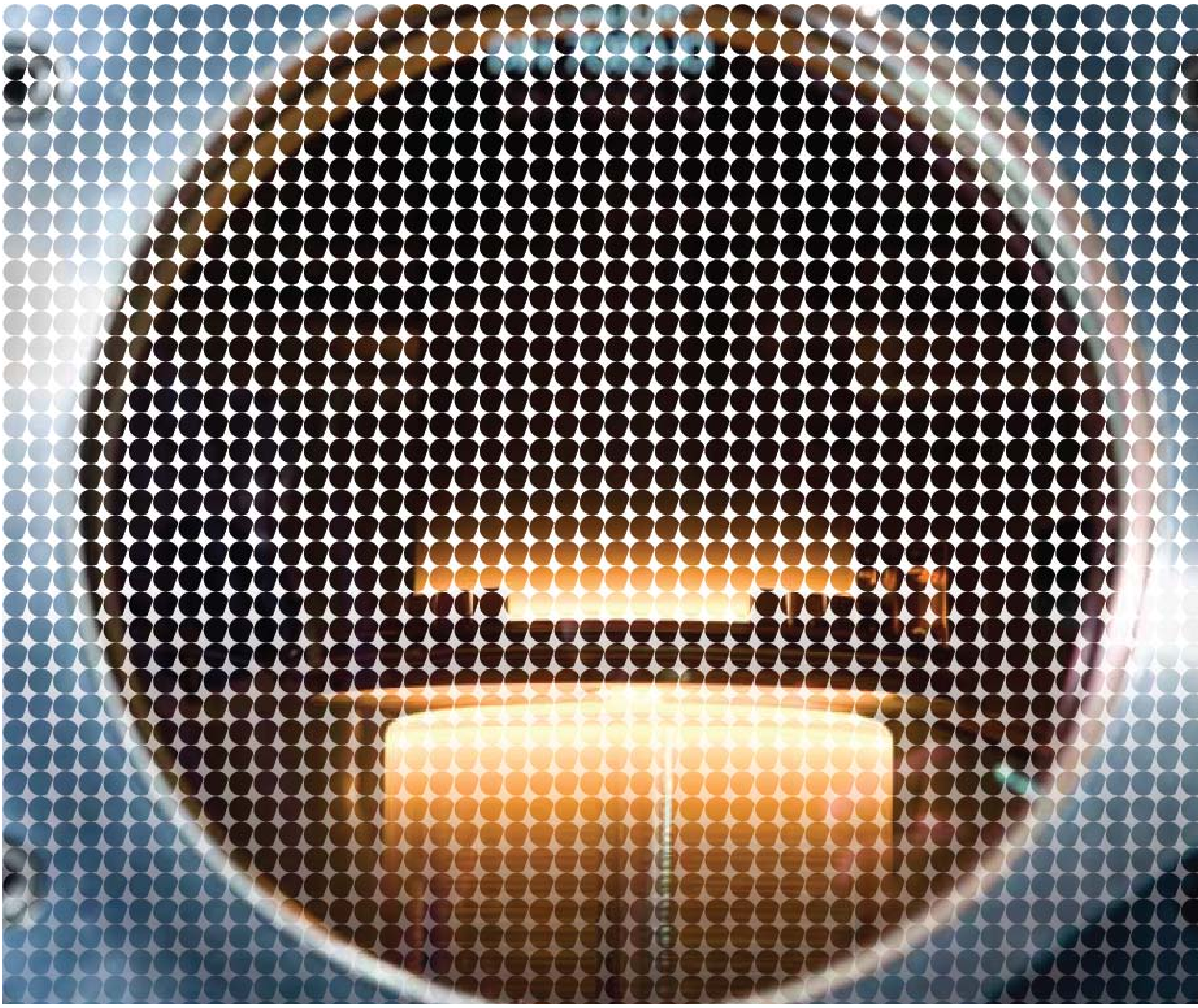

INTERIM REPORT,
Q3 2011

"Q3 yet again confirmed that 2011 is a year of market related challenges. We are making dedicated efforts to finalise the ongoing product approval processes with new and existing customers and to increase sales. At the same time, we have initiated ambitious cost-saving measures which will result in savings of around DKK 10 million in 2011, increasing to DKK 20 million in 2012."

JØRGEN BØDKER
Managing Director ad interim

23-11-2011
NASDAQ OMX Copenhagen · Nikolaj Plads 6 · DK-1067 Copenhagen K

STOCK EXCHANGE ANNOUNCEMENT NO. 18/11

The Board of Directors of Topsil Semiconductor Materials A/S has today considered and adopted the interim report for the three months ended 30 September 2011. The highlights of the interim report, which is unaudited, are:

SUMMARY

Sales and market conditions
Topsil's revenue decreased by 25.5% from DKK 115.6 million in Q3 2010 to DKK 86.1 million in Q3 2011. For the year to date, accumulated revenue amounted to DKK 281.7 million, equal to a drop of 15.0%.

The decline was primarily attributable to a market-driven decline in the NTD area and to the fact that orders in the range of DKK 6m, originally placed for shipment in Q3, were postponed by customers for shipment in Q4 2011. Topsil is making a dedicated effort to increase sales.

Despite revenue which in 2011 will be below last year's level, Topsil believes that the company will maintain its market share in an increasingly aggressive market and that the underlying market for high-voltage products, both FZ and CZ products, in the longer term will attain the previously forecast, more favourable growth rates.

Raw materials
Topsil remains affected by inconsistent quality of raw materials for NTD production from one of Topsil's two suppliers, resulting in a lower degree of utilisation and a longer production process and, by extension, higher production costs. Topsil is still negotiating with the supplier and expects a satisfactory solution in the near future.

Product launches and R&D
Topsil is continuing its dedicated efforts to obtain approval of PFZ and CZ-EPI for new and existing customers. The new PFZ products are currently being tested by 5-10 customers, resulting in expected orders approval Q1 2012. 2012 is expected to be positively affected hereof.

The development of an 8'' crystal is progressing according to plan, aiming for approval and actual market introduction in 2012, however 2012 is not expected to generate 8'' revenue.

Other matters
With effect from 31 October 2011, Keld Lindegaard Andersen resigned the position as Managing Director of Topsil. The recruitment process is well underway, and Topsil expects to announce the name of its new managing director relatively soon. During the reporting period, Topsil made a number of staff reductions and stepped up its efforts to achieve further synergies between its Danish and Polish locations. The activities will result in cost savings in the range of DKK 10m in 2011, increasing to DKK 20m in 2012.

As a result of the lower level of activity and impaired quality of FZ raw materials, the group posted EBITDA of DKK 5.5 million in Q3 2011 against DKK 26.4 million in Q3 2010, equal to an EBITDA margin of 6.4% against 22.9% for the year-earlier period. For the year to date, EBITDA was DKK 24.5 million against DKK 70.0 million last year.

Outlook for 2011
For 2011, Topsil expects a revenue around DKK 370m and EBITDA of around DKK 35 million, corresponding to the level of expectations by Q2 less costs in the range of DKK 5m in connection with management changes in the group. In line with the investment programme previously adopted, the company expects to invest around DKK 120 million in 2011 and DKK 80 million in 2012, mainly in relation to the new plant. The financing is secured within the existing framework.

Further information
Questions regarding stock exchange announcement may be addressed to:
Jens Borelli-Kjær, Chairman, tel. +45 40 16 14 82
Jens Faarup, CFO, tel. +45 41 10 21 10

FINANCIAL HIGHLIGHTS FOR THE GROUP (UNAUDITED)

DKK'000	Q3 2011	Q3 2010	9M 2011	9M 2010	FY 2010
Income statement					
Revenue	86,096	115,585	281,715	331,420	456,705
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5,500	26,421	24,518	69,962	102,040
Operating profit (EBIT)	279	23,108	10,233	60,332	89,047
Net financials	(4,571)	(5,694)	(7,807)	(6,899)	(7,211)
Profit/(loss) for the period after tax	(4,305)	14,472	(509)	41,266	63,013
Of which attributable to parent company shareholders	(4,413)	14,326	(661)	40,869	62,501
Cash flows:					
Cash flows from operating activities	18,679	36,687	20,314	77,102	135,818
Capital expenditure excluding investments in assets held for sale	25,892	8,449	65,324	30,498	52,669
Balance sheet:					
Share capital	132,029	129,863	132,029	129,863	130,022
Equity attributable to parent company shareholders	398,457	377,070	398,457	377,070	401,784
Equity attributable to minority shareholders	36,359	39,981	36,359	39,981	40,309
Total equity of the group	434,816	417,051	434,816	417,051	442,093
Total assets	573,798	588,976	573,798	588,976	592,267
Net interest-bearing debt (asset)	(24,026)	(81,924)	(24,026)	(81,924)	(92,637)
Invested capital	386,046	336,432	386,046	336,432	346,965
Net working capital	124,246	129,865	124,246	129,865	118,673
Financial ratios:					
EBITDA margin (%)	6.4	22.9	8.7	21.1	22.3
EBIT margin/profit margin (%)	0.3	20.0	3.6	18.2	19.9
Contribution ratio (%)	50.3	48.9	48.1	51.4	52.1
Revenue (12 months rolling)/invested capital, average	1.1	1.2	1.1	1.2	1.4
Solvency ratio	76	71	76	71	75
Average number of shares* (thousands)	526,108	477,760	526,108	477,760	520,090
Average number of shares, diluted (thousands)	529,095	498,857	547,089	498,857	545,410
Average number of full-time employees **	388	383	388	383	384

*As at 30 September 2011, the share capital consisted of 528,114,157 shares with a nominal value of DKK 0.25 each. The company has one class of shares

**At 30 September 2011, approximately 9% of the employees were under notice.

MANAGEMENT REPORT

Topsil's revenue decreased by 25.5% from DKK 115.6 million in Q3 2010 to DKK 86.1 million in Q3 2011. The decline was primarily attributable to market-driven order adjustments with NTD contract customers. Moreover, sales to new customers remained at the lower level from Q2 2011. As a result, revenue for the nine months ended 30 September 2011 was DKK 281.7 million, a decline of 15.0% relative to the same period of last year.

The lower level of activity and sustained inconsistent quality of raw materials for NTD production from one of Topsil's two suppliers were the main reasons for the fall in the group's operating profit in Q3 from DKK 26.4 million last year to DKK 5.5 million this year, as the quality issue results in a lower degree of utilisation and a longer production process and, by extension, higher production costs. Topsil is still negotiating with the supplier and expects a satisfactory solution in the near future.

In line with the two previous quarters, Topsil retained its focus on cost adjustments and optimisations. The activities will result in savings of around DKK 10 million in 2011, increasing to DKK 20 million in 2012.

Outlook for long-term market perspective unchanged

Despite a level of activity which in 2011 will be below the level originally expected, Topsil believes that the company will maintain its market share in an increasingly aggressive market and that the underlying market for high-voltage products, both FZ and CZ products, in the longer term will attain the previously forecast favourable growth rates for the market. This is confirmed by the sustained interest in Topsil's new 6" PFZ product and in the development activities within 8" NTD and PFZ.

Setback in the NTD market

Compared with the original guidance for the year, Topsil received adjustments of existing NTD orders and a reduction in the number of new orders from several customers in the transition from Q2 to Q3. In line with expectations, this trend continued in Q3 2011, and orders in the range of DKK 6m, originally placed for shipment in Q3 were thus postponed for shipment in Q4 2011. Topsil is making a dedicated effort to increase sales.

While NTD sales within industrial applications was unchanged in Q3 2011, the outlook for the transport area, in which Topsil has a very large market share, is unchanged in terms of volume. However, the market share has changed in terms of product mix towards lower voltage levels.

PFZ product launches and R&D

The sale of a new PFZ product with improved technical capabilities was, as expected, limited in Q3 2011 as well, as activities remained focused on achieving customer approval of the product. A few additional customers confirmed their approval during Q3, and the new products are currently being tested by 5-10 customers, resulting in expected orders approval Q1 2012. 2012 is expected to be positively affected hereof.

The development of an 8'' crystal is progressing according to plan, aiming for approval and actual market introduction in 2012, however 2012 is not expected to generate 8'' revenue.

Low CZ revenue due to product restructuring

In Q3 CZ revenue was lower than expected, which was primarily due to a delay in CZ-EPI sales to existing and new customers. The product restructuring from CZ to CZ-EPI was more difficult and more prolonged than expected due to technical challenges with approval and ramp up of CZ-EPI products to new customers. Sales of CZ-EPI were therefore not able to compensate for the reduced sales of CZ. During Q4, a customer agreement to ensure full CZ capacity utilisation 2012 has been concluded.

Topsil's product mix of CZ and CZ-EPI, respectively, is expected to be unchanged in 2011 as follows: CZ 30-40% and CZ-EPI 60-70%, but at a lower level of revenue.

Q3 EBITDA performance
EBITDA for Q3 2011 amounted to DKK 5.5 million against DKK 26.4 million in Q3 2010. The EBITDA margin for the quarter was thus 6.4% against 22.9% last year. Overall, EBITDA for the year to date was DKK 24.5 million corresponding to an EBITDA margin of 8.7% compared with DKK 70.0 million and an EBITDA margin of 21.1% in the year-earlier period. Excluding shipments postponed to Q4, Q3 EBITDA was in line with expectations.

In Q3 2011, Topsil made a number of additional staff reductions and stepped up its efforts to achieve synergies between its Danish and Polish locations. Moreover, a number of additional cost-saving measures were initiated. Topsil's EBIT for Q3 2011 was DKK 0.3 million against DKK 23.1 million in Q3 2010. EBIT for the year to date was DKK 10.2 million, corresponding to an EBIT margin of 3.6%, compared with an EBIT of DKK 60.3 million and an EBIT margin of 18.2% in the year-earlier period.

Net financials amounted to an expense of DKK 4.6 million in Q3 2011 and an expense of DKK 7.8 million for the year to date, comprising net interest expenses of DKK 0.4 million and a capital loss of DKK 7.4 million.

Topsil posted a loss before tax of DKK 4.3 million in Q3 2011 against a profit of DKK 17.4 million for the year-earlier period. For the year to date, the company posted a profit before tax of DKK 2.4 million and a loss of DKK 0.5 million after tax, compared with a profit before tax of DKK 53.4 million and a profit after tax of DKK 41.3 million for the same period of 2010.

Total assets and interest-bearing debt
At 30 September 2011, Topsil's total assets amounted to DKK 573.8 million, against DKK 589.0 million at 30 September 2010 and DKK 592.3 million at 31 December 2010.

Net working capital at the balance sheet date was DKK 124.2 million, which was a decline of DKK 5.6 million compared with the year-earlier date, primarily due to increasing inventories and trade payables and declining receivables and other payables.

Net interest-bearing debt at 30 September 2011 amounted to an asset of DKK 24.0 million compared with an asset of DKK 92.6 million at 1 January 2011 and DKK 81.9 million at 30 September 2010. The change was mainly due to a higher level of investment in property, plant and equipment as a result of the scheduled construction of a new plant in Frederikssund.

Cash flows from operating activities
The company reported a net cash inflow from operating activities of DKK 20.3 million in Q3 2011 against an inflow of DKK 77.1 million in the year-earlier period. The change was primarily due to a decline in EBIT from DKK 60.3 million last year to DKK 10.2 million this year, while a planned increase in inventories of DKK 9.6 million relative to the same period of last year contributed to increasing the working capital tie-up.

After net investments totalling DKK 65.3 million for the year to date, the group recorded a total cash outflow of DKK 51.0 million. Cash and cash equivalents amounted to DKK 42.9 million at 30 September 2011.

Construction of a new plant progresses according to plan
The construction of Topsil's new plant in Frederikssund was initiated in April 2011 and is scheduled for completion in June next year. The topping-out ceremony was held on 27 October 2011 as scheduled, and the installation of new machinery will commence at the end of the first half of 2012, after which equipment and staff will be relocated.

Management changes
With effect from 31 October 2011, Keld Lindegaard Andersen resigned the position as Managing Director. The recruitment of a new managing director is well underway; Topsil expects to announce the name of its new managing director relatively soon.

EVP, Director of Logistics, Sales and Marketing Jørgen Bødker has been appointed Managing Director ad interim until a new managing director has been recruited and taken up office.

Outlook for 2011
For 2011, Topsil expects a revenue around DKK 370m and EBITDA of around DKK 35 million, corresponding to the level of expectations by Q2 less costs in the range of DKK 5m in connection with management changes in the group.

In 2011, Topsil will invest a total of around DKK 120 million in property, plant and equipment, the vast majority of which is for the new plant. An additional DKK 80 million of the investment programme will be invested in 2012. The financing is secured within the existing framework.

These expectations are based on exchange rates of DKK 525/USD 100 and DKK 190/PLN 100.

INVESTOR INFORMATION

List of announcements to NASDAQ OMX Copenhagen 1 January 2011 to date:

Date	Announcement
27.10.2011	Change in Management
29.08.2011	Insiders' transactions
25.08.2011	Insiders' transactions
25.08.2011	Warrant programme for managerial employees
25.08.2011	Interim report – Q2 2011
17.05.2011	Interim report – Q1 2011
06.05.2011	Articles of Association
05.05.2011	Report on insiders' transactions
05.05.2011	Capital increase due to exercise of warrants
20.04.2011	Articles of Association
15.04.2011	Decisions of Annual General Meeting 2011
06.04.2011	Election of staff representatives
30.03.2011	Report on insiders' transactions
30.03.2011	Articles of Association
30.03.2011	Capital increase due to exercise of warrants
22.03.2011	Notice to convene Annual General Meeting 2011
22.03.2011	Annual Report 2010
26.01.2011	New facility becomes a reality

Further information:

Further information about Topsil A/S is available at www.topsil.com.

This interim report has been prepared in Danish and translated into English. In the event of any discrepancy between the Danish text and the English-language translation, the Danish interim report will prevail.

STATEMENT BY THE BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and Management have today considered and adopted the interim report of Topsil Semiconductor Materials A/S for the nine months ended 30 September 2011.

The interim report is presented in accordance with IAS 34 *"Interim financial reporting"* as adopted by the EU and Danish disclosure requirements for the interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the group's assets, liabilities and financial position at 30 September 2011 and of the results of the group's operations and cash flows for the nine months ended 30 September 2011.

In our opinion, the management report includes a fair review of the development and performance of the business and financial position of the group, the financial results for the period as well as the financial position in general of the consolidated companies, together with a description of the principal risks and uncertainties that the group faces.

Frederikssund, 23 November 2011

Management:

Jørgen Bødker
Managing Director ad interim
VP, Sales, Logistics and Marketing

Board of Directors:

Jens Borelli-Kjær Chairman	Eivind Dam Jensen Deputy Chairman
Jørgen Frost Member of the Board	Michael Hedegaard Lyng Member of the Board
Jens Balslev Olesen Employee Representative	Jesper Leed Thomsen Employee Representative

Disclaimer:

The forward-looking statements in this interim report reflect Management's current expectations for certain future events and financial results. Forward-looking statements are inherently subject to uncertainty, and actual results may therefore differ materially from expectations. Factors that may cause actual results to differ materially from expectations include, but are not limited to, general economic developments and developments in the financial markets, changes in the silicon market, market acceptance of new products as well as the launch of competing products. Topsil is only under an obligation to update and adjust the expectations provided to the extent required by Danish law, including the Danish Securities Trading Act and similar legislation.

INCOME STATEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER

DKK'000	Q3 2011	Q3 2010	9M 2011	9M 2010	FY 2010
Revenue	86,096	115,585	281,715	331,420	456,705
Direct production costs	(42,791)	(59,032)	(146,101)	(161,045)	(218,701)
Other external expenses and staff costs	(37,805)	(30,132)	(111,096)	(100,412)	(135,964)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**5,500**	**26,421**	**24,518**	**69,963**	**102,040**
Depreciation, amortisation and impairment	(5,221)	(3,313)	(14,285)	(9,631)	(12,993)
Operating profit (EBIT)	**279**	**23,108**	**10,233**	**60,332**	**89,047**
Net financials	(4,571)	(5,694)	(7,807)	(6,899)	(7,211)
Profit / (loss) before tax	**(4,292)**	**17,414**	**2,426**	**53,433**	**81,836**
Tax on profit for the period	(13)	(2,942)	(2,935)	(12,167)	(18,823)
Profit / (loss) for the period	**(4,305)**	**14,472**	**(509)**	**41,266**	**63,013**
Appropriation of profit / (loss) for the period:					
Parent company shareholders	(4,413)	14,326	(661)	40,869	62,501
Minority interests	108	146	152	397	512
	(4,305)	**14,472**	**(509)**	**41,266**	**63,013**
Earnings per share (DKK)	(0.01)	0.03	(0.00)	0.09	0.12
Diluted earnings per share (DKK)	(0.01)	0.03	(0.00)	0.08	0.11

STATEMENT OF COMPREHENSIVE INCOME, GROUP

DKK'000	Q3 2011	Q3 2010	9M 2011	9M 2010	FY 2010
Profit for the period	(4,305)	14,472	(509)	41,266	63,013
Foreign exchange adjustment relating to foreign entities	(13,866)	7,739	(14,740)	7,033	8,055
Comprehensive income for the period	**(18,171)**	**22,211**	**(15,249)**	**48,299**	**71,068**

Parent company shareholders	(14,410)	19,410	(11,299)	45,534	67,828
Minority interests	(3,761)	2,801	(3,950)	2,765	3,240
	(18,171)	**22,211**	**(15,249)**	**48,299**	**71,068**

BALANCE

	2011	2010	31.12.2010
Completed development projects	12,206	9,240	8,622
Goodwill	16,697	18,483	18,582
Other intangible assets	752	950	925
Development projects in progress	8,069	4,681	6,341
Intangible assets	**37,724**	**33,354**	**34,470**
Land and buildings	5,549	0	0
Plant and machinery	95,547	74,182	92,729
Other fixtures and fittings, tools and equipment	5,362	6,562	7,753
Property, plant and equipment under construction	61,247	32,446	30,345
Property, plant and equipment	**167,705**	**113,190**	**130,827**
Other non-current receivables	28,860	31,848	32,452
Financial assets	**28,860**	**31,848**	**32,452**
Deferred tax asset	**8,531**	**0**	**3,706**
Non-current assets	**242,820**	**178,392**	**201,455**
Inventories	**128,679**	**119,029**	**112,973**
Receivables	59,195	74,943	68,138
Other receivables	4,617	16,699	7,055
Prepaid tax	0	0	1,886
Prepayments	672	574	543
Receivables	**64,484**	**92,216**	**77,622**
Cash and cash equivalents	**45,169**	**101,480**	**100,194**
Assets held for sale	92,646	97,859	100,023
Current assets	**330,978**	**410,584**	**390,812**
Assets	**573,798**	**588,976**	**592,267**

BALANCE

Equity and liabilities

	2011	2010	31.12.2010
Share capital*	132,029	129,863	130,022
Translation reserve	(23,063)	(13,089)	(12,425)
Reserve for share-based payments	6,115	8,160	6,118
Retained earnings	283,376	252,136	278,069
Equity attributable to parent company shareholders	**398,457**	**377,070**	**401,784**
Equity attributable to minority interests	**36,359**	**39,981**	**40,309**
Equity	**434,816**	**417,051**	**442,093**
Debt to credit institutions	0	0	0
Finance lease liabilities	8,583	29	10,937
Prepayments received on account from customers	24,043	26,347	24,916
Other non-current liabilities	1,095	731	1,085
Deferred tax liabilities	7,374	2,967	7,374
Non-current liabilities	**41,095**	**30,074**	**44,312**
Debt to credit institutions	10,158	17,806	17,281
Finance lease liabilities	2,813	153	2,802
Trade creditors	56,611	46,327	48,455
Prepayments received on account from customers	114	901	983
Income tax payable	2,943	26,729	0
Provisions	1,163	2,569	2,018
Other payables	11,177	33,486	19,638
Current liabilities	**84,979**	**127,971**	**91,177**
Liabilities relating to assets held for sale	12,908	13,880	14,685
Total liabilities	**138,982**	**171,925**	**150,174**
Equity and liabilities	**573,798**	**588,976**	**592,267**

*As at 30 September 2011, the share capital consisted of 528,114,157 shares with a nominal value of DKK 0.25 each. The company has one class of shares.

STATEMENT OF CHANGES IN EQUITY, GROUP

DKK '000	Share capital	Translation reserve	Reserve for share-based payments	Retained earnings	Equity attributable to parent company shareholders	Equity attributable to minority interests	Total equity
Equity at 01.01.2010	**101,990**	**(17,754)**	**4,880**	**146,923**	**236,039**	**64,577**	**300,617**
Comprehensive income for the period	0	4,665	0	40,869	**45,534**	2,765	**48,298**
Share-based payments	0	0	3,280	0	**3,280**	0	**3,280**
Rights issue in May 2010	25,973	0	0	67,529	**93,502**	0	**93,502**
Costs relating to the rights issue	0	0	0	(7,441)	**(7,441)**	0	**(7,441)**
Paid in by exercise of share options	1,900	0	0	4,256	**6,156**	0	**6,156**
Dividend distributed	0	0	0	0	**0**	(27,361)	**(27,361)**
Equity at 30.09.2010	**129,863**	**(13,089)**	**8,160**	**252,136**	**377,070**	**39,981**	**417,051**
Equity at 01.01.2011	**130,022**	**(12,425)**	**6,118**	**278,069**	**401,784**	**40,309**	**442,093**
Comprehensive income for the period	0	(10,638)	0	(661)	**(11,299)**	(3,950)	**(15,249)**
Share-based payments	0	0	2,125	0	**2,125**	0	**2,125**
Cash capital increase	2,007	0	0	3,840	**5,847**	0	**5,847**
Share-based payments, share options exercised	0	0	(2,128)	2,128	**0**	0	**0**
Equity at 30.09.2011	**132,029**	**(23,063)**	**6,115**	**283,376**	**398,457**	**36,359**	**434,816**

CASH FLOW STATEMENT

DKK'000	Q3 2011	Q3 2010	9M 2011	9M 2010	2010
Operating profit (EBIT)	279	23,108	10,233	60,331	89,047
Depreciation, amortisation and impairment	5,151	3,337	14,210	9,637	12,993
Foreign exchange adjustment relating to foreign companies	1,663	(116)	1,735	(15)	0
Share-based payments recognised in the income statement	660	889	2,125	3,280	4,644
Change in net working capital	10,926	9,469	(7,989)	3,869	29,134
Cash generated from operations (operating activities)	**18,679**	**36,687**	**20,314**	**77,102**	**135,818**
Tax paid on account	0	0	(3,402)	(1,533)	(35,998)
Financial income received	133	112	391	1,611	1,746
Financial expenses paid	(4,704)	(5,805)	(8,198)	(8,508)	(8,907)
Cash flows from operating activities	**14,108**	**30,994**	**9,105**	**68,672**	**92,659**
Acquisition etc. of intangible assets	(977)	(429)	(8,224)	(3,149)	(4,809)
Acquisition etc. of property, plant and equipment	(24,915)	(8,020)	(57,100)	(27,349)	(47,860)
Cash flows from investing activities	**(25,892)**	**(8,449)**	**(65,324)**	**(30,498)**	**(52,669)**
Repayment of debts	0	(120,733)	0	(120,733)	(139,634)
Proceeds from share capital increase, rights issue	0	0	0	86,060	87,114
Proceeds from share capital increase, exercise of warrants	0	0	5,846	6,156	6,156
Change in deposits re. customer and supplier contracts	2,401	64,628	(873)	64,628	63,197
Distribution of dividends to minority interest	0	(1,081)	0	(27,362)	(27,508)
Other adjustments	206	0	263	0	0
Cash flows from financing activities	**2,607**	**(57,186)**	**5,236**	**8,749**	**(10,675)**
Change in cash and cash equivalents	**(9,177)**	**(34,641)**	**(50,983)**	**46,925**	**29,315**
Cash and cash equivalents at beginning of period	48,633	140,626	90,387	59,350	59,351
Market value adjustment of cash and cash equivalents	3,404	1,686	3,456	1,396	1,721
Cash and cash equivalents at end of period	**42,860**	**107,671**	**42,860**	**107,671**	**90,387**

The cash flow statement is calculated inclusive of assets and liabilities held for sale.

NOTES TO THE FINANCIAL STATEMENTS

Accounting policies
The interim report is presented in accordance with the recognition and measurement provisions of the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies, cf. IFRS 34 "Interim Financial Reporting", issued pursuant to the Danish Financial Statements Act and the rules of the NASDAQ OMX Copenhagen.

The interim report is unaudited and unreviewed. The accounting policies are consistent with those applied in the annual report for 2010. See the annual report for 2010 for a comprehensive description of the accounting policies.

Judgments and estimates
The preparation of interim reports requires Management to make accounting judgments and estimates that affect the accounting policies applied and the assets, liabilities, income and expenses recognised. Actual results may differ from these estimates. The most significant estimates made by the Board of Directors and Management in applying the group's accounting policies and the most significant uncertainty attached thereto are the same as those applying to the preparation of the annual report.

Significant financial risks
Currency risks comprise the risk of loss (or the possibility of gain) when exchange rates change. Currency risks arise when income and expense items in foreign currency are recognised in the income statement or from value adjustment of balance sheet items denominated in other currencies.

A substantial part of the group's sales takes place in USD and EUR. Raw materials etc. are also typically purchased in USD and EUR, whereas other cost items are typically incurred in DKK or PLN. The group does not use derivative financial instruments to hedge currency risks regarding cash flows or balance sheet items. Instead, the group uses foreign currency to settle same currency debt items, which generally reduces the currency risk. A currency fluctuation in USD/DKK of ± DKK 0.50 would subject the group to a currency risk of about ± DKK 0.3 million based on the balance sheet items in USD at the balance sheet date. Similarly, a currency fluctuation in PLN/DKK of ± DKK 0.20 would subject the group to a currency risk of about ± DKK 0.1 million based on the balance sheet items in PLN at the balance sheet date. The group's currency risk in connection with fluctuations in EUR/DKK is considered immaterial.

Events after the balance sheet date
Keld Lindegaard Andersen resigned from his position as Managing Director at the end of October 2011. EVP, Director of Logistics, Sales and Marketing Jørgen Bødker has been appointed Managing Director ad interim until a new managing director has been recruited.

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