALANCE SHEET AS AT DECEMBER 31

LIABILITIES

DKK 1,000	Note	Group 2011	Group 2010	Parent 2011	Parent 2010
Equity					
Share capital	12	**43.095**	43.095	**43.095**	43.095
Retained earnings		**112.593**	76.854	**112.593**	76.854
Total equity		**155.688**	119.949	**155.688**	119.949
Minority interests	13	**6.441**	6.595	**6.441**	-
Provisions					
Deferred tax	7	**6.585**	6.963	**5.701**	6.809
Retirement benefit obligations		**602**	621	**-**	-
Total provisions		**7.187**	7.584	**5.701**	6.809
Non-current liabilities	14				
Credit institutions		**53.156**	74.580	**53.156**	60.514
Mortgage debt		**1.191**	1.311	**1.191**	1.311
Long-term bank debt		**34.419**	38.655	**34.419**	38.655
Employee bonds		**314**	314	**314**	314
Total non-current liabilities		**89.080**	114.860	**89.080**	100.794
Current liabilities					
Long-term debt falling due within one year		**11.818**	11.161	**11.818**	11.161
Trade payables		**35.357**	39.222	**32.747**	37.386
Amounts due to affiliated company		**2.560**	780	**-**	-
Payables to associates		**-**	-	**-**	13.071
Payables to subsidiaries		**23**	56	**23**	56
Other payables		**16.341**	11.567	**16.079**	11.342
Income taxes payable		**4.366**	2.987	**6.740**	2.906
Total current liabilities		**70.465**	65.773	**67.407**	75.922
Total debt		**159.545**	180.633	**156.487**	176.716
Total liabilities		**328.861**	314.761	**324.317**	303.474

Security	18
Contractual, surety and contingent liabilities	19
Related parties	20

		Group	
DKK 1,000	Note	2011	2010
Net profit/loss for the year after tax		35.451	11.558
Depreciation, amortisation and impairment losses, assets		19.444	19.736
Other adjustment	17	12.383	5.543
Change in working capital	15	9.755	-10.406
Cash flows from ordinary activities		77.033	26.431
Income taxes paid		-8.256	-2.319
Cash flows from operating activities		68.777	24.112
Acquisition of intangible assets	8	-7.955	-13.943
Acquisition of property, plant and equipment	9	-7.733	-16.083
Sale of property, plant and equipment		-	-
Cash flows from investing activites		-15.688	-26.795
Available cash flows		53.089	-2.683
Raising and repayment of long-term debt, net		-25.123	-9.613
Injected capital		-32.647	-
Cash flows from financing activities		-57.770	-9.613
Change in Cash at bank and in hand		-4.681	-12.296
Cash at bank and in hand at January 1	16	17.118	29.414
Cash at bank and in hand at December 31		12.437	17.118

EQUITY STATEMENT

Amounts are DKK 1,000 unless otherwise stated

Parent and Group

	Share capital	Retained earnings	Proposed dividend for the financial year	Total
Equity at January 1, 2011	43.095	76.854		119.949
Exchange rate adjustment				
related to subsidiaries				0
and associates		-314		-314
Adjustment of security instruments				
at fair value, end of year		397		397
Tax on changes in equity		205		205
Net profit/loss for the year		35.451		35.451
Equity at December 31,2011	43.095	112.593	0	155.688
Equity at January 1, 2010	43.095	65.611		108.706
Exchange rate adjustment				
related to subsidiaries				
and associates		181		181
Adjustment of security instruments		0		
at fair value, end of year		-370		-370
Tax on changes in equity		-126		-126
Net profit/loss for the year		11.558		11.558
Equity at December 31,2010	43.095	76.854	0	119.949
Equity at January 1., 2009	40.295	37.024		77.319
Capital transfers	2.800	25.200		28.000
Exchange rate adjustment				0
related to subsidiaries				0
and associates		47		47
Adjustment of security instruments		793		793
at fair value, end of year		-317		-317
Tax on changes in equity				0
Net profit/loss for the year		2.864		2.864
Equity at December 31,2009	43.095	65.611	0	108.706
Equity at January 1., 2008	40.295	41.283		81.578
Exchange rate adjustment				0
related to subsidiaries				0
and associates		64		64
Adjustment of security instruments		0		0
at fair value, end of year		-1.057		-1.057
Tax on changes in equity		263		263
Dividend				0
Net profit/loss for the year		-3.529		-3.529
Equity at December 31,2008	40.295	37.024	0	77.319
Equity at Jasnuary 1, 2007	40.295	55.318		95.613
Defects in work in progress		-2.536		-2.536
Adjusted equity at January 1, 2007	40.295	52.782	0	93.077
Exchange rate adjustment				0
related to subsidiaries				0
and associates	0	228	0	228
Adjustment of security instruments				0
at fair value, end of year		-693		-693
Tax on changes in equity		176		176
Dividend		-55.000		-55.000
Net profit/loss for the year		43.791		43.791
Equity at December 31,2007	40.295	41.283	0	81.578

Amounts are DKK 1,000 unless otherwise stated

Note 1. Revenue	**Group**		**Parent**	
	2011	2010	2011	2010
NAFTA- countries	**39.716**	21.280	**39.716**	21.280
Europe	**173.689**	158.372	**173.689**	158.572
Other	**120.561**	90.234	**75.157**	54.149
Total	**333.966**	269.886	**288.562**	234.001

Note 2. Production costs	**Group**		**Parent**	
	2011	2010	2011	2010
Product consumption	145.607	124.376	136.177	116.284
Write-down of inventories	1.576	3.320	1.603	3.320
Personnel costs	50.336	47.396	42.808	40.189
Total	**197.519**	175.092	**180.588**	159.793

Note 3. Other operating income	**Group**		**Parent**	
	2011	2010	2011	2010
Proceeds on disposal of non-current assets	-	391	-	571
Other income	**400**	184	**391**	184
Total	**400**	575	**391**	755

Note 4. Expenses

Personnel costs include the following main items:	**Group**		**Parent**	
	2011	2010	2011	2010
Remuneration to Board of Executives and Board of Directors	**4.057**	3.681	**4.057**	3.681
Other wages and salaries	**79.574**	72.156	**65.177**	57.151
Remuneration to the Board	**325**	325	**325**	325
Social security expenses	**3.100**	2.970	**2.700**	5.007
Retirement benefit contributions and insurance	**5.804**	5.733	**5.596**	5.671
Total staff costs	**92.861**	84.865	**77.855**	**71.835**

Personnel costs are distributed as follows:				
Production costs	**50.336**	47.396	**42.808**	40.189
Sales & administrative costs	**42.524**	37.469	**35.047**	31.646
Personnel costs total	**92.861**	84.865	**77.855**	71.835

Members of the Board of Executives and other senior executives have a company car at their disposal.
In the course of the year, the average number of employees was 164 in the parent company and 419 in the group.

	2010	arrivals	departures	2011
Skamol A/S	172	39	-50	161
USA	3	0	0	3
Skamol RUS	270	9	-24	255
i alt	445	48	-74	419

Note 5. Expenses external

Remuneration of auditors elected by the general meeting	**Group**		**Parent**	
	2011	2010	2011	2010
Audit of annual report	**207**	231	**207**	207
Audit, other services	**81**	137	**81**	81
Other audit firms, audit of annual report	**101**	83	**-**	-
Other audit firms, other services	**62**	155	**-**	-
Total	**451**	606	**288**	288

Amounts are DKK 1,000 unless otherwise stated

Note 6. Net financials	Group		Parent	
	2011	2010	2011	2010
Interest receivable and similar income				
Interest income from Group companies	**508**	-	**4.306**	2.337
Interest receivable	**81**	38	**81**	35
Capital gains, currency	**3.654**	2.379	**2.589**	2.255
Total	**4.243**	2.417	**6.976**	4.627
Interest payable and similar expenses				
Interest payable to affiliates	**-**	**-173**	**-295**	-173
Interest payable	**-3.596**	**-4.136**	**-3.314**	-2.664
Capital losses, currency	**-3.557**	**-1.344**	**-3.557**	-1.021
Total	**-7.153**	-5.653	**-7.166**	-3.859
Total net financials	**-2.910**	-3.235	**-190**	769

Note 7. Tax	Group		Parent	
	2011	2010	2011	2010
Current tax	**14.304**	4.929	**11.240**	2.906
Adjustment relating to previous years	**-1.216**	275	**-1.108**	787
Tax for the year	**13.088**	5.204	**10.132**	3.693
Broken down as follows:				
Income tax	**13.293**	5.078	**10.337**	3.567
Tax on equity changes	**-205**	126	**-205**	126
	13.088	5.204	**10.132**	3.693

Deferred tax and deferred tax asset	Deferred tax Group		Deferred tax asset Parent	
	2011	2010	2011	2010
Intangible non-current assets	**60**	56	**50**	56
Property, plant and equipment	**4.426**	3.969	**3.770**	3.816
Inventories and internal profit	**2.197**	3.142	**1.980**	3.142
Other	**-3.781**	-6.517	**-99**	-205
	2.902	650	**5.701**	6.809
Broken down as follows:				
Deferred tax asset	**-3.683**	-6.313	**-**	-
Deferred tax	**6.585**	6.963	**5.701**	6.809
	2.902	650	**5.701**	6.809

Amounts are DKK 1,000 unless otherwise stated

Note 8. Intangible assets

	Group				Parent		
	Goodwill	Excavation rights	Development projects	Dev.projects in progress	Excavation rights	Development projects	Dev.projects in progress
Cost price							
At January 1	70.769	3.393	1.181	971	4.086	1.181	971
Exchange rate adjustment	0	-3	0	0	0	0	0
Disposals during the year	0	0	-63	-971	0	-63	-971
Additions during the year	6.386	417	321	1.802	0	321	1.802
Cost price at December 31	77.155	3.807	1.439	1.802	4.086	1.439	1.802
Amortisation and impairment losses							
At January 1	3.828	2.885	874	0	3.665	874	0
Exchange rate adjustment	0	0	0	0	0	0	0
Additions for the year	3.549	41	321	0	25	321	0
Amortisation for the year	0	0	-63	0	0	-63	0
At December 31	7.377	2.926	1.132	-	3.690	1.132	-
Carrying amount at December 31	69.778	881	307	1.802	396	307	1.802

Note 9. Property, plant and equipment — Group

	Land and buildings	Technical plant and machinery	Fixtures, tools and equipment	Property, plant and equipment under construction /prepayment	Property, plant and equipment total
Cost price					
At January 1	86.954	244.335	26.093	3.301	360.683
Exchange rate adjustment	-226	-124	-35	-10	-395
Disposals during the year	-	-262	-2.123	-3.013	-5.398
Additions during the year	2.740	4.310	1.632	2.449	11.131
At December 31	89.468	248.259	25.567	2.727	366.021
Depreciation and impairment losses					
At January 1	40.471	156.202	21.970	-	218.643
Exchange rate adjustment	-4	-14	4	-	-14
Disposals during the year	-	-262	-2.101	-	-2.363
Additions during the year	1.143	11.898	2.471	-	15.512
At December 31	41.610	167.824	22.344	-	231.778
Carrying amount at December 31	47.858	80.435	3.223	2.727	134.243

Note 9. Property, plant and equipment — Parent

	Land and buildings	Technical plant and machinery	Fixtures, tools and equipment	Property, plant and equipment under construction /prepayment	Property, plant and equipment total
Kostpris					
At January 1	79.903	240.441	24.256	3.013	347.613
Disposals during the year	-	-262	-2.049	-3.013	-5.324
Additions during the year	2.018	3.356	805	1.857	8.036
At December 31	81.921	243.535	23.012	1.857	350.325
Depreciation and impairment losses					
At January 1	40.336	155.747	21.370	-	217.453
Disposals during the year	-	-262	-2.049	-	-2.311
Additions during the year	985	11.488	2.111	-	14.584
At December 31	41.321	166.973	21.432	-	229.726
Carrying amount at December 31	40.600	76.562	1.580	1.857	120.599
Of which finance leases 43,502	-	-	-	-	-

Cash valuation at January 1, 2011 for land and buildings represents to the parent company 40,600

Amounts are DKK 1,000 unless otherwise stated

Note 10. Financial assets	Group			Parent			
	Investments in associates	Receivables in associates	Financial assets Total	Capital share in subsidiaries	Investments in associates	Receivables in associates	Financial assets Total
Cost price							
At January 1	63	-	63	86.274	63	50.840	137.177
Disposals during the year	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-8.377	-8.377
Additions during the year	-	-	-	-	-	-	-
At December 31	63	-	63	86.274	63	42.463	128.800
Re- and devaluation							
At January 1	79	-	79	-46.810	79	-	-46.731
Exchange rate adjustment	-	-	-	346	-	-	346
Depreciation	-22	-	-22	5.406	-22	-	5.384
Profit/loss for the year after tax	-	-	-	7.777	-	-	7.777
Dividend received	-	-	-	-	-	-	-
At December 31	57	-	57	-33.281	57	-	-33.224
Carrying amount at December 31	120	-	120	52.993	120	42.463	95.576

Parent company investments in subsidiaries and associates at December 31, 2011

	Equity	Profit/loss for year	Investment
Piral SAS., Alissas, Frankrig	-702	-176	100%
Skamol Americas Inc., Charlotte, USA	15.384	306	100%
Skamol Europe GmbH, Meerbusch, Tyskland	764	28	100%
NCM Core, Vodskov, Danmark	1.063	-42	100%
Skamol Russia A/S, Nykøbing Mors	35.546	4.364	82%
United Moler Aps, Nykøbing Mors, Danmark	122	-20	50%

Note 11. Inventories	Group		Parent	
	2011	2010	2011	2010
Finished goods	**29.024**	33.870	**24.844**	31.921
Raw materials	**7.150**	6.678	**6.714**	6.068
Packaging materials	**1.222**	912	**1.082**	912
Total	**37.395**	41.460	**32.640**	38.901

Note 12. Equity	Group		Parent	
	2011	2010	2011	2010
Share capital (430.950 shares of 100 DKK each)	**43.095**	43.095	**43.095**	43.095

Note 13. Minority interests	Group	
	2011	2010
At January 1	**6.595**	5.464
Disposals during the year	**-3.025**	-
Additions during the year	-	-
Exchange rate adjustment	**-120**	-44
Share of profit/loss for the year	**2.991**	1.175
At December 31	**6.441**	6.595

Amounts are DKK 1,000 unless otherwise stated

Note 14. Non-current liabilities	Group		Parent	
	2011	2010	2011	2010
Non-current liabilities at December 31, 2011 falling due after more than 5 years:				
Mortgage debt	**34.055**	39.860	**34.055**	39.860
Credit institutions	**7.040**	12.711	**7.040**	12.711
Total	**41.095**	52.571	**41.095**	52.571

Note 15. Changes in working capital	Group	
	2011	2010
Change in receivables	**3.034**	-7.928
Change in inventories	**4.065**	2.057
Change in trade payables etc.	**2.656**	-4.535
Total	**9.755**	-10.406

Note 16. Liquidity	Group	
	2011	2010
Liquidity at January 1, 2011	**17.118**	29.414
Exchange rate adjustment	-	-
Liquidity at December 31, 2011	**17.118**	29.414
Liquidity at December 31 includes		
Cash	**12.437**	**17.118**
Bank debt	-	-
Liquidity at December 31	**12.437**	17.118

The group has unused drawing rights of 31,854 at December 31, 2011

Note 17. Other adjustments	Group	
	2011	2010
Share associates	**20**	6
Exchange rate adjustments subsidiaries etc.	**-711**	181
Tax on profit/loss for the year	**13.293**	5.078
Other	**-219**	278
Total	**12.383**	5.543

Note 18. Security

As security for bank debt is deposited owner mortgage nom. 5,000 in excavation of Moler at various locations.
As security for credit institution debt is deposited mortgages nom. 60,388 in properties at book value of 40,600.

Note 19. Contractual, guarantee and contingent liabilities

The parent company has guarantee obligation for restoration of Moler areas in the amount of 750.
The parent company has guarantee obligation for product security in the amount of 3,719
The parent company has lease obligation in the amount of 2,751 for the years 2012-2016

The parent company has contractual obligations in connection with the acquisition of minority interests in the production unit in Russia.
These contractual obligations are expected to be settled in the financial year 2012.

Note 20. Related parties

Related parties with controlling influence on the company include Polaris Private Equity II K/S, Copenhagen, which through a majority stake in the P-SKA 2007 A/S has a majority of voting rights in the parent Skamol Holding A/S.

Related parties with significant influence include affiliates and associates, as well as the Board of Directors and Executives of the Company. Group internal transactions made with affiliated companies and pro rata consolidated associated company have been eliminated in the Group accounts of the company or Skamol Holding A/S. Transactions with Management include remuneration, as explained in separate note.

Executive and supervisory boards have today discussed and approved the annual report for 2011 for Skamol A/S.

The annual report has been prepared in accordance with Statements Act. We consider the applied accounting policies to be appropriate and the accounting estimates to be sound.
We also consider the overall presentation of the annual report to be accurate.
On this basis we find that the annual report gives a true picture of the Group's assets and liabilities, the financial position and results of the Group's operations and cash flows.

The annual report has been submitted for approval of the general meeting.

Nykøbing Mors, the 8th March 2012

Executive Board:

Jesper Kirkeby Hansen CEO	Per Rahbech CFO

Supervisory Board:

Frank Gad Chairman	Leif Kirk	Jørgen Bech Madsen
Viggo Nedergaard Jensen	Mette Feldstedt Employee representative	Ove Justesen Employee representative

To the Shareholders of Skamol A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Skamol A/S for the financial year 1 January to 31 December 2011, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group and the Parent Company, as well as consolidated cash flow statement. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view 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 Company'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 Consolidated Financial Statements and the Parent Company Financial Statements.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Company at 31 December 2011 and of the results of the Group and Company operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2011 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Skive, den 8. marts
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Peter H. Christensen	Martin Furbo
State Authorised Public Accountant	State Authorised Public Accountant

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