Haldor Topsøe A/S

Annual Report 2010

RESEARCH | TECHNOLOGY | CATALYSTS

Haldor Topsøe A/S - Nymøllevej 55
2800 Kgs. Lyngby - Denmark
CVR No. 41 85 38 16

HALDOR TOPSØE
CATALYSING YOUR BUSINESS

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This annual report is available in Danish and English
In case of doubt the Danish version shall apply.

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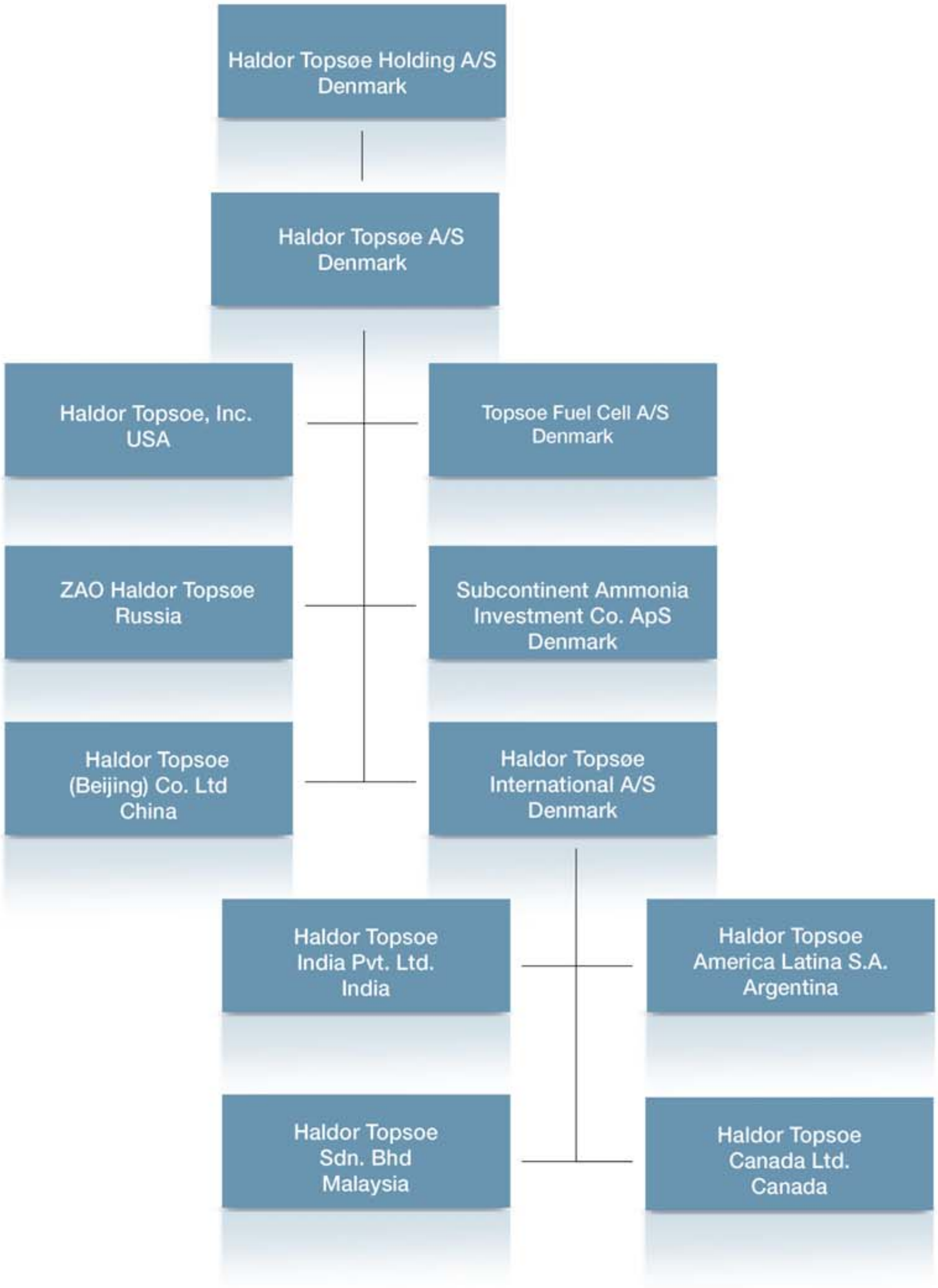
Group Chart


Haldor Topsøe Holding A/S
Denmark
Haldor Topsøe A/S
Denmark
Haldor Topsoe, Inc.
USA
Topsoe Fuel Cell A/S
Denmark
ZAO Haldor Topsøe
Russia
Subcontinent Ammonia
Investment Co. ApS
Denmark
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(Beijing) Co. Ltd
China
Haldor Topsoe
International A/S
Denmark
Haldor Topsoe
India Pvt. Ltd.
India
Haldor Topsoe
America Latina S.A.
Argentina
Haldor Topsoe
Sdn. Bhd
Malaysia
Haldor Topsoe
Canada Ltd.
Canada

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	2010	2009	2008	2007	2006
	DKK mill.	DKK mill.	DKK mill.	DKK mill.	DKK mill.
Key figures					
Profit					
Revenue	4,201	4,257	5,046	3,622	3,571
Gross profit	1,884	1,730	1,790	1,283	1,343
EBITDA	677	607	679	376	526
Depreciation and amortisation	-207	-197	-173	-218	-167
EBIT	470	410	506	158	359
Financial income/(expenses)	-26	33	169	430	30
Net profit	308	334	533	557	280
Balance sheet					
Balance sheet total	4,640	4,823	5,117	4,098	3,477
Equity	1,124	1,065	1,071	1,504	1,165
Cash flow					
Cash flow from:					
- operating activities	418	504	867	346	511
- investment activities (total)	-211	-190	-278	-276	-234
- of which investments in tangible fixed assets	-210	-201	-257	-282	-250
- financing activities	-437	-381	-249	44	-224
Change in cash and cash equivalents	-230	-67	340	113	53
Number of employees	2,015	2,016	1,945	1,742	1,611
Ratios in %					
Gross margin	44.8%	40.6%	35.5%	35.4%	37.6%
EBITDA margin	16.1%	14.3%	13.5%	10.4%	14.7%
EBIT margin	11.2%	9.6%	10.0%	4.4%	10.1%
Return on net assets	10.1%	8.5%	9.9%	3.9%	10.3%
Solvency ratio	24.2%	22.1%	20.9%	36.7%	33.5%
Return on equity	28.1%	31.3%	41.4%	41.8%	25.4%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Directors' Report

2010 was a satisfactory year characterised by progress in most of our business areas. Our sale to the refinery sector, however, was still influenced by the repercussions of the financial crisis.

We had a revenue of DKK 4.2 billion, i.e. a revenue close to what we obtained in 2009 (DKK 4.3 billion). Our gross profit amounted to DKK 1.8 billion, which we consider satisfactory (DKK 1.7 billion in 2009). We have in particular profited by the satisfactory result in the Catalyst Division, which reached a revenue of DKK 3.1 billion – the second best ever obtained in the division (DKK 2.9 billion in 2009). The Technology Division also obtained a satisfactory result with a revenue of DKK 1.1 billion (DKK 1.4 billion in 2009).

By the end of the year, our backlog amounted to DKK 2.8 billion (DKK 3.7 billion in 2009).

The year was characterised by a very large international activity, which we expect will continue. Consequently, our personnel has been increased, especially in India and China and we have established a new company in Malaysia.

Focus has in particular been on how we could make a synthetic gas, applicable for manufacture of various chemical products, based on renewable energy raw materials. We expect that a lot of this development work, which is in our pipeline, stretching from fundamental research to industry, will ensure our continued development and growth in turnover and financial results.

As mentioned above, we have had a satisfactory year and we expect that 2011 may also turn out to be another satisfactory year. We must, however, be prepared that international events may occur which could influence the financial conditions of our customers.

We are planning increased investments in the coming years; considerable more compared to what we invested in 2009 and 2010 but, of course, we must be prepared to react quickly if we are met by unpredictable and – to us – adverse international events.

Besides continued progress within our traditional business areas, we expect a strong growth within renewables/biomass for the production of environmentally friendly fuels and chemicals, however, also the production of fertilizers in the future. We also see an increased interest in producing natural gas from coal, and we have received orders for two such large plants this year.

Pilot plant for development of "renewable" technologies

By the end of the year, the solidity was 24.2% (22.1% in 2009) and we expect that the solidity will increase further in 2011.

At present, Haldor Topsøe A/S does not have a written policy for CSR, but within our business areas and for our products and technologies, we have great emphasis on solving environmental and climate challenges. At the same time, our catalysts contribute significantly to energy optimisation in a wide range of environmental and chemical processes. For more information about the impact of our products on the environment and the climate, please visit our website www.topsoe.com.

During 2010, the Topsøe Group employed on average 2,015 persons compared to 2,016 in 2009. 39% of the Groups employees have an university degree. In addition, a substantial number of researchers are working in different institutes in Denmark and abroad on research and development programmes financed by the Group.

No events materially affecting the Company's financial position at December 31, 2010 have occurred after the balance sheet date.

Haldor Topsøe's headquarters in Lyngby, Denmark

Statement by the Management and Board of Directors on the Annual Report

The Management and Board of Directors have today considered and adopted the Annual Report of Haldor Topsøe A/S for the financial year January 1 - December 31, 2010.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. In our opinion the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at December 31, 2010 of the Group and the Company and of the results of the Group and Parent Company operations and cash flows for 2010.

In our opinion, Directors' Report includes a true and fair account of the development in the operations and financial circumstances of the Group and Parent Company, of the results for the year and of the financial position of the Group and Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Lyngby, March 9, 2011

Management

Hans Kornerup
(CFO Executive Vice President)

Niels K. Sørensen
(Chief Executive Officer)

Haldor Topsøe

Board of Directors

Haldor Topsøe
(Chairman)

Henrik Topsøe

Jakob Topsøe

Oluf Engell

Jeppe Christiansen

Jens Kehlet Nørskov

Martin Østberg

Jette Søvang Christiansen

Søren Toft

Independent Auditor's Report

To the Shareholder of Haldor Topsøe A/S

We have audited the Financial Statements, the Consolidated Financial Statements and Directors' Report of Haldor Topsøe A/S for the financial year 1 January - 31 December 2010. The Financial Statements and the Consolidated Financial Statements comprise Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Notes and Accounting Policies. The Financial Statements, the Consolidated Financial Statements and Directors' Report are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Annual Report

Management is responsible for the preparation and fair presentation of the Financial Statements and the Consolidated Financial Statements in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements and Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error. The responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. Furthermore, Management is responsible for preparing a Directors' Report that includes a true and fair account in accordance with the Danish Financial Statements Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements, the Consolidated Financial Statements and Directors' Report based on our audit. We conducted our audit in accordance with Danish Auditing Standards. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements, the Consolidated Financial Statements and Directors' Report are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Company and the Group at 31 December 2010 and of the results of the Company and the Group operations and cash flows for the financial year 1 January - 31 December 2010 in accordance with the Danish Financial Statements Act, and Directors' Report includes a true and fair account in accordance with the Danish Financial Statements Act.

Copenhagen, March 9, 2011

PricewaterhouseCoopers
Statsautoriseret Revisionsaktieselskab

Kim Füchsel
State Authorised Public Accountant

Jesper Møller Christensen
State Authorised Public Accountant

Accounting Policies

Basis of Preparation

The Annual Report of Haldor Topsøe A/S for 2010 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report has been denominated in DKK 1,000,000.

Recognition and Measurement

All revenues are recognised in the income statement as earned based on the following criteria:

- delivery has been made before year end,
- a binding sales agreement has been made,
- the sales price has been determined, and payment has been received at the time of sale or is probable and can with reasonable certainty be expected to be received

Based on the above, revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Group, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of Consolidation

The Annual Report comprises the Parent Company, Haldor Topsøe A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

The annual reports used for the purpose of the Group's Annual Report have been prepared in accordance with the accounting policies of the Group. The Annual Report of the Group has been prepared on the basis of the annual accounts of the Parent Company and Group Enterprises by combining accounting items of a uniform nature.

On consolidation, elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated Group Enterprises are set off against the Parent Company's share of the net asset value of Group Enterprises stated at the time of consolidation.

Foreign Currency Translation

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Exchange adjustments arising on the translation of the opening equity of and long-term loans to independent foreign enterprises and exchange adjustments arising from the translation at average exchange rates of the income statements of independent foreign enterprises are recognised directly in equity.

Derivative Financial Instruments

Derivative financial instruments are measured at fair value. Positive and negative fair values are included in other receivables and other payables respectively.

Fair value adjustments on forward exchange contracts serving as a cash-flow hedge, are recognised directly in equity. Amounts recognised in equity are included in the income statement simultaneously with the exchange rate adjustment on the hedged transactions.

Fair value adjustments on forward exchange contracts, which do not constitute a hedge, are included in the income statement.

Corporation Tax and Deferred Tax

Tax for the year comprises of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax receivable and current tax liabilities are recognised as receivables in the balance sheet in the event of overpayment of tax on account, and as liabilities in the event of underpayment of tax on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustment is made for deferred tax concerning unrealised intercompany gains and losses.

Deferred tax is measured on the basis of the tax rules and tax rates of the respective countries that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement, except for the effect related to write-up regarding property, plants and equipment booked directly on equity.

Income Statement

Revenue
Revenue from the sale of finished goods is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year end. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Contract work in progress is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the construction contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group.

Raw Materials and Consumables Used
Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other External Expenses
Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

Staff Expenses
Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Depreciation, Amortisation and Impairment Losses
Depreciation, amortisation and impairment losses comprise depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Other Operating Income and Other Operating Expenses
Other operating income and other operating expenses comprise income or expenses of a secondary nature compared to the core activities of the Company.

Financial Income and Expenses
Financial income and expenses comprise interest, fair value adjustments, realised and unrealised exchange adjustments, price adjustment of securities and amortisation of mortgage loans.

Balance Sheet

Intangible Assets
Development Projects
Development projects that are clearly defined and identifiable and for which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets.

Projects that do not meet the Group's criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Patents
Patents are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use. Patents are amortised on a straight-line basis over the remaining patent period, but not exceeding 10 years, due to the notoriously fast development of the technologies used and the ensuing uncertainty of a longer amortisation period.

Software
Software related to major projects is measured at cost less accumulated depreciation and less any accumulated impairment losses.
Software is amortised on a straight-line basis over 4 years.

Tangible assets
Property, plant and equipment are measured at cost including write-up less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the external cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans related to financing the construction of major property, plant and equipment investments have been capitalised over the period of construction.

Assets which have a life of 3 years or below as well as assets not exceeding DKK 30,000 are fully recognised in cost in the year of purchase.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	13 years
Other buildings	13 - 40 years
Plant and machinery	5 - 10 years
Other fixtures and equipment	4 - 20 years

Gains and losses on current replacement of property, plant and equipment are recognised in ”Other operating income” and ”Other operating expenses”.

Increases of value related primarily to the premises in Frederikssund, Ravnholm and Houston are made by the Management on a conservative estimate of the market value and based on an outside evaluation. Revaluations with reduction of deferred taxes are transferred to "Revaluation reserve" under Equity.

Investments in Group Enterprises
Investments in Group Enterprises are recognised and measured under the equity method.

Group Enterprises which have a negative equity are measured to DKK 0, and receivables from these Group Enterprises are written down equal to the negative equity.

The item “Income from investments in Group enterprises” in the income statement includes the proportionate share of the profit after tax.

Other Investments
Other investments are booked at market value or at estimated value of the investments. For investments where it is not possible with reasonable accuracy to estimate the value of the investments, these are valued at cost.

Impairment of Fixed Assets
The carrying amounts of intangible assets, property, plant and equipment and financial assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Inventories
Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated as the total of future sales revenues expected, at the balance sheet date, to be generated by inventories in the process of normal operations and determined allowing for marketability, obsolescence and development in expected sales

sum less the estimated expenses necessary to make the sale.

The cost of goods for resale, raw materials and consumables equals landed cost. The cost of finished goods and intermediate products comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Any borrowing expenses in the period of construction are not recognised.

Receivables
Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Contract Work in Progress
Contract work in progress is measured at the selling price of the work performed based on the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Prepayments are set off against contract work in progress. Payments received on account in excess of the contract work performed to date are stated separately for each contract and recognised in "Contract work in progress" as short-term debt.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Equity
Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions
Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Financial Debts
Loans, such as mortgage loans and loans from credit institutions, intended held to maturity are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost equal to the capitalised value using the effective interest method; the difference between the proceeds and the nominal value (the capital loss) is recognised in the income statement over the loan period.

Employee bond schemes are recognised as a liability concurrently with the employees becoming entitled to receive bonds. The liability is measured until the point in time of allocation of bonds as the value of the work output performed by the employee in order to become entitled to a bond corresponding to the agreed salary reduction. At the point in time of the bond allocation, the bond loan is measured at cost price.
Other debts are measured at amortised cost, substantially corresponding to nominal value.

Prepayments and Deferred Income
Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred income includes payments received in respect of income in subsequent years.

Cash Flow Statement
The cash flow statement is prepared according to the indirect method based on the consolidated net result for the year.

The cash flow statement shows the cash flows for the year broken down by operating, investing and financing activity and the impact of these cash flows on cash and cash equivalents for the year.

Cash flows from operating activity are stated as the consolidated net result for the year adjusted for non-cash operating items such as depreciation and write-down, provisions and changes in working capital, interest received and paid and corporation tax paid.

Cash flows from investment activity comprise cash flows from the purchase and sale of intangible, tangible and financial fixed assets.

Cash flows from financial activity comprise cash flows from the raising and repayment of long-term loans as well as payment of dividend to shareholders.

Liquid funds consist of the item "Cash" and deposits with the Holding Company.

A cash flow statement for the Parent Company has not been prepared, because the Parent Company's cash flow is included in the consolidated cash flow statement.

Financial Ratios
The financial ratios have been calculated in accordance with the guidelines issued by the Danish Society of Financial Analysts.

The financial ratios have been calculated as follows:

Gross margin	$\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$
EBITDA margin	$\dfrac{\text{EBIT + Depreciation etc. x 100}}{\text{Revenue}}$
EBIT margin	$\dfrac{\text{EBIT x 100}}{\text{Revenue}}$
Return on net assets	$\dfrac{\text{EBIT x 100}}{\text{Total assets}}$
Solvency ratio	$\dfrac{\text{Equity at year end x 100}}{\text{Total assets}}$
Return on equity	$\dfrac{\text{Net profit for the year x 100}}{\text{Average equity}}$

Income Statement January 1 – December 31

	Note	Group 2010 DKK mill.	Group 2009 DKK mill.	Parent Company 2010 DKK mill.	Parent Company 2009 DKK mill.
Revenue	1	**4,201**	**4,257**	**3,493**	**3,886**
Change in inventories of finished goods and intermediate products		44	51	42	-65
Other operating income		63	59	10	12
Purchased equipment for contract works		-301	-531	-271	-523
Raw materials and consumables used		-1,313	-1,263	-812	-914
Other external expenses		-810	-843	-937	-995
Gross profit		**1,884**	**1,730**	**1,525**	**1,401**
Staff expenses	2	-1,207	-1,123	-941	-883
Depreciation, amortisation and impairment losses of tangible and intangible assets	3	-207	-197	-134	-129
Profit before financial income and expenses (EBIT)		**470**	**410**	**450**	**389**
Income from investments in group enterprises	4	0	0	18	25
Financial income	5	104	173	75	130
Financial expenses	6	-130	-140	-108	-113
Profit before tax		**444**	**443**	**435**	**431**
Tax on profit for the year	7	-136	-109	-127	-97
Net profit for the year		**308**	**334**	**308**	**334**
Proposed distribution of profit:					
Proposed dividend				100	0
Reserve for net revaluation under the equity method				18	25
Retained earnings				190	309
				308	**334**

HALDOR TOPSØE

Balance Sheet at December 31

Assets

	Note	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
		DKK mill.	DKK mill.	DKK mill.	DKK mill.
Patents		34	30	24	23
Software		6	5	5	3
Intangible assets in progress		6	8	6	8
Intangible assets	8	**46**	**43**	**35**	**34**
Land and buildings		716	718	434	438
Plant and machinery		423	454	355	358
Other fixtures and equipment		132	140	100	105
Tangible assets in progress		172	111	145	94
Tangible assets	9	**1,443**	**1,423**	**1,034**	**995**
Investments in group enterprises		0	0	999	961
Receivables from group enterprises		0	0	27	5
Other investments		464	454	23	13
Deposits		16	14	9	8
Fixed assets investments	10	**480**	**468**	**1,058**	**987**
Fixed assets		**1,969**	**1,934**	**2,127**	**2,016**
Inventories	11	**1,083**	**1,059**	**707**	**666**
Trade receivables		652	680	415	462
Contract work in progress	12	185	150	184	149
Receivables from group enterprises	13	242	50	436	217
Other receivables		84	69	61	49
Prepayments	14	11	20	10	19
Receivables		**1,174**	**969**	**1,106**	**896**
Cash		**414**	**861**	**165**	**660**
Current assets		**2,671**	**2,889**	**1,978**	**2,222**
Assets		**4,640**	**4,823**	**4,105**	**4,238**

Balance Sheet at December 31

Liabilities and Equity

		Group		Parent Company	
	Note	2010	2009	2010	2009
		DKK mill.	DKK mill.	DKK mill.	DKK mill.
Share capital	15	55	55	55	55
Revaluation reserve		222	222	155	155
Reserve for net revaluation according to the equity method		0	0	395	361
Retained earnings		747	788	419	494
Proposed dividend		100	0	100	0
Equity		**1,124**	**1,065**	**1,124**	**1,065**
Provision for deferred tax	16	312	283	299	253
Other provisions	17	90	77	43	46
Provisions		**402**	**360**	**342**	**299**
Bonds		22	22	22	22
Mortgage debt		120	129	70	76
Credit institutions		1,052	1,227	789	944
Other payables		32	24	7	7
Long-term liabilities	18	**1,226**	**1,402**	**888**	**1,049**
Mortgage debt	18	9	9	6	6
Credit institutions	18	199	146	157	107
Prepayments from customers	19	398	540	365	504
Contract work in progress	12	633	593	628	588
Trade payables		269	287	229	235
Payables to group enterprises		0	0	16	4
Corporate taxes		20	18	42	40
Other payables	20	355	389	304	339
Deferred income		5	14	4	2
Short-term liabilities		**1,888**	**1,996**	**1,751**	**1,825**
Liabilities		**3,114**	**3,398**	**2,639**	**2,874**
Liabilities and equity		**4,640**	**4,823**	**4,105**	**4,238**

Statement of Changes in Equity

	Group				
	Share capital	Re-valuation reserve	Retained earnings	Proposed dividend	Total
	DKK mill.	DKK mill.	DKK mill.	DKK mill.	DKK mill.
Equity at January 1, 2010	55	222	788	0	1,065
Interim dividend			-280		-280
Adjustments relating to separate foreign legal entities			16		16
Fair value adjustment of hedging instruments, beginning of year			7		7
Fair value adjustment of hedging instruments, end of year			8		8
Net profit for the year			208		208
Proposed dividend for the year				100	100
Equity at December 31, 2010	**55**	**222**	**747**	**100**	**1,124**

Statement of Changes in Equity

	Parent Company					
	Share capital	Re-valuation reserve	Reserve under the equity method	Retained earnings	Proposed dividend	Total
	DKK mill.	DKK mill.	DKK mill.	DKK mill.	DKK mill.	DKK mill.
Equity at January 1, 2010	55	155	361	494	0	1,065
Interim dividend				-280		-280
Adjustments relating to separate foreign legal entities			16			16
Fair value adjustment of hedging instruments, beginning of year				7		7
Fair value adjustment of hedging instruments, end of year				8		8
Net profit for the year			18	190		208
Proposed dividend for the year					100	100
Equity at December 31, 2010	**55**	**155**	**395**	**419**	**100**	**1,124**

Cash Flow Statement

	Note	Group 2010 DKK mill.	Group 2009 DKK mill.
Net profit for the year		308	334
Adjustments	27	364	279
Change in working capital	28	-116	-35
Cash flows from operating activities before financial income and expenses		556	578
Interest received etc.		94	169
Interest paid etc.		-130	-140
Cash flows from ordinary activities		520	607
Corporation tax paid or received		-102	-103
Cash flows from operating activities		**418**	**504**
Purchase of intangible assets		-12	-12
Purchase of property, plant and equipment		-210	-201
Investments in financial fixed assets, net		-3	0
Sale of property, plant and equipment		14	23
Cash flow from investing activities		**-211**	**-190**
Raising of long-term loans		0	74
Repayment of long-term loans		-157	-105
Dividend paid to shareholder		-280	-350
Cash flows from financing activities		**-437**	**-381**
Change in cash and cash equivalents		**-230**	**-67**
Cash and cash equivalents at January 1		861	932
Exchange adjustment		8	-4
Cash and cash equivalent at December 31		**639**	**861**
Cash and cash equivalents are specified as follows:			
Cash		414	861
Deposit with the holding company		225	0
Cash and cash equivalent at December 31		**639**	**861**

Notes to the Annual Report of Haldor Topsøe A/S

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1 Segment Information

The Group's activities are in the business segment of providing catalytic processes for integrated solutions to industrial plants. The provision of these integrated solutions comprises fundamental and applied research, reaction engineering, process engineering, mechanical design and production and supply of catalysts. The Group's revenue can be specified as:

	Group	
	2010	2009
	DKK mill.	DKK mill.
Catalyst	3,064	2,867
Technology	1,137	1,390
	4,201	**4,257**

Of the total revenue from sale of products, contract work and license income, 27% (2009: 25%) derives from North America and 73 % (2009: 75%) from rest of the world.

	Group		Parent Company	
	2010	2009	2010	2009
	DKK mill.	DKK mill.	DKK mill.	DKK mill.
2 Staff Expenses				
Wages and salaries	1,026	950	814	761
Pensions	113	109	91	86
Other social security expenses	83	76	49	47
	1,222	**1,135**	**954**	**894**
Capitalisation of work performed on tangible fixed assets	-15	-12	-13	-11
	1,207	**1,123**	**941**	**883**
The above including remuneration to the Management and Board Members of:				
Management	15	16	15	16
Board Members	1	1	1	1
	16	**17**	**16**	**17**
Average number of employees	**2,015**	**2,016**	**1,567**	**1,585**

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		Group		Parent Company	
		2010	2009	2010	2009
		DKK mill.	DKK mill.	DKK mill.	DKK mill.
3	**Depreciation, Amortisation and Impairment Losses of Tangible and Intangible Assets**				
	Patents	6	6	5	4
	Software	3	2	2	2
	Land and buildings	30	27	16	14
	Plant and machinery	111	112	68	71
	Other fixtures and equipment	57	50	43	38
		207	**197**	**134**	**129**

		Parent Company	
		2010	2009
		DKK mill.	DKK mill.
4	**Income from Investments in Group Enterprises**		
	Share of result of group enterprises, net	16	23
	Change in intercompany profit on inventories	2	2
		18	**25**

		Group		Parent Company	
		2010	2009	2010	2009
		DKK mill.	DKK mill.	DKK mill.	DKK mill.
5	**Financial Income**				
	Income from other investments	24	47	1	1
	Interest received from group enterprises	3	0	6	10
	Interest income	5	22	4	19
	Exchange adjustments	60	100	54	96
	Value adjustments of other investments	10	4	10	4
	Other financial income	2	0	0	0
		104	**173**	**75**	**130**

Notes to the Annual Report

6 Financial Expenses

	Group 2010 DKK mill.	Group 2009 DKK mill.	Parent Company 2010 DKK mill.	Parent Company 2009 DKK mill.
Interest paid to group enterprises	0	0	0	2
Interest expenses	45	52	39	45
Exchange adjustments	78	79	62	58
Other financial expenses	7	9	7	8
	130	**140**	**108**	**113**

7 Tax on Profit for the Year

	Group 2010 DKK mill.	Group 2009 DKK mill.	Parent Company 2010 DKK mill.	Parent Company 2009 DKK mill.
Current tax for the year	68	68	47	45
Deferred tax for the year	70	43	82	54
Adjustments to prior years	-2	-2	-2	-2
	136	**109**	**127**	**97**

Notes to the Annual Report

8 Intangible Assets

	Group		
	Patents	Software	Intangible assets in progress
	DKK mill.	DKK mill.	DKK mill.
Cost at January 1, 2010	74	77	8
Additions for the year	10	0	2
Transfers for the year	0	4	-4
Cost at December 31, 2010	84	81	6
Amortisation and impairment losses at January 1, 2010	44	72	0
Amortisation for the year	6	3	0
Amortisation and impairment losses at December 31, 2010	50	75	0
Book value at December 31, 2010	**34**	**6**	**6**

	Parent Company		
	Patents	Software	Intangible assets in progress
	DKK mill.	DKK mill.	DKK mill.
Cost at January 1, 2010	65	75	8
Additions for the year	6	0	2
Transfers for the year	0	4	-4
Cost at December 31, 2010	71	79	6
Amortisation and impairment losses at January 1, 2010	42	72	0
Amortisation for the year	5	2	0
Amortisation and impairment losses at December 31, 2010	47	74	0
Book value at December 31, 2010	**24**	**5**	**6**

Notes to the Annual Report

	Group			
	Land and buildings	Plant and machinery	Other fixtures and equipment	Tangible assets in progress
	DKK mill.	DKK mill.	DKK mill.	DKK mill.
9 Tangible Assets				
Cost at January 1, 2010	809	1,873	469	111
Rate of exchange adjustment	8	45	2	1
Additions for the year	0	1	4	205
Disposals for the year	-10	-28	-10	0
Transfers for the year	25	72	48	-145
Cost at December 31, 2010	832	1,963	513	172
Revaluation at January 1, 2010	305	8	0	0
Rate of exchange adjustment	9	0	0	0
Revaluation at December 31, 2010	314	8	0	0
Depreciation and impairment losses at January 1, 2010	396	1,427	329	0
Rate of exchange adjustment	5	38	1	0
Impairment loss for the year	0	9	0	0
Depreciation for the year	30	102	57	0
Reversal of depreciation on sold and scrapped assets	-1	-28	-6	0
Depreciation and impairment losses at December 31, 2010	430	1,548	381	0
Book value at December 31, 2010	**716**	**423**	**132**	**172**
Book value at December 31, 2010 without revaluation	456	423	132	172

No interest has been recognised in cost in 2009 or 2010.

Notes to the Annual Report

	Parent Company			
	Land and buildings	Plant and machinery	Other fixtures and equipment	Tangible assets in progress
	DKK mill.	DKK mill.	DKK mill.	DKK mill.
9 Tangible Assets (continued)				
Cost at January 1, 2010	540	1,297	394	94
Additions for the year	0	0	0	179
Disposals for the year	-10	-28	-7	0
Transfers for the year	22	65	41	-128
Cost at December 31, 2010	552	1,334	428	145
Revaluation at January 1, 2010	198	8	0	0
Revaluation at December 31, 2010	198	8	0	0
Depreciation and impairment losses at January 1, 2010	300	947	289	0
Impairment loss for the year	0	9	0	
Depreciation for the year	16	59	43	0
Reversal of depreciation on sold and scrapped assets	0	-28	-4	0
Depreciation and impairment losses at December 31, 2010	316	987	328	0
Book value at December 31, 2010	**434**	**355**	**100**	**145**
Book value at December 31, 2010 without revaluation	290	355	100	145

No interest has been recognised in cost in 2009 or 2010.

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10 Fixed Asset Investment

	Group	
	Other investments	Deposits
	DKK mill.	DKK mill.
Cost at January 1, 2010	122	14
Additions for the year	1	2
Disposals for the year	0	0
Cost at December 31, 2010	123	16
Value adjustment at January 1, 2010	332	0
Value adjustment for the year	9	0
Value adjustment at December 31, 2010	341	0
Book value at December 31, 2010	**464**	**16**

	Parent Company	
	Other investments	Deposits
	DKK mill.	DKK mill.
Cost at January 1, 2010	7	8
Additions for the year	1	1
Cost at December 31, 2010	8	9
Value adjustment at January 1, 2010	6	0
Value adjustment for the year	9	0
Value adjustment at December 31, 2010	15	0
Book value at December 31, 2010	**23**	**9**

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10 Fixed Asset Investment (continued)

Karnaphuli Fertilizer Limited, Bangladesh (KAFCO)
The Haldor Topsøe Group has a shareholding in KAFCO of nominal BDT 692 million, which equals 15.01% of the shares in KAFCO. The shares have been valuated to an estimated market value founded on a discounted cash flow calculation based on the present budgets and forecasts for KAFCO.

Chambal Fertilizer and Chemicals Ltd., India.
The Group also has an investment in Chambal Fertilizer and Chemicals Ltd., India, corresponding to 0.5% of the share capital. The investment is valued at the quoted market value of the equity participation.

	Parent Company	
	Investments in group enterprises	Receivables from group enterprises
	DKK mill.	DKK mill.
Cost at January 1, 2010	600	5
Additions for the year	3	25
Disposals for the year	0	-4
Cost at December 31, 2010	603	26
Revaluations at January 1, 2010	361	0
Exchange adjustment	28	1
Net profit/(loss) for the year	18	0
Other adjustments	-11	0
Revaluations at December 31, 2010	396	1
Book value at December 31, 2010	**999**	**27**

Investments in group enterprises are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Haldor Topsoe, Inc.	Houston, USA	TUSD 5,000	100%
Topsoe Fuel Cell A/S	Lyngby, Denmark	TDKK 30,000	100%
SAICA ApS	Lyngby, Denmark	TDKK 1,000	100%
ZAO Haldor Topsøe	Moscow, Russia	TRUB 3,500	100%
Haldor Topsøe International A/S	Lyngby, Denmark	TDKK 500	100%
Haldor Topsoe (Beijing) Co., Ltd	Beijing, China	TCNY 3,993	100%

All foreign group enterprises are recognised and measured as separate entities.

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		Group		Parent Company	
		2010	2009	2010	2009
		DKK mill.	DKK mill.	DKK mill.	DKK mill.
11	**Inventories**				
	Raw materials and consumables	176	218	95	96
	Intermediate products	154	111	79	59
	Finished goods	753	730	533	511
		1,083	**1,059**	**707**	**666**

		Group		Parent Company	
		2010	2009	2010	2009
		DKK mill.	DKK mill.	DKK mill.	DKK mill.
12	**Contract Work in Progress**				
	Selling price of work performed	3,770	3,923	3,649	3,816
	Payments received on account	-4,218	-4,366	-4,093	-4,255
	Contract work in progress, net	**-448**	**-443**	**-444**	**-439**
	Recognised in the balance sheet as follows:				
	Contract work in progress recognised in assets	185	150	184	149
	Contract work in progress recognised in liabilities	-633	-593	-628	-588
		-448	**-443**	**-444**	**-439**

		Group		Parent Company	
		2010	2009	2010	2009
		DKK mill.	DKK mill.	DKK mill.	DKK mill.
13	**Receivables from Group Enterprises**				
	Deposit with the holding company	225	0	225	0
	Other receivables	17	50	211	217
		242	**50**	**436**	**217**

Deposit with the holding company is as part of a cash-pooling arrangement.

14 Prepayments

Prepayments mainly consist of prepaid property tax and rent.

Notes to the Annual Report

15 Share Capital

The share capital consists of 55,000 shares of a nominal value of DKK 1,000. No shares carry any special right.

	2010	2009
	Number	Number
Shares of a nominal value of DKK 55.000.000	55,000	55,000

The following shareholder is recorded in the Parent Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Haldor Topsøe Holding A/S, Lyngby, Denmark

	Group		Parent Company	
	2010	2009	2010	2009
	DKK mill.	DKK mill.	DKK mill.	DKK mill.
16 Provision for Deferred Tax				
Tangible and intangible assets	21	69	-28	10
Inventories	-29	-34	-29	-31
Work in progress	308	254	307	254
Provisions	-34	-25	-10	-10
Other	46	19	59	30
	312	**283**	**299**	**253**
Recognised in the balance sheet as follows:				
Provision for deferred tax	312	283	299	253
	312	**283**	**299**	**253**

	Group		Parent Company	
	2010	2009	2010	2009
	DKK mill.	DKK mill.	DKK mill.	DKK mill.
17 Other Provisions				
Warranties	31	29	31	29
Pension liabilities	42	27	0	0
Other provisions	17	21	12	17
	90	**77**	**43**	**46**

Times of maturity for the major part of provisions are expected to be after 1 year.

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	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
	DKK mill.	DKK mill.	DKK mill.	DKK mill.
18 Long-term Liabilities				
Bonds				
After 5 years	0	18	0	18
Between 1 and 5 years	22	4	22	4
Long-term part	22	22	22	22
Short-term part	0	0	0	0
	22	**22**	**22**	**22**
Mortgage Debt				
After 5 years	83	93	43	50
Between 1 and 5 years	37	36	27	26
Long-term part	120	129	70	76
Short-term part	9	9	6	6
	129	**138**	**76**	**82**
Credit Institutions				
After 5 years	159	443	159	316
Between 1 and 5 years	893	784	630	628
Long-term part	1,052	1,227	789	944
Short-term part	199	146	157	107
	1,251	**1,373**	**946**	**1,051**
Other Payables				
After 5 years	7	7	7	7
Between 1 and 5 years	25	17	0	0
Long-term part	32	24	7	7
Short-term debt	0	0	0	0
	32	**24**	**7**	**7**

Other payables consist of derivatives.

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		Group		Parent Company	
		2010	2009	2010	2009
		DKK mill.	DKK mill.	DKK mill.	DKK mill.
19	**Prepayments from Customers**				
	Prepayments related to license agreements	224	265	224	265
	Prepayments related to sale of goods	174	275	141	239
		398	**540**	**365**	**504**

		Group		Parent Company	
		2010	2009	2010	2009
		DKK mill.	DKK mill.	DKK mill.	DKK mill.
20	**Other Payables**				
	Staff related	220	201	189	179
	Tax related	52	49	53	50
	Derivatives	0	6	1	6
	Other	83	133	61	104
		355	**389**	**304**	**339**

21 Assets Pledged

For the Group fixed assets (land and buildings) with a book value amounting to DKK 435 million (2009: 446 million) have been pledged. For the Parent Company, this amount is DKK 306 million (2009: DKK 310 million). The remaining balance of the loans secured by fixed assets as of December 31, 2010 was DKK 248 million (2009: DKK 268 million) for the group. For the Parent Company, this amounts to DKK 195 million (2009: DKK 213 million). Fixed assets are pledged by means of real estate mortgage deeds and owners' mortgage deeds. The nominel values hereof are DKK 423 million (2009: DKK 533 million) for the group and DKK 367 million (2009: DKK 477 million) for the parent company.

Furthermore all assets of Haldor Topsoe Inc. have been pleged as security for loan amounting to DKK 305 million (2009: DKK 321 million).

Assets are pledged as security for long-term loans including mortgage loans. However, in case of other debt to the pledgee, the pledged asset(s) may - until release thereof - serve as security for any present or future obligation, that we may have towards such a pledgee.

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22 Guarantees

The outstanding balance as of December 31, 2010 for guarantees given by banks and credit insurance institutions on the Group's behalf for contract work etc. amounts to DKK 682 million (2009: DKK 740 million). Other guarantees given by banks on the Group's behalf amounts to DKK 829 million (2009: DKK 948 million), being guarantees for long-term loans from the European Investment Bank. Total of bank/insurance guarantees given on the Group's behalf amounts to DKK 1,511 million (2009: DKK 1,688 million).

The Parent Company has issued parent company guarantees for DKK 94 million (2009: DKK 56 million) for certain obligations in subsidiaries.

The outstanding balance as of December 31, 2010 for bank guarantees received by the Group from suppliers for contract work etc. amounts to DKK 130 million (2009: DKK 100 million).

The outstanding balance as of December 31, 2010 for letters of credit issued in favour of the Group as security for payment under various supply contracts amounts to DKK 539 million (2009: DKK 583 million).

23 Contractual Obligations

At December 31, 2010 the Group had entered into a number of leasing and rental agreements relating to premises and equipment etc. The total lease and rental payments during the non-cancellable periods, which in some cases extend to 2018, amount to DKK 235 million (2009: DKK 256 million). For the Parent Company it amounts to DKK 214 million (2009: DKK 230 million).

	Group		**Parent Company**	
	2010	2009	2010	2009
	DKK mill.	DKK mill.	DKK mill.	DKK mill.
Less than 1 year	49	47	38	36
Between 1 and 5 years	134	132	124	118
After 5 years	52	77	52	76
	235	**256**	**214**	**230**

	Group		**Parent Company**	
	2010	2009	2010	2009
	DKK mill.	DKK mill.	DKK mill.	DKK mill.
24 Fee to Auditors Appointed at the General Meeting				
Statutory audit fee	2	2	1	1
Other assurance statements	1	1	0	0
Tax assistance	1	1	1	1
Other assistance	0	1	0	1
	4	**5**	**2**	**3**

Notes to the Annual Report

25 Related Parties

	Basis
Significant Interest	
Dr. Haldor Topsøe, Vedbæk, Denmark	Chairman of Board
Haldor Topsøe Holding A/S, Lyngby, Denmark	Shareholder
Other Interest	
Mr. Oluf Engell, Skodsborg, Denmark	Member of Board, Lawyer

There have been no transactions carried out with the board, management, key management personnel, shareholders, group enterprises or other related parties, which has not been under normal market conditions.

Internal transactions within the Group have been eliminated in the group accounts.

26 Consolidated Accounts

Haldor Topsøe Holding A/S prepares consolidated accounts in which the Company and its group enterprises are a part.

27 Cash Flow Statement - Adjustments

	Group 2010	Group 2009
	DKK mill.	DKK mill.
Financial income	-104	-173
Financial expenses	130	140
Depreciation, amortisation and impairment losses, including losses and gains on sales of fixed assets	207	197
Tax on profit for the year	136	109
Other adjustments	-5	6
	364	**279**

28 Cash Flow Statement - Change in Working Capital

	Group 2010	Group 2009
	DKK mill.	DKK mill.
Change in inventories	9	42
Change in receivables	25	167
Change in contract billings	-72	-103
Change in suppliers, etc.	-78	-141
	-116	**-35**