

**egetæpper a/s**

**Annual Report Notification 2011/12**  
(1 May 2011 – 30 April 2012)

**CVR-nr. 38 45 42 18**

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**egetæpper a/s**

Herning, 28 June 2012

## Financial highlights for the group

DKK million	<u>2011/12</u>	<u>2010/11</u>	<u>2009/10</u>	<u>2008/09</u>	<u>2007/08</u>
Turnover	753	738	633	775	846
Result before financial items and taxation (EBIT)	64	58	18	35	74
Financial entries (net)	-9	-11	-6	-7	-5
Result before taxation	55	47	12	27	69
Profit for the year	37	32	8	21	54
Minority shareholders' part	1	2	1	2	7
Group net result	36	30	7	19	47
Total assets at end of period	564	525	465	537	519
Net working capital	200	162	120	151	200
Cash flow from operating activities	44	64	69	87	54
Share capital	28	28	28	28	28
Capital and reserves at year end excl. of minority holdings	351	323	294	289	282
Number of employees	494	461	436	510	525
Investments in long-term assets	29	22	12	92	35
Depreciations	28	30	33	33	30
Net profit ratio (EBIT-margin)	8	8	3	5	9
Return on invested capital after taxation (p.a.)	11	10	2	7	17
Equity ratio	62	62	63	54	54
Share capital, nominal t.DKK	27.668	27.668	27.668	27.668	27.668
Number of A-shares of 100 DKK	33.034	33.034	33.034	33.034	33.034
Number of B-shares of 100 DKK	243.649	243.649	243.649	243.649	243.649
Number of own B-shares	14.577	14.577	14.577	14.577	14.577
Number of B-shares in circulation	229.072	229.072	229.072	229.072	229.072
Earnings per watered share, DKK	137	114	26	74	179
Earnings per share, DKK	137	114	26	74	179
Recommended dividend per share, DKK	30	30	10	20	40
Net asset value of share, DKK	1.339	1.232	1.122	1.103	1.076
Stock exchange price	1.175	1.050	939	745	1.990
Stock exchange price/ net asset value	0,88	0,85	0,84	0,68	1,85

The key figures have been calculated according to the Danish Society of Financial Analysts' "Recommendations and Key figures 2010".

## **Management statement**

The management and the board of directors have today presented and approved the annual report for 2011/12 for egetæpper a/s and also approved the present annual report notification featuring a summary of financial information for 2011/12.

The annual report has been prepared in accordance with the International Financial Reporting Standards as approved by EU as well as Danish information regulations on financial reporting for listed companies. The present annual report notification has been prepared in accordance with the accounting policies used when preparing the annual report as well as additional information regulations for listed companies.

We consider the used accounting policies as being appropriate, and the complete presentation of the annual report notification as being adequate. Further, we find that the management report gives a true and fair review of the development of the group's and the parent company's activities and financial conditions, results of the year, the parent company's financial state and the financial state as a whole for the companies included in the group accounts, and also a description of the major risks and uncertainties that the group and the parent company are facing.

Herning, 28 June 2012

*Management:*

John Vestergaard  
*CFO*

Svend Aage Færch Nielsen  
*CEO*

*Board of directors:*

Ebbe Malte Iversen  
*Chairman*

Frank Uhrenholt  
*Deputy chairman*

Egon Damgaard

Peder Fisker Knudsen

Maja Lorenzen  
*Staff representative*

Niels Clausen  
*Staff representative*

Anne Mette Zachariassen

## **Management report**

### **Major events during the year**

#### **Closure of factory in Vejle**

In December 2011 it was decided to closed down production at the company's spinning mill in Vejle, cf. notification of 19 December 2011.

Reconstruction liabilities as a consequence of the factory closing amounts to 1.4 DKK million, related to employee liabilities, which have been carried to the debit side as expenditure in the accounts.

The production of polyamide yarns has been outsourced to one of the group's present yarn suppliers, who at the same time bought a relevant part of the production equipment in Vejle. Profit from sale of machinery amounts to 7.8 DKK million in all.

Other expenses related to the end of production in Vejle, and subsequent moving and outsourcing of production, amounts to 1.5 DKK million. The year result before taxation is affected positively by 4.9 DKK million in all.

In the accounting year 2012/13 expenses related to relocation of machines to the factories in Herning and Lithuania, respectively, are expected to amount to 4.0 DKK million.

We expect a profit from sale of buildings which, however, will not be realised until the accounting year 2013/14 at the earliest.

#### **Purchase of share capital of UAB Litspin**

On 16 February 2012 egetæpper purchased 100% of the shares in the company UAB Litspin, Lithuania, at the sum of 8.3 DKK million. The purchase is made as a consequence of the closure of the spinning mill in Vejle, and the production of wool yarn is moved to UAB Litspin during the accounting year 2012/13. Refer is made to Note.

### **Accounting policies**

The annual report for egetæpper a/s is prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by EU and additional Danish information regulations on financial reporting for listed companies.

In addition, the annual report meets the International Financial Reporting Standards (IFRS) issued by IASB.

Except from below comments, the used accounting policies are unchanged compared to last year.

Following the IASB dates of commencement, egetæpper has implemented new and updated standards and interpretations. With effect from 1 May 2011 updates has been made to IAS 24 "Related party disclosures", to IAS 32 "Financial instruments - presentation" and to "Improvements to IFRS May 2010", and IFRIC 19 has been implemented. The implementation has had no effect on factoring and measurement.

The annual report is prepared in Danish Kroner.

## **Accounting report**

### **Group**

#### **Turnover**

The group turnover amounts to 753 DKK million, which is an increase of 15 DKK million or 2% compared to last year.

#### **Other operating income**

Other operating income amounts to 11.5 DKK million against 2.6 DKK million last year. The increase is primarily due to profit of 7.8 DKK million from sale of machinery from the spinning mill in Vejle.

#### **Costs**

Other external costs amount to 141 DKK million against 138 DKK million last year, and staff costs amount to 217 DKK million against 208 DKK million last year. In all, the increase in costs amounts to 3%.

Depreciations amount to 28 DKK million against 30 DKK million last year.

#### **Financial entries**

Financial entries amount to -9 DKK million against -11 DKK million last year.

#### **Profit for the year**

The result before taxation amounts to 54.8 DKK million against 46.5 DKK million last year – an increase of 8.3 DKK million. Of this increase, 4.9 DKK million is related to the factory closure in Vejle.

After taxation of the year result (17.5 DKK million against 15.0 DKK million last year) the net group result amounts to 37.3 DKK million against 31.6 DKK million last year.

#### **Capital and reserves**

The capital and reserves of the group exclusive of minority holdings amount to 351 DKK million against 323 DKK million last year. The equity ratio is 62%, which is the same as last year.

#### **Interest-bearing net liabilities**

Interest-bearing net liabilities have been reduced by 1.6 DKK million compared to last year. Investments of the year have mainly been financed by cash flows from operating activities.

#### **Cash flow statement**

Cash flows from operations amount to 44 DKK million against 64 DKK million last year.

Cash flows for investments amount to -32 DKK million against -65 DKK million last year. Acquisition of company makes out 5.5 DKK million hereof.

Cash flows from financing amount to -9 DKK million against -10 DKK million last year. Dividend paid this accounting year amounts to 8 DKK million.

Changes in cash and cash equivalents amount to 3 DKK million. At the end of the year cash and cash equivalents make out 12 DKK million.

#### **Investments**

Investments in long-term assets during the year amounts to 29 DKK million. In addition, investments in UAB Litspin amounts to 8.3 DKK million.

## **Subsequent events**

No event of essential significance for the group accounts for 2011/12 has occurred after year-end closure.

## **Prospects**

### **2012/13:**

The financial crisis still has an impact on the construction industry in a number of European countries. Among our important markets especially Denmark, England and southern Europe still record low activity, whereas Norway, Sweden and the Middle East are operating at a relatively high activity level. We do not expect this situation to change significantly within the next year. Our establishment on the Chinese market in 2011/12 is expected to yield a modest, however positive contribution to the result in 2012/13.

These are our expectations to 2012/13:

- A turnover of 750-800 DKK million, which is an increase of 0-5%.
- An EBIT-margin of 7-8%.
- A result before taxation of approx. 50 DKK million.  
The result is in line with 2011/12, when adjusted for one-off entries related to the factory closure in Vejle.
- A cash flow from operations of approx. 85 DKK million.
- Investments in long-term assets of 35-40 DKK million.

We want to stress that it is still very difficult to predict how the market situation will develop over the next year.

## **Decisions made by the Board and proposals for the Annual General Meeting**

1)

The Board of directors recommends that dividend is fixed at 30% (30 DKK per share) or 8.3 DKK million.

2)

The Board of directors further recommends to the Annual General Meeting that authority is given to acquire further own shares up to nominal 5,0 DKK million. The authority is desired for the period until next year's ordinary general meeting.

The Annual General Meeting to be held on Thursday 30 August 2012.

Proposals for the Annual General Meeting must be submitted in writing to the Board of directors no later than 6 weeks before the annual general meeting, i.e. 19 July 2011.

## **The printed annual report**

The printed annual report is expected to be available mid August 2012 (week 33).

The printed annual report may be requested at the company office in Herning. The annual report will also be available on the company's website ([egecarpets.com](http://egecarpets.com)), as well as on the website of NASDAQ OMX Copenhagen.

## Profit and loss account 1 May - 30 April

Parent company			Group	
2010/11	2011/12		2011/12	2010/11
573.140	577.091	t.DKK	752.802	738.430
		Turnover		
1.828	24.972	Change in stock of finished goods, work in progress and commercial goods	26.204	23.859
-298.663	-331.278	Costs for raw materials, auxiliaries and commercial goods	-339.416	-330.475
-88.515	-88.654	Other external costs	-140.654	-138.030
187.790	182.131	<b>Gross profit</b>	298.936	293.784
2.157	10.995	Operating entries	11.489	2.643
-148.400	-156.193	Staff costs	-217.410	-208.368
-23.015	-20.933	Depreciations	-27.587	-29.520
-547	-1.671	Other operating costs	-1.676	-626
17.985	14.329	<b>Profit before financial entries and taxation</b>	63.752	57.913
19.693	29.535	Financial entries	1.339	154
-11.061	-8.165	Financial costs	-10.327	-11.552
26.617	35.699	<b>Profit before taxation</b>	54.764	46.515
-1.217	-1.495	Tax on profit for the year	-17.495	-14.963
25.400	34.204	<b>Profit for the year</b>	37.269	31.552
		<b>Divided between</b>		
		Shareholders of egetæpper a/s	35.789	29.867
		Minority shareholders	1.480	1.685
			37.269	31.552
		which the Board of Directors recommends be allocated as follows:		
991	991	Dividend, A-shares		
7.309	7.309	Dividend, B-shares		
17.100	25.904	Transferred to accumulated result		
25.400	34.204			
		Earnings per watered share, DKK (EPS-D)	137	114
		Earnings per share, DKK (EPS)	137	114



## Comprehensive income statement 1 May - 30 April

Parent company			Group	
2010/11	2011/12	t.DKK	2011/12	2010/11
0	0	Exchange rate adjustment of foreign subsidiaries	491	2.091
0	0	Tax on other comprehensive income	0	0
0	0	<b>Other comprehensive income after tax</b>	491	2.091
25.400	34.204	Profit for the year	37.269	31.552
<u>25.400</u>	<u>34.204</u>	<b>Total recognised comprehensive income</b>	<u>37.760</u>	<u>33.643</u>
<b>Divided between</b>				
Shareholders of egetæpper a/s			36.280	31.958
Minority shareholders			1.480	1.685
			<u>37.760</u>	<u>33.643</u>

## Balance sheet at 30 April

Parent company			Group	
30/4	30/4		30/4	30/4
2011	2012	t.DKK	2012	2011
		<b>ASSETS</b>		
		<b>Long-term assets</b>		
		<b>Intangible assets</b>		
670	439	Development costs	439	670
1.610	1.610	Agency rights	1.610	1.610
0	0	Goodwill	18.468	18.468
<u>2.280</u>	<u>2.049</u>		<u>20.517</u>	<u>20.748</u>
		<b>Tangible fixed assets</b>		
139.710	139.379	Land and buildings	148.511	141.731
71.194	47.429	Technical equipment and machinery	55.963	79.214
7.963	8.480	Operating equipment and fixtures	14.689	13.694
3.024	18.558	Tangible assets in course of construction as well as prepayments	18.558	3.024
<u>221.891</u>	<u>213.846</u>		<u>237.721</u>	<u>237.663</u>
		<b>Other long-term assets</b>		
78.480	92.854	Participation investments in subsidiaries	-	-
0	12.388	Debtors	12.388	0
<u>78.480</u>	<u>105.242</u>		<u>12.388</u>	<u>0</u>
<u>302.651</u>	<u>321.137</u>	<b>Total long-term assets</b>	<u>270.626</u>	<u>258.411</u>
		<b>Short-term assets</b>		
0	6194	Portion of long-term debtors falling due within 1 year	6.194	0
124.383	141.426	Stocks	179.551	159.347
88.043	76.705	Debtors	95.901	98.635
4.949	3.009	Cash at bank and in hand	12.140	9.069
<u>217.375</u>	<u>227.334</u>	<b>Total short-term assets</b>	<u>293.786</u>	<u>267.051</u>
<u>520.026</u>	<u>548.471</u>	<b>TOTAL ASSETS</b>	<u>564.412</u>	<u>525.462</u>

## Balance sheet at 30 April

Parent company			Group	
30/4	30/4		30/4	30/4
2011	2012	t.DKK	2012	2011
		<b>LIABILITIES</b>		
		<b>Capital and reserves</b>		
27.668	27.668	Share capital	27.668	27.668
-	-	Reserve for exchange rate adjustments	3.557	3.066
255.354	281.695	Accumulated result	311.786	283.860
8.300	8.300	Recommended dividend	8.300	8.300
291.322	317.663		351.311	322.894
-	-	Minority shareholders' part	5.096	5.281
291.322	317.663	<b>Total capital and reserves</b>	356.407	328.175
		<b>Liabilities</b>		
		<b>Long-term liabilities</b>		
19.355	21.213	Deferred taxation	21.187	19.521
-	-	Other long-term liabilities	35.844	32.304
17.857	9.647	Credit institutions	11.738	17.857
37.212	30.860		68.769	69.682
		<b>Short-term liabilities</b>		
		Portion of long-term liabilities falling		
8.788	9.381	due within 1 year	9.812	8.788
30.392	26.844	Trade creditors	33.573	38.348
101.285	98.529	Amount owed to subsidiaries	-	-
15.249	19.546	Bank debts	24.125	17.564
0	4.048	Company tax	11.564	4.975
35.778	41.600	Other amounts owed	60.162	57.930
191.492	199.948		139.236	127.605
228.704	230.808	<b>Total creditors</b>	208.005	197.287
520.026	548.471	<b>TOTAL LIABILITIES</b>	564.412	525.462

## Cash flow statement 1 May - 30 April

Parent company			Group	
2010/11	2011/12	t.DKK	2011/12	2010/11
575.093	579.505	Turnover and other operation income	755.243	740.521
-557.312	-573.757	Operating costs	-700.159	-681.071
23.015	20.933	Depreciations	27.587	29.520
<u>33.878</u>	<u>-13.334</u>	Change in working capital	<u>-20.347</u>	<u>-1.169</u>
74.674	13.347	Cash flow from activities before financial items	62.324	87.801
106	1.300	Interest receivable and similar income	1.339	154
<u>-10.999</u>	<u>-8.257</u>	Interest payable and similar charges	<u>-10.561</u>	<u>-11.880</u>
63.781	6.390	Cash flow from ordinary activities	53.102	76.075
<u>-2.070</u>	<u>9.398</u>	Corporation tax paid	<u>-9.240</u>	<u>-11.721</u>
<u>61.711</u>	<u>15.788</u>	<b>Cash flows from operation activities</b>	<u>43.862</u>	<u>64.354</u>
-1.788	0	Acquisition of intangible assets	0	-1.788
-16.547	-25.122	Acquisition of tangible assets	-29.425	-20.366
1.271	2.464	Sale of tangible assets	3.281	1.982
-3.762	-2.745	Amount owed to subsidiary company converted into share capital	0	0
0	-2.235	Capital increase in subsidiaries	0	0
0	-1.080	Foundation of company	0	0
<u>-48.499</u>	<u>-6.154</u>	Acquisition of subsidiary company	<u>-5.534</u>	<u>-44.703</u>
<u>-69.325</u>	<u>-34.872</u>	<b>Cash flows to investment activities</b>	<u>-31.678</u>	<u>-64.875</u>
-6.034	-8.210	Change in long-term liabilities	-2.579	-2.072
-5.065	4.890	Change in operating credits	2.760	-4.482
-2.621	-7.863	Dividend paid	-7.863	-2.621
0	0	Acquisition of own shares	0	0
19.587	28.235	Dividend from subsidiaries	-	-
<u>-</u>	<u>-</u>	Dividend paid to minority shareholders	<u>-1.665</u>	<u>-1.184</u>
<u>5.867</u>	<u>17.052</u>	<b>Cash flows from financing activities</b>	<u>-9.347</u>	<u>-10.359</u>
-1.747	-2.032	Cash flow of the year	2.837	-10.880
6.758	4.949	Cash and cash equivalents at 1 May 2011	9.069	19.621
<u>-62</u>	<u>92</u>	Value adjustment of cash and cash equivalents	<u>234</u>	<u>328</u>
<u><u>4.949</u></u>	<u><u>3.009</u></u>	<b>Cash and cash equivalents at 30 April 2012</b>	<u><u>12.140</u></u>	<u><u>9.069</u></u>

## Statement of capital and reserves at 30 April 2012

	Group						
t.DKK	Share capital	Reserve for exchange rate adjustment	Accumulated profit	Recommended dividend	Total	Minority shareholders	Total capital and reserves
<b>Capital and reserves at 1 May 2011</b>	<u>27.668</u>	<u>3.066</u>	<u>283.860</u>	<u>8.300</u>	<u>322.894</u>	<u>5.281</u>	<u>328.175</u>
<b>Transactions in cap. &amp; res. 2011/12</b>							
Value adjustment of foreign subsidiaries	<u>0</u>	<u>491</u>	<u>0</u>	<u>0</u>	<u>491</u>	<u>0</u>	<u>491</u>
Net profits recognized directly on capital and reserves	<u>0</u>	<u>491</u>	<u>0</u>	<u>0</u>	<u>491</u>	<u>0</u>	<u>491</u>
Profit for the year	<u>0</u>	<u>0</u>	<u>27.489</u>	<u>8.300</u>	<u>35.789</u>	<u>1.480</u>	<u>37.269</u>
<b>Total consolidated income</b>	<u>0</u>	<u>491</u>	<u>27.489</u>	<u>8.300</u>	<u>36.280</u>	<u>1.480</u>	<u>37.760</u>
Dividend paid	<u>0</u>	<u>0</u>	<u>0</u>	<u>-8.300</u>	<u>-8.300</u>	<u>-1.665</u>	<u>-9.965</u>
Dividend on own shares	<u>0</u>	<u>0</u>	<u>437</u>	<u>0</u>	<u>437</u>	<u>0</u>	<u>437</u>
<b>Total transactions in cap.&amp;res. 2011/12</b>	<u>0</u>	<u>491</u>	<u>27.926</u>	<u>0</u>	<u>28.417</u>	<u>-185</u>	<u>28.232</u>
<b>Total cap. &amp; res. at 30 April 2012</b>	<u><u>27.668</u></u>	<u><u>3.557</u></u>	<u><u>311.786</u></u>	<u><u>8.300</u></u>	<u><u>351.311</u></u>	<u><u>5.096</u></u>	<u><u>356.407</u></u>

## Statement of capital and reserves at 30 April 2011

	Group						
	Share capital	Reserve for exchange rate adjustment	Accumulated profit	Recommended dividend	Total	Minority shareholders	Total capital and reserves
t.DKK							
<b>Capital and reserves at 1 May 2010</b>	<u>27.668</u>	<u>975</u>	<u>262.147</u>	<u>2.767</u>	<u>293.557</u>	<u>4.780</u>	<u>298.337</u>
<b>Transactions in cap.&amp;res. 2010/11</b>							
Value adjustment of foreign subsidiaries	<u>0</u>	<u>2.091</u>	<u>0</u>	<u>0</u>	<u>2.091</u>	<u>0</u>	<u>2.091</u>
Net profits recognized directly on capital and reserves	<u>0</u>	<u>2.091</u>	<u>0</u>	<u>0</u>	<u>2.091</u>	<u>0</u>	<u>2.091</u>
Profit for the year	<u>0</u>	<u>0</u>	<u>21.567</u>	<u>8.300</u>	<u>29.867</u>	<u>1.685</u>	<u>31.552</u>
<b>Total income</b>	<u>0</u>	<u>2.091</u>	<u>21.567</u>	<u>8.300</u>	<u>31.958</u>	<u>1.685</u>	<u>33.643</u>
Dividend paid	<u>0</u>	<u>0</u>	<u>0</u>	<u>-2.767</u>	<u>-2.767</u>	<u>-1.184</u>	<u>-3.951</u>
Dividend on own shares	<u>0</u>	<u>0</u>	<u>146</u>	<u>0</u>	<u>146</u>	<u>0</u>	<u>146</u>
<b>Total transactions in cap.&amp;res. 2010/11</b>	<u>0</u>	<u>2.091</u>	<u>21.713</u>	<u>5.533</u>	<u>29.337</u>	<u>501</u>	<u>29.838</u>
<b>Total cap. &amp; res. at 30 April 2011</b>	<u><u>27.668</u></u>	<u><u>3.066</u></u>	<u><u>283.860</u></u>	<u><u>8.300</u></u>	<u><u>322.894</u></u>	<u><u>5.281</u></u>	<u><u>328.175</u></u>

## Statement of capital and reserves

### Parent company

#### 30 April 2012

<u>t.DKK</u>	<u>Share capital</u>	<u>Accumulated profit</u>	<u>Recommended Dividend</u>	<u>Total capital and reserves</u>
<b>Capital and reserves at 1 May 2011</b>	<u>27.668</u>	<u>255.354</u>	<u>8.300</u>	<u>291.322</u>
<b>Transactions in cap. &amp; res. 2011/12</b>				
Profit for the year	<u>0</u>	<u>25.904</u>	<u>8.300</u>	<u>34.204</u>
<b>Total income</b>	<u>0</u>	<u>25.904</u>	<u>8.300</u>	<u>34.204</u>
Dividend paid	<u>0</u>	<u>0</u>	<u>-8.300</u>	<u>-8.300</u>
Dividend on own shares	<u>0</u>	<u>437</u>	<u>0</u>	<u>437</u>
<b>Total transactions in cap.&amp;res. 2011/12</b>	<u>0</u>	<u>26.341</u>	<u>0</u>	<u>26.341</u>
<b>Total cap. &amp; res. at 30 April 2012</b>	<u><u>27.668</u></u>	<u><u>281.695</u></u>	<u><u>8.300</u></u>	<u><u>317.663</u></u>

#### 30 April 2011

<u>t.DKK</u>	<u>Share capital</u>	<u>Accumulated profit</u>	<u>Recommended Dividend</u>	<u>Total capital and reserves</u>
<b>Capital and reserves at 1 May 2010</b>	<u>27.668</u>	<u>238.108</u>	<u>2.767</u>	<u>268.543</u>
<b>Transactions in cap. &amp; res. 2010/11</b>				
Profit for the year	<u>0</u>	<u>17.100</u>	<u>8.300</u>	<u>25.400</u>
<b>Total income</b>	<u>0</u>	<u>17.100</u>	<u>8.300</u>	<u>25.400</u>
Dividend paid	<u>0</u>	<u>0</u>	<u>-2.767</u>	<u>-2.767</u>
Dividend on own shares	<u>0</u>	<u>146</u>	<u>0</u>	<u>146</u>
<b>Total transactions in cap.&amp;res. 2010/11</b>	<u>0</u>	<u>17.246</u>	<u>5.533</u>	<u>22.779</u>
<b>Total cap. &amp; res. at 30 April 2011</b>	<u><u>27.668</u></u>	<u><u>255.354</u></u>	<u><u>8.300</u></u>	<u><u>291.322</u></u>

## Notes without reference

The segmentation is prepared on the basis of the group's internal management reporting and is based on the individual market (operating segment). Consolidation to reportable segments is based on differences in sales channels.

The segment "Direct sale" includes sale achieved by egetæpper's Danish sales organisation as well as foreign subsidiaries and sales offices.

The segment "Indirect sale" is defined as sale via commercial agents or sale to importers/distributors abroad.

As segmental result we use the internal phrase "marketing contribution". This is defined as external revenue with deduction of direct wages and material used for production as well as costs, which are directly referable to the individual markets.

### Segmental information

	Direct sale	Indirect sale	Total reportable segments
<b>2011/12</b>			
External revenue	629.327	123.475	752.802
Market contribution	122.845	32.268	155.113
Assets	144.814	14.001	158.815

	Direct sale	Indirect sale	Total reportable segments
<b>2010/11</b>			
External revenue	617.493	120.937	738.430
Market contribution	126.722	32.167	158.889
Assets	130.060	14.561	144.621

<b>Reconciliation of result for the period before tax</b>	2011/12	2010/11
Segmental result for reportable segments	155.113	164.778
Unallocated depreciations	-20.858	-22.875
Unallocated financial costs	-6.865	-10.954
Unallocated costs	-72.626	-84.434
<b>Result for the period, cf. income statement</b>	<b>54.764</b>	<b>46.515</b>

<b>Reconciliation of assets</b>	2011/12	2010/11
Assets for reportable segments	158.815	144.621
Unallocated stock of goods	141.427	124.383
Unallocated cash and cash equivalents	3.010	4.950
Unallocated tangible fixed assets	261.160	251.508
<b>Assets, cf. balance sheet</b>	<b>564.412</b>	<b>525.462</b>



## Notes

### Purchase of company 2011/12

#### Acquisition of share capital in UAB Litspin

On 16 February egetæpper has purchased 100% of the shares in the company UAB Litspin at a purchase price of DKK 8.3 million. The takeover is a consequence of closing the factory in Vejle, and the production of wool yarn is moved to UAB Litspin during the financial year 2012/13.

Transaction costs for the group in connection with the acquisition amounts to approx. DKK 0.2 million, which is included in the profit and loss account for the fourth quarter 2011/12.

Apart from the transaction costs the group's net profit is adversely affected by DKK 163.000 and the turnover positively affected by DKK 1.507.000.

The fair value of property is based on an estimated market value. The production plant has been inspected and priced by building experts.

t.DKK	Fair value at date of takeover
Tangible fixed assets	10.693
Stocks	99
Debtors	203
Cash at bank and in hand	621
Credit institutions	-2.666
Trade creditors	-60
Other amounts owed	-576
<b>Net assets taken over</b>	<b>8.314</b>
Deferred payment	-2.159
<b>Total acquisition paid April 2012</b>	<b>6.154</b>
Hereof available funds in UAB Litspin	-621
<b>Cash payment</b>	<b>5.534</b>

## **Notes without reference**

### **Purchase of company 2010/11**

#### **Acquisition of the majority of Bentzon Carpets ApS on 1 May 2010**

On May 2010 egetæpper took over 51% of the shares in Bentzon Carpets ApS. The acquisition is the first step in a generational handover of Bentzon Carpets ApS. The three present shareholders continue as directors and minority shareholders of the company.

Bentzon Carpets, originally founded in 1976 and since 2001 carried on by the three present shareholders, produces and sells flat woven carpets to the domestic and professional market in Europe. Since 2001 egetæpper and Bentzon Carpets have had a close cooperation in the field of production and sale of flat woven carpets in Europe.

As a natural consequence of this cooperation, egetæpper takes an active share in the upcoming generational handover of Bentzon Carpets. The firm will continue as an independent company with focus on the same products, markets and customers that have been the company's business foundation through the years.

Transaction costs for the group in connection with the acquisition amounts to approx. DKK 0.1 million, which is included in the profit and loss account for the first half year of 2010/11.

When adding Bentzon Carpets ApS the group turnover is increased by DKK 53.1 million. The net group profit before taxation is increased by DKK 0.8 million after deduction of internal profit on stocks, minority interests etc.

## Notes without reference

### Purchase of company 2010/11 (cont.)

#### Acquisition of the majority in Bentzon Carpets ApS on 1 May 2010 (cont.)

The acquisition sum amounted to DKK 48.5 million, which was paid in cash.

The remaining 49% of the company's shares will be acquired by egetæpper at book value no later than 1 May 2020. In accordance with IFRS, the value of the forward contract is included as an amount owed. The value was assessed to DKK 28.3 million on 1 May 2010.

In the financial year the amount owed was increased by DKK 4.0 million, which has been carried to the debit side under financial entries.

On 30 April the amount owed has been included as DKK 32.3 million.

(t.DKK)	Fair value at date of takeover
Tangible fixed assets	14.647
Stock of goods	32.466
Debtors	21.805
Cash at bank and in hand	3.796
Deferred taxation	-561
Trade creditors	-9.415
Other amounts owed	<u>-4.365</u>
<b>Acquired net assets</b>	58.373
Goodwill	<u>18.468</u>
<b>Total acquisition sum for the company</b>	76.841
Deferred payment of the remaining minority part	<u>-28.342</u>
<b>Total acquisition sum due for payment on 1 May 2010</b>	48.499
Hereof cash and cash equivalents in Bentzon Carpets ApS	<u>-3.796</u>
<b>Cash payment</b>	<u><b>44.703</b></u>

At takeover, egetæpper decided to include the total goodwill amount in the balance sheet, totalling DKK 18.468.000.