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EXTRACT FROM INTERIM REPORT Q1 2011

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SUMMARY

2011 – Q1

- In Q1 2011, Sanistål realised a satisfactory – and better than expected – operating income (EBITDA): DKK 45.4 million, compared to DKK -3.8 million in the same quarter last year.

- Compared to the same quarter last year, Sanistål's revenue increased by DKK 185.6 million, corresponding to a 22.2% increase. The revenue improvement for steel products constitutes 59.4% and is fairly equally dispersed between increases in tonnes sold and increases in steel prices.

- The quarter's gross profit increased by DKK 52.1 million, compared to Q1 2010. The gross profit margin is unchanged at 27.9%.

- The quarter's expenses were DKK 241.0 million, or an increase of DKK 3.4 million, equivalent to a 1.4% increase compared to Q1 2010.

- The quarterly profit is therefore DKK 9.7 million, compared to a loss of DKK 49.8 million in the same quarter last year.

- The consolidated balance sheet totals DKK 2,854.2 million, compared to DKK 3,008.0 million in the same quarter last year. Discontinuing operations and assets held for sale were reduced by DKK 214.3 million, compared to Q1 2010. The company's inventories show satisfactory developments.

- In addition to the share issue of DKK 545.0 million carried out in Q1, shareholders' equity increased by DKK 14.0 million and now amounts to DKK 484.1 million as at 31 March 2011, equivalent to 17.0% of the balance sheet total.

- The consolidated cash flow from operating activities amounts to DKK -55.8 million. The cash flow is usually negative in the first quarter of the year due to seasonal factors.

2011 – OUTLOOK FOR THE YEAR

- Based on rising steel prices in Q1, and as a result of generally positive sales trends in the first months of the year, the outlook for 2011 is being adjusted upwards.

- The combined nominal turnover growth is expected to be around 7%.

- The EBITDA for 2011 is now expected to be between DKK 125 million and DKK 155 million, before any proceeds from sales of property, compared to the previous outlook of between DKK 100 million and DKK 140 million.

- A profit of between DKK 10 million and DKK 40 million is now expected, compared to the previous outlook of between DKK -10 million and DKK 30 million.

- The consolidated free cash flows are expected to be positive, but less than in 2010, as nominal growth will increase the working capital.

Aalborg, 23 May 2011

Ole Steen Andersen
Chairman of the Board

Christian B. Lund
CEO

FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE GROUP

DKK million	Q1 2011	Q1 2010	2010
Financial highlights			
Profit/loss:			
Net revenue	1,020.4	834.8	3,821.6
Gross profit	284.6	232.5	1,074.1
Other operating income	1.8	1.3	18.3
Costs	-241.0	-237.6	-981.9
Operating profit/loss before depreciation (EBITDA)	45.4	-3.8	110.5
Operating profit/loss (EBIT)	29.2	-21.1	35.6
Net financial items	-13.9	-20.8	-80.2
Profit/loss before tax, continuing operations (EBT)	15.3	-41.9	-44.6
Profit/loss for the period, continuing operations	11.6	-31.5	-52.2
Profit/loss for the period discontinuing operations	-1.9	-18.3	-78.1
Profit for the period	**9.7**	**-49.8**	**-130.2**
Cash flows:			
Cash flow from operating activities	-55.8	-49.3	86.3
Cash flow from investment activities	-4.3	-2.6	12.2
Free cash flows	**-60.1**	**-51.9**	**98.5**
Investment in tangible fixed assets	**4.1**	**2.2**	**11.5**
Balance sheet:			
Non-current assets	1,384.4	1,401.5	1,400.4
Current assets	1,469.8	1,606.5	1,313.5
Total assets	**2,854.2**	**3,008.0**	**2,713.9**
Shareholders' equity	484.1	-5.7	-74.9
Subordinated loan capital	-	550.0	550.0
Other interest-bearing debt	1,844.5	1,968.6	1,788.3
Non-interest-bearing debt	525.6	495.1	450.5
Total liabilities and shareholders' equity	**2,854.2**	**3,008.0**	**2,713.9**
Share capital	**11.9**	**192.4**	**192.4**
Key ratios			
EBITDA margin %	4.4	-0.5	2.9
EBIT margin (profit margin) %	2.9	-2.5	0.9
Earnings per share after tax (EPS), DKK, basic*	14.1	-108.1	-70.7
Earnings per share after tax (EPS), DKK, diluted*	13.9	-108.1	-70.3
Cash flow per share (CFPS), DKK	-16.8	-26.8	46.9
Return on invested capital (ROIC) %*	6.4	-3.6	2.2
Return on equity %*	8.1	N/A	N/A
Price/Earnings ratio (PE)*	53.6	neg.	neg.
Price/book value ratio	1.0	-25.2	neg.
Market price per share	39.5	77.5	55.0
Book value per share	40.9	neg.	neg.
Solvency	17.0	-0.2	-2.8
Equity and subordinated loans as a % of the balance sheet	17.0	18.1	17.5
Number of full-time employees at end of period	**1,509**	**1,795**	**1,547**

*)The ratio is calculated on annual basis
Return on equity is calculated based on average shareholders' equity adjusted for the executed share issuance.
Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.
Definitions according to "Recommendations & Financial Ratios 2010" by The Danish Society of Financial Analysts.
The number of full-time employees is measured as the number of employees on the payroll, irrespective of whether they have been terminated.

MANAGEMENT REPORT

CONSOLIDATED DEVELOPMENTS

In Q1 2011, Sanistål realised satisfactory – and better than expected – operating income (EBITDA) of DKK 45.4 million, compared to DKK -3.8 million in the same quarter last year. This improvement was achieved by increasing revenues, upholding the gross profit ratio and upholding a stable level of expenses. The quarterly profit from continuing operations amounted to DKK 11.6 million, compared to DKK -31.5 million in the same quarter last year, and discontinuing operations amounted to DKK -1.9 million, compared to DKK -18.3 million.

The quarterly profit is therefore a profit of DKK 9.7 million, compared to a loss of DKK 49.8 million in the same quarter last year.

The decline in the construction industry seems to have stopped, and the manufacturing industry continues to grow. Compared to the same quarter last year, Sanistål's revenues increased by DKK 185.6 million, equivalent to a 22.2% increase. The increase in revenues from steel products amounts to DKK 143.3 million (59.4%) and is fairly equally dispersed between increases in tonnes sold and increases in steel prices. The increase in revenues from other product categories amounts to DKK 48.0 million, equivalent to 8.0%.

The quarter's gross profit increased by DKK 52.1 million, compared to Q1 2010. The gross profit margin remains unchanged at 27.9%. The upholding of gross profit is the result of a continued focus on profitable sales. As a result of rising steel prices, a profit on inventories of DKK 9.5 million was realised in Q1, equivalent to a 0.9% increase. The gross profit ratio was also affected by a negative mix effect resulting from high growth in drop shipment sales, and in the Baltic State companies and Max Schön AG.

The quarter's expenses amounted to DKK 241.0 million, or an increase of DKK 3.4 million, equivalent to a 1.4% increase compared to Q1 2010. The 22.1% growth in revenues increased the distribution costs, but as Q1 2010 was typified by added expenses related to converting to the outsourcing of the distribution in the parent company, this increase was limited. Q1 2011 incurred severance costs due to changes in the management of the Construction Division. It was possible to limit losses and write-downs on receivables, compared to Q1 2010.

The quarterly share of the financial results in the associate Brødrene A & O Johansen A/S is not recognised, as the company's reporting has yet to be announced. The announcement is expected to take place on 31 May 2011.

Financial expenses amounted to DKK 13.9 million, compared to DKK 20.8 million in the same quarter last year. The financial expenses in Q1 2011 were affected by the conversion of subordinate loan capital totalling DKK 550.0 million into share capital on 18 March 2011. This led to one-off effects which yielded net interest income of DKK 5.0 million. In addition, this led to a reduction in interest expenditure of DKK 1.5 million for the period subsequent to 18 March 2011.

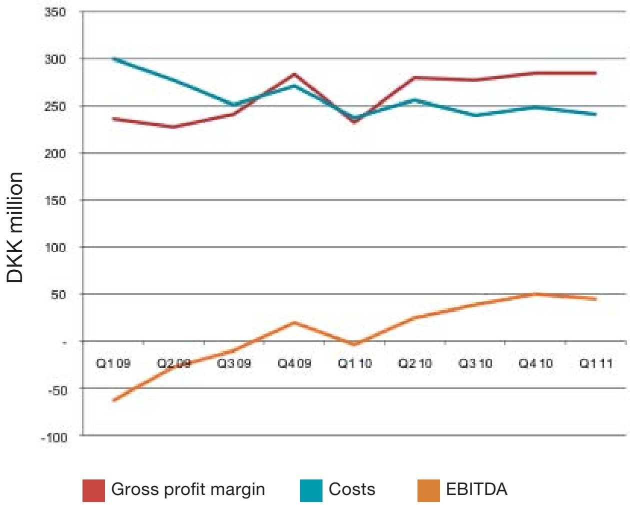
The consolidated balance sheet totalled DKK 2,854.2 million, compared to DKK 3,008.0 million in the same quarter last year. The company's inventories show satisfactory developments. Based on the higher level of activity (22.2%) and rising steel prices, inventories increased by only DKK 11.8 million, equivalent to 1.9%. Similarly, receivables have increased by less than the revenues would seem to indicate. Compared to Q1 2010, discontinuing operations and assets held for sale were reduced by DKK 214.3 million to DKK 201.2 million, as a result of divestments and wind-up activities performed in the interim.

In addition to the share issue of DKK 545.0 million carried out in Q1, shareholders' equity increased by DKK 14.0 million and now amounts to DKK 484.1 million as at 31 March 2011, equivalent to 17.0% of the balance sheet total.

The consolidated cash flow from operating activities amounted to DKK -55.8 million, compared to DKK -49.3 million in Q1 2010. The cash flow is usually negative the first quarter of the year, as working capital is traditionally low at year end due to seasonal factors. The cash flow from investments amounted to DKK -4.3 million, compared to DKK -2.6 million in the same quarter last year. The free cash flows are subsequently negative in the amount of DKK 60.1 million, compared to DKK 51.9 million in the same quarter last year.

QUARTERLY EARNINGS PERFORMANCE

This figure shows the quarterly operating performance from Q1 2009 to Q1 2011 for continuing operations.



The EBITDA trend is positive. As shown in the upper two curves of the graph, the gross profit increased in Q1 2011, compared to Q4 2010, whereas expenses declined. In Q4 2010, a profit from the sale of real property of DKK 13.0 million was realised, which gave a one-off improvement of the EBITDA in Q4.

SEGMENT TRENDS

The Construction Division

The Construction Division comprises construction operations in the parent company and in the three Baltic subsidiaries. The market factors in the Construction Division are characterised by being divided into newbuilding and maintenance sectors, where Sanistål's greatest exposure is in the maintenance sector.

Financial highlights

DKK million	Q1 2011	Q1 2010
Segment revenue	409.3	373.8
Segment EBITDA	5.1	-14.9
Segment assets	1,080.1	1,156.5

The decline in the Danish construction industry appears to have stopped, and the first positive budding signs are appearing in the market trends. In the Baltic States, private-sector construction is still experiencing a slowdown, whereas positive trends are reflected in public-sector construction projects.

In Q1, the Construction Division achieved revenue growth of 9.5%, compared to Q1 2010. Growth in the Baltic States was high, but sizeable growth was also achieved in the Danish market where Sanistål increased its market share, compared to Q4 2010.

The number of bankruptcies in Denmark's business and industry is still declining, and the greatest drop occurred in the construction industry. This led to satisfactory developments in losses and write-downs on receivables.

The EBITDA amounted to DKK 5.1 million, an improvement of DKK 20.0 million.

The Industry Division

The Industry Division comprises manufacturing activities in the parent company, the three Baltic subsidiaries, in Max Schön AG and in Serman og Tipsmark A/S. The market in which the Industry Division operates is characterised by segmentation into OEM, where Sanistål delivers components and raw materials (steel) which are included in the manufacturing industry's end products, and into MRO, where Sanistål delivers components and auxiliaries for the manufacturing industry's production processes.

Financial highlights

DKK million	Q1 2011	Q1 2010
Segment revenue	611.2	460.9
Segment EBITDA	42.4	9.8
Segment assets	1,192.4	1,039.8

The Danish manufacturing industry continues to grow, especially among export-oriented manufacturing companies. Max Schön AG is experiencing reasonable market conditions and satisfactory revenue trends. Serman & Tipsmark A/S is noting improved market conditions in Denmark and gained a toehold on neighbouring export markets, but for a project-oriented company such as this, the effect on revenues is somewhat delayed.

In Q1 2011, the steel business grew by more than 50%, compared to Q1 2010. This growth was more or less equally distributed between increases in tonnes sold and increases in steel prices.

In Q1 2011, the Industry Division realised a 32.6% revenue increase, compared to the same quarter last year. The steel-business growth is the primary explanation for this, but other industrial activities have improved.

The EBITDA amounted to DKK 42.4 million, an improvement of DKK 32.6 million.

Carl F International (discontinuing operation)

Carl F International is a subsidiary of Sanistål. As part of the group's focus on its core business, Sanistål decided to divest its operations in this company and has therefore listed it as a discontinuing operation.

The discontinuing operation was substantially reduced through divestments in 2010 and in Q1 2011. The wholly owned subsidiary D-line UK (Signs) was sold as per 31 March 2011, which led to a minor loss that is recognised in the financial result for Q1. After this, discontinuing operations comprises a small company in India.

Financial highlights

DKK million	**Q1 2011**	**Q1 2010**
Segment revenue	8.1	59.0
Segment EBITDA	-1.6	-8.4
Segment assets	36.1	197.5

The net revenue performance for this segment reflects the divestments of companies and operations described above.

The EBITDA amounted to DKK -1.6 million, an improvement of DKK 6.8 million.

MATERIAL RISKS

In the 2010 Annual Report, significant risks are described in detail, including in the notes on significant estimates and assessments (Note 2), and risk management (Note 33). These descriptions are still applicable and true.

CAPITAL RESOURCES/SHARE ISSUE

The share issue of DKK 550.0 million was carried out according to plan at the extraordinary general meeting of 18 March 2011. As stated in Stock Exchange Announcement No. 01 of 24 February 2011, Sanistål expects to publish a prospectus in June 2011 and subsequently apply for official listing of the new shares and the previous class A shares (class of shares discontinued).

At the same time, an agreement was concluded with the Group's banks which have extended the Group's lines of credit on unchanged terms of interest, so that these lines of credit are non-terminable until 30 June 2012. The agreement concerning the lines of credit includes quarterly covenants which the management assesses the company can comply with within the company's budget.

OUTLOOK FOR THE YEAR 2011

As announced in the 2010 Annual Report, Sanistål's expectations for 2011 were based on the assumption that steel prices would remain unchanged compared to 2010. Steel prices have risen sharply throughout 2011, and in the first half year steel prices will be significantly higher than the average price for 2010. Based on this, and as a result of the generally positive sales trends in the first months of the year, the outlook for 2011 is being adjusted upwards.

For the Construction Division, a relatively flat level of activity trend is expected for the primary Danish market and sound growth is expected for the Baltic States. The Industry Division is expecting sizeable growth and a noticeable effect of higher steel prices in the first half year of 2011. The total nominal growth is expected to be in the neighbourhood of 7%, compared to the level realised in 2010.

The gross profit ratio is expected to decline slightly, compared to 2010, due to a one-off improvement in the profit on steel of DKK 41 million in 2010. A similar one-off profit is not expected in 2011, but rising steel prices in Q1 2011 will have a positive effect on the gross profit ratio. At a minimum, steel prices in Q2, Q3 and Q4 are expected to correspond to the average prices in 2010.

Operating expenses will be reduced, compared to 2010. The full cost-effect of the outsourcing of the distribution in the parent company will be felt in 2011, and additional improvements and rationalisations are expected in 2011.

Based on these assumptions, the EBITDA for 2011 is now expected to be between DKK 125 million and DKK 155 million, before any proceeds from sale of property, compared to the previous outlook of between DKK 100 million and DKK 140 million.

A sharp decline in net interest expenditure along the lines of DKK 30 million is expected as a result of the conversion of subordinate loan capital into share capital as part of the share issue.

Based on the above assumptions, and depending on the performance of the associate Brødrene A & O Johansen A/S, Sanistål is now expecting a profit of between DKK 10 million and DKK 40 million, compared to the previous outlook, which ranged from a loss of DKK 10 million to a profit of DKK 30 million.

The net funds tied up in working capital (inventory, other current assets relating to operations, trade creditors and other liabilities, as well as other short-term liabilities relating to operations) are expected to increase. The increase in funds tied up should be seen together with the anticipated increase in activity. Working capital will continue to be in focus in 2011, but the improvement potential is substantially reduced after the results achieved in recent years. Therefore, working capital is expected to follow the seasonal and activity trends.

The consolidated capital structure has been noticeably reinforced as a result of the debt conversion. Shareholders' equity is expected to be around DKK 500 million by the end of 2011, and the interest-bearing debt is expected to be around DKK 1.7 billion.

The consolidated free cash flows are expected to be positive, but less than in 2010, as nominal growth will increase the working capital.

EVENTS AFTER THE END OF THE QUARTER

No significant events have taken place after the end of the quarter.

STATEMENT BY THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT

The Board of Directors and Board of Management have on this date considered and approved the interim report for the period 1 January – 31 March 2011.

The interim report is not audited or reviewed by the company's auditor, and has been prepared in accordance with IAS 34 "Presentation of interim reports" as approved by EU and Danish disclosure requirements for the preparation of interim reports for listed companies.

We are of the opinion that the interim report gives a true and fair view of assets, liabilities and financial position of the Group as at 31 March 2011 and the financial results from the Group's activities and cash flow for the period 1 January – 31 March 2011.

We are also of the opinion that the Management Report contains a true and fair report of the developments in the Group's activities and financial circumstances, the results for the period and the Group's financial position as a whole and a description of the major risks and uncertain factors facing the Group.

Aalborg, Denmark, 23 May 2011

Board of Management:

Christian B. Lund

Flemming Glamann

Board of Directors:

Ole Steen Andersen
Chairman

Jens Jørgen Madsen
Deputy Chairman

Per Gammelgaard

Steen Gede

Ole Enø Jørgensen

Benny Kirkeby

Walther V. Paulsen

Peter Vagn-Jensen

CONSOLIDATED INCOME STATEMENT

DKK thousands	Note	Q1 2011	Q1 2010
Net revenue		1,020,427	834,761
Cost of goods sold		-735,866	-602,289
Gross profit		**284,561**	**232,472**
Other operating income		1,820	1,255
Other external expenses		-103,692	-95,020
Staff costs		-137,320	-142,549
Operating profit/loss before depreciation (EBITDA)		**45,369**	**-3,842**
Depreciation		-16,194	-17,303
Operating profit/loss (EBIT)		**29,175**	**-21,145**
Share of profit after tax in associated companies		-	-
Financial income		5,776	6,000
Financial expenses		-19,644	-26,801
Profit/loss before tax, continuing operations (EBT)		**15,307**	**-41,946**
Tax on profit/loss for the period, continuing operations		-3,767	10,486
Profit/loss for the period, continuing operations		**11,540**	**-31,460**
Profit/loss for the period, discontinuing operations	3	-1,872	-18,298
Profit/loss for the period		**9,668**	**-49,758**
Earnings per share (EPS), DKK, basic		11.77	-108.09
Earnings per share (EPS), DKK, diluted		11.68	-108.09
Earnings per share (EPS), DKK, basic, continuing operations		14.05	-68.34
Earnings per share (EPS), DKK, diluted, continuing operations		13.94	-68.34

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK thousands	Q1 2011	Q1 2010
Foreign exchange adjustment, foreign subsidiaries	-1,102	1,259
Equity movements in associated companies	-	-
Value adjustment of hedging instruments	3,730	-6,781
Value adjustments transferred to financial items	2,692	3,444
Tax on hedging instruments recognized directly in comprehensive income	-1,459	701
Net expenses and income recognized directly in equity	**3,861**	**-1,377**
Result for the period	9,668	-49,758
Total comprehensive income	**13,529**	**-51,135**

CONSOLIDATED BALANCE SHEET

DKK thousands	Note	31 March 2011	31 December 2010	31 March 2010
ASSETS				
Non-current assets				
Intangible assets				
Goodwill		213,582	213,582	213,767
Brands		40,000	40,625	42,500
Customer base		15,000	15,625	17,500
Software		11,904	11,650	12,571
		280,486	281,482	286,338
Tangible assets				
Land and buildings		553,226	557,493	531,494
Plant and machinery, fixtures and fittings		212,309	218,636	245,409
		765,535	776,129	776,903
Other non-current assets				
Investments in associated companies		233,537	233,537	227,248
Deferred tax		90,614	95,085	95,953
Property rental deposits		14,247	14,097	15,030
		338,398	342,719	338,231
Total non-current assets		**1,384,419**	**1,400,330**	**1,401,472**
Current assets				
Inventories		634,852	553,158	623,049
Accounts receivable		604,680	503,629	525,395
Prepayments and accrued income		15,330	15,968	29,848
Cash and cash equivalents		13,662	11,235	12,717
		1,268,524	1,083,990	1,191,009
Discontinuing operations and assets held for sale	3	201,246	229,530	415,507
Total current assets		**1,469,770**	**1,313,520**	**1,606,516**
TOTAL ASSETS		**2,854,189**	**2,713,850**	**3,007,988**

CONSOLIDATED BALANCE SHEET

DKK thousands	Note	31 March 2011	31 December 2010	31 March 2010
LIABILITIES				
Shareholders' equity				
Share capital		11,924	192,378	192,378
Share premium		535,000	-	-
Other reserves		-18,570	-37,021	-42,046
Retained profit		-44,269	-230,292	-155,997
Total shareholders' equity		**484,085**	**-74,935**	**-5,665**
Liabilities				
Non-current liabilities				
Subordinated loan capital		-	299,990	549,959
Credit institutions		916,725	49,597	970,697
Provisions		12,301	13,080	-
		929,026	362,667	1,520,656
Current liabilities				
Subordinated loan capital		-	250,000	-
Credit institutions		833,016	1,646,508	657,339
Trade accounts payable and other debt commitments		489,449	399,074	435,597
Corporation tax		127	671	1,817
Provisions		7,153	7,784	-
		1,329,745	2,304,037	1,094,753
Provisions related to discontinuing operations and assets held for sale	3	111,333	122,081	398,244
		1,441,078	2,426,118	1,492,997
Total liabilities		**2,370,104**	**2,788,785**	**3,013,653**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,854,189**	**2,713,850**	**3,007,988**

CONSOLIDATED CASH FLOW STATEMENT

DKK thousands	Note	Q1 2011	Q1 2010
Profit/loss before tax, continuing operations (EBT)		15,307	-41,946
Adjustment for non-liquid operating items etc.:			
Gain on sale of properties		-395	-
Depreciations and write-downs		16,194	17,303
Other non-cash operating items, net		-3,867	-
Provisions		1,410	-
Other operating items		491	-
Foreign exchange adjustments		-1,102	966
Financial income		-5,776	-6,000
Financial expenses		19,644	26,801
Cash flow from operating activities before changes in working capital		41,906	-2,876
Changes in accounts receivable		-93,720	-67,170
Changes in inventories		-84,217	-4,674
Changes in trade accounts payable and other debt commitments		94,667	46,907
Financial income received		5,776	6,000
Financial expenses paid		-19,644	-26,801
Corporate tax paid		-544	-674
Cash flow from operating activities		**-55,776**	**-49,288**
Acquisition of intangible assets		-1,153	-253
Sale of intangible assets		410	-
Acquisition of tangible assets		-4,104	-2,203
Sale of tangible assets		637	-
Other non-current assets		-152	-115
Cash flow from investment activities		**-4,362**	**-2,571**
Free cash flows		**-60,138**	**-51,859**
Debt financing:			
Proceeds from borrowings (subordinated loan capital)			
Repayments to credit institutions		-549,990	-
Reduced drawings on operating lines of credit		-1,925	-3,606
Shareholders:		67,587	48,099
Net proceeds from share issuance		545,000	**-**
Cash flow from financing		**60,672**	**44,493**
Cash flow from discontinuing operations	3	**1,039**	**-8,854**
Cash flow for the period		**1,573**	**-16,220**
Cash and cash equivalents as at beginning of period		11,235	38,805
Cash and cash equivalents as at end of period, discontinuing operations		854	-9,868
Cash and cash equivalents as at end of period		**13,662**	**12,717**

Cash flow statement cannot be inferred solely from the published accounting material.