



ANNUAL REPORT 2005/06

GLUNZ & JENSEN

GLUNZ & JENSEN 

THINK NEW - GO FURTHER



# YOU

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## TO THE SHAREHOLDERS



For the past year, Glunz & Jensen has made considerable progress within its three strategic focus areas: The cost structure has been optimised, the position as market leader within CtP plate processors has been maintained, and new business opportunities have been created.

In order to maintain a competitive cost structure, we have continued developing the production unit in Slovakia, which was opened in April 2005. Since then, the production at the factory has increased markedly, and productivity has improved considerably. The positive experiences from Slovakia contributed to our decision to close down the factory in Thetford, England. The relocation of the production from England to Slovakia is progressing according to plans, and the factory in England will be completely closed down by the end of 2006. In the coming year, we expect to move considerable parts of the remaining production from Denmark and, by the end of 2006/07, we thus expect the factory in Slovakia to be the production centre of all CtP plate processors and plateline products.

In Glunz & Jensen's most important business area, CtP plate processors, we succeeded in increasing sales by 10% measured on the number of products. Hence, we have by and large maintained the high level of revenue generated in 2004/05. We estimate that, over the past year, we have increased our market share to more than 50%. This was achieved in spite of fierce competition in the market for CtP plate processors. The number of products from Asian suppliers is increasing. At the same time, one of Glunz & Jensen's large customers has chosen to increase its own production of CtP plate processors. Furthermore, the slide towards cheaper products for small printing firms continues. Due to the development in markets and technology, we expect that revenue from our CtP plate processors will be put under pressure in the coming years.

For a period, Glunz & Jensen has experienced positive business opportunities for plateline equipment but, for the past year, this market has changed significantly. Technological developments combined with consolidation in the industry has led to a fall in the demand for ovens for "baking" printing plates, and Glunz & Jensen's revenue from these products has decreased significantly. At the same time, the competitive situation for the stackers product group has intensified, resulting in an increasing supply of products at greatly reduced prices. Accordingly, this business area is no longer so attractive that it deserves separate strategic focus.

The efforts to create new business opportunities have primarily materialised in the acquisition of K&F International, Inc. (K&F) in the USA in January 2006 and the further development of the inkjet CtP technology.

With the acquisition of K&F, Glunz & Jensen has entered the market for punch & bend equipment for offset printing plates. This equipment is used naturally in addition to the CtP plate processors used by newspaper printing houses and large commercial printing houses. The integration of K&F in Glunz & Jensen is proceeding as scheduled, and the new business area is expected to contribute considerably to the revenue in the coming financial year.

Having successfully tested the internally developed inkjet CtP technology in the American market in the autumn of 2005, we were able to initiate sales in the USA from the beginning of the third quarter of 2005/06. This was done at a controlled pace to be able to simultaneously build the required service and support organisation. The product was well received on the American market, and testing and optimisation of the technology for the European market were initiated in June 2006 and are expected to be completed in Q2 or Q3, subsequent to which sales are expected to start. This technology is aimed at small printing firms, where traditional CtP solutions are still expensive. The inkjet CtP technology is a new and different technology with many challenges. We expect positive opportunities for developing the inkjet CtP technology and the market for this type of products even further and, accordingly, we continue our efforts within this area.

In 2006/07, we intend to maintain the present strategic line. We will continue to focus on optimising the cost structure through increased production in Slovakia etc. At the same time, we want to maintain and expand our close cooperation with our OEM customers – a precondition for maintaining our market-leading position within CtP plate processors and ensuring sales of broader solutions. At the same time, it is very important to develop new business areas, including punch & bend and iCtP, which may contribute to ensuring future growth and earnings and to identify and develop new business areas.

Board of Directors and Management

## FINANCIAL HIGHLIGHTS



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DKKm	2001/02	2002/03	2003/04	2004/05	2005/06	EURm 2005/06 <sup>1)</sup>
<b>Income statement</b>						
Revenue	689.4	683.5	616.6	505.7	<b>484.4</b>	65.0
Gross profit	238.0	223.8	200.3	122.1	<b>118.9</b>	15.9
Operating profit before special items (EBITA)	50.3	43.0	37.0	35.0	<b>32.8</b>	4.4
Special items	-	-	-	-	<b>(17.9)</b>	(2.4)
Amortisation of goodwill	(11.3)	(12.5)	(8.7)	-	-	-
Impairment of goodwill	-	(92.1)	-	(16.7)	-	-
Operating profit/(loss) (EBIT)	39.0	(61.7)	28.3	18.3	<b>14.9</b>	2.0
Net financials	(10.5)	(12.2)	(10.0)	(1.7)	<b>(2.3)</b>	(0.3)
Net profit/(loss) of continuing activities	16.4	(79.8)	10.6	9.0	<b>8.2</b>	1.1
Net profit/(loss) for the year from discontinued activities	-	-	-	(4.8)	-	-
Net profit/(loss) for the year	16.4	(79.8)	10.6	4.2	<b>8.2</b>	1.1
<b>Balance sheet</b>						
Assets:						
Goodwill	165.1	97.0	89.8	25.7	<b>41.7</b>	5.6
Other non-current assets	155.5	138.9	124.0	113.1	<b>111.0</b>	14.9
Current assets	241.1	229.4	191.4	147.7	<b>180.5</b>	24.2
Total assets	561.7	465.3	405.2	286.5	<b>333.2</b>	44.7
Equity and liabilities:						
Equity	253.1	140.8	154.7	157.0	<b>160.5</b>	21.5
Minority interests	3.1	-	-	-	-	-
Provisions	12.1	7.2	5.5	-	-	-
Long-term liabilities	15.9	12.6	12.2	13.7	<b>12.8</b>	1.7
Short-term liabilities	277.5	304.7	232.8	115.8	<b>159.9</b>	21.5
Total equity and liabilities	561.7	465.3	405.2	286.5	<b>333.2</b>	44.7
<b>Cash flow</b>						
Cash flow from operating activities	38.5	75.1	58.0	29.1	<b>23.8</b>	3.1
Cash flow from investing activities <sup>2)</sup>	(58.3)	(58.0)	(13.5)	67.1	<b>(21.7)</b>	(2.9)
Cash flow from financing activities	8.7	7.4	(64.9)	(100.3)	<b>5.6</b>	0.8
Changes in cash and cash equivalents	(11.1)	24.5	(20.4)	(4.1)	<b>7.7</b>	1.0
<sup>2)</sup> of which net investment in property, plant and equipment	(4.4)	(3.8)	(0.6)	(19.9)	<b>(7.3)</b>	(1.0)
<b>Ratios (%)</b>						
Operating margin (EBITA)	7.3	6.3	6.0	6.9	<b>6.8</b>	6.8
Return on assets	9.1	8.7	9.0	10.4	<b>10.9</b>	10.9
Return on equity after tax	6.6	(40.3)	7.2	2.7	<b>5.2</b>	5.2
Equity ratio	44.9	30.3	38.2	54.8	<b>48.2</b>	48.2
<b>Other information</b>						
Net interest-bearing debt	199.9	192.5	146.9	49.1	<b>64.5</b>	8.6
Interest cover (EBITA)	4.3	4.4	5.1	9.2	<b>10.9</b>	10.9
Earnings per share (EPS)	7.3	(36.8)	5.1	2.0	<b>3.9</b>	0.5
Earnings per share, diluted (EPS-D)	-	-	-	2.0	<b>3.8</b>	0.5
Cash flow per share (CFPS)	17.3	34.6	27.7	13.9	<b>11.4</b>	1.5
Book value per share (BVPS)	113.3	67.3	74.0	75.0	<b>76.7</b>	10.3
Market price per share	115	75	39	83	<b>85</b>	11.3
Average number of shares (1,000 shares)	2,234	2,168	2,093	2,093	<b>2,093</b>	2,093
Dividend per share	0.0	0.0	0.0	2.0	<b>2.0</b>	0.3
Average number of employees	415	405	371	291	<b>333</b>	333

The financial highlights and ratios for 2004/05 and 2005/06 were prepared in accordance with IFRS, cf. the section on "Changes in accounting policies" on page 24. Comparative figures for 2001/02-2003/04 have not been restated according to the change in accounting policies, but have been calculated in accordance with the accounting policies applied so far and based on the provisions in the Annual Accounts Act and Danish accounting standards.

Earnings per share (EPS) and diluted earnings per share (EPS-D) have been calculated in accordance with IAS 33 (note 12). Other ratios have been calculated in accordance with "Recommendations and Ratios 2005" issued by the Danish Society of Financial Analysts. Reference is made to definitions under accounting policies.

Under financial highlights and ratios and in the management's review, "Operating profit/(loss) before special items" is referred to as EBITA.

<sup>1)</sup> Translated from DKK to EUR at a rate of 745.78.

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## SUMMARY



**In 2005/06, Glunz & Jensen continued the optimisation process** in the company and, at the same time, focused on creating new business opportunities.

**An increasing share of the former Danish production has been relocated to the factory in Slovakia**, and the relocation of the production from the factory in England is in progress.

**In 2005/06, Glunz & Jensen continued its efforts to develop the inkjet CtP technology**, which by means of inkjet creates pictures and text directly on aluminium printing plates which do not require processing before being used on the printing press. The system has been tested by a range of customers in the USA, and sales were initiated in the third quarter of the 2005/06 financial year.

**In January 2006, as part of the strategy to develop new activities and business areas, Glunz & Jensen acquired** the American company K&F International, Inc., which primarily manufactures punch & bend equipment for the preparation of printing plates before they are used on the printing press.

**Total revenue in 2005/06 was DKK 484.4 million** against DKK 505.7 million last year. The fall in revenue is primarily attributable to a fall in revenue from conventional developers and other prepress equipment.

**The operating profit before special items (EBITA) totalled DKK 32.8 million against DKK 35.0 million** the year before. This profit is in line with the most recently published expectations (just above DKK 30 million, cf. the stock exchange announcement of 23 March 2006) and higher than expected at the beginning of the financial year.

**Net profit for the year was DKK 8.2 million against DKK 4.2 million in 2004/05.** The net profit for the year was negatively affected by special items following the decision to close down Glunz & Jensen's production in England. In 2005/06, these items totalled DKK 17.9 million (2004/05: DKK 0.0 million).

**Cash flows from operating activities were DKK 23.8 million** against DKK 29.1 million last year.

**Net interest-bearing debt increased by DKK 15.4 million to DKK 64.5 million.**

**Solvency fell from 55% at the end of the previous financial year to 48%.**

**The Board of Directors recommends that a dividend of DKK 2 per share** be paid for the 2005/06 financial year (2004/05: DKK 2).

**For the 2006/07 financial year, revenue is expected to be in line with 2005/06, when revenue totalled DKK 485 million.** Sales of punch & bend equipment from Glunz & Jensen K&F will be included by 12 months in 2006/07, against approx. four months in 2005/06. However, this increase is reduced by expectations of lower demand for CtP plate processors and plateline equipment. EBITA is expected to total DKK 15-20 million, including a considerable loss resulting from the investment in the two new product areas. To this should be added a positive effect on the profit or loss for the year in terms of special items of approx. DKK 8 million.



## MANAGEMENT REVIEW

Material technological and market changes continue to take place within Glunz & Jensen's business areas. These changes have a significant impact on the company's business opportunities and, accordingly, require continued optimisation of the cost structure in order to develop new business opportunities.

The past few years have been characterised by the transition to CtP technology, where Glunz & Jensen has succeeded in establishing a leading market position. New technologies are now being developed within the prepress industry in the form of, for example, chemical-free processing of printing plates and printing plates that do not require processing. The challenge for the future period will be to maintain an attractive position in the prepress industry while demand for Glunz & Jensen's main products, CtP plate processors, is expected to gradually decline in step with the penetration of the process-less plate technology.

In 2005/06, Glunz & Jensen continued the optimisation process in the company and, at the same time, focused on creating new business opportunities. For the past year, the optimisation process included a material increase in the production in Slovakia and the closing-down of the production in England, which is expected to be completed by the end of 2006. In 2005/06, development resources were, in particular, used to develop the inkjet CtP technology, which is expected to become a new and important business area for Glunz & Jensen. At the beginning of 2006, Glunz & Jensen acquired the American company K&F International, Inc., the main product of which is automatic punch & bend equipment used by newspaper printing houses and large commercial printing houses to process printing plates before they are used on the printing press. With the acquisition, Glunz & Jensen expanded its product mix to cover several links in the prepress chain.

The strategy, the purpose of which is to ensure long-term growth and satisfactory earnings in Glunz & Jensen, still covers three main elements.

**The first element is to obtain and maintain a competitive cost structure.** Optimisation of the cost structure is a precondition for running a successful company supplying prepress hardware to the graphic market where the purchasing power is concentrated on a very few but large global players and where competition from local players and players based in low-cost countries is intense. General cost reductions, the setting-up of business in Slovakia and the decision to discontinue the production in England are major factors in the optimisation of Glunz & Jensen. For the coming period, it is expected that the closing-down of the production in England, the relocation of further production from Denmark to Slovakia and continued optimisation of the company's portfolio of subsuppliers will ensure further adjustment of the cost structure.



**The second element is to maintain Glunz & Jensen's leading position in the market for CtP processors.** This must be done in the high-end as well as the medium segment by adjusting the CtP products to the OEM customers' new needs and by continuing cooperation with the OEM customers to increase integration and communication between the products included in the prepress chain. Over a considerable number of years, Glunz & Jensen has built a very strong position with the important players in the CtP market, a position which will form a good basis for optimising and maintaining the leading position in the market for CtP processors in the coming period. Glunz & Jensen has a market share of more than 50% in this area. The most important markets for the CtP products are Europe and the USA, whereas the market position in Asia/the Pacific is less dominant.

**The third element is the creation of new business opportunities.** Due to the high market share achieved by Glunz & Jensen in its core areas, it is difficult to generate growth in the existing product segments in the long term. At the same time, it is expected that the gradually increasing use of process-less printing plates will reduce the demand for Glunz & Jensen's plate processing products. Accordingly, the company needs to create new business opportunities. The development of the inkjet CtP technology and the acquisition of K&F are results of this strategy, and it is expected that further measures, possibly including further acquisitions, will ensure future growth potential. The aim is to ensure participation in business areas in which Glunz & Jensen can establish a foundation for long-term growth and earnings based on the existing business and competences.

### Development trends in Glunz & Jensen's markets

A number of factors materially affect the market conditions in Glunz & Jensen's business area. These include, among other factors, the work level in the graphic industry, technological development, competition and changes in the market structure.

For the past year, the graphic industry has continued its progress with favourable market conditions for suppliers in the area. This progress can be attributed to economic growth but also to the trend towards shorter lifetimes for printed products and fast obsolescence of information. This trend results in more frequent updates of printed matter and the preparation of new, printed matter and, accordingly, an increased need for prepress work and printing. At the same time, the stepped-up use of more advanced technology and the setting up of a range of new markets in Eastern Europe and Asia contributed to raising demand for prepress hardware.

In terms of technology, the past few years have been influenced by the transition to CtP systems and thereby the use of CtP-based plate



## iCtP well received by customers

Following a test period with a number of American customers, Glunz & Jensen began the sale of the iCtP product, PlateWriter 4200, in the beginning of the calendar year 2006.

After having tested and then bought the inkjet technology, American graphic arts company Piedmont Press & Graphics says:

"Previously we used the film technology, and we were planning to switch to the CtP technology, as our company had grown in size over the years and at the same time wanted to cut costs. When we heard about Glunz & Jensen's new iCtP product, we showed our interest and became Glunz & Jensen's first test customer.

We have had really good experiences with iCtP. The quality of our products has improved significantly with the PlateWriter 4200, and it turned out that we could use the plate setter for almost any type of jobs.

At the same time, we were able to completely avoid the chemicals from the film and plate processors. As we are an environmentally conscious company, this is important to us. Last but not least, we have achieved considerable cost reductions."

processors. During the first phase, the large printing houses converted to CtP systems, but the past years have seen growth in, particularly, the medium segment following the development of digital and computer-based prepress products adapted for this segment. At the same time, the market for new products has been climbing, as new technologies have matured, and products can now be offered at more attractive prices.

Many of the graphic companies in the high-end and medium segments in Europe have now switched to the CtP technology. Accordingly, the coming years are expected to see declining demand for CtP plate processors in these markets.

In the USA, we still expect growth in the medium segment, whereas stagnation is expected in the high-end segment, with the exception, however, of the newspaper segment, which is still expected to generate growth. In Eastern Europe and Asia, the demand for CtP plate processors is expected to increase for both the high-end and medium segments, especially due to the high economic growth in these regions, a considerable need for new technology in step with the development of the graphic industry and the relocation of production facilities from the more mature markets to low-cost countries. However, the competition in these markets from a number of local suppliers of equipment to the graphic industry is fierce.

Constant attempts are made at developing new and more efficient technologies. Chemical-free CtP systems were launched in earnest at the Drupa fair in 2004, and Glunz & Jensen has developed a chemical-free plate processor in cooperation with the leading player in this area. The technology has been streamlined and tested, and the demand for chemical-free CtP technology has exceeded expectations.

The development of plates that do not require processing (the processing-free technology) is equally speeding up, and this technology is now offered by some of the large plate manufacturers. The technology is expected to gradually penetrate the medium segment with a subsequent lower demand for CtP plate processors.

The prepress business is constantly consolidating. Large companies are becoming more and more dominant, covering an ever greater share of the chain of equipment included in the prepress process. Together with the vast number of suppliers, this development has contributed to increasing the pressure on prices. The competition and the price pressure among suppliers of equipment to the graphic industry are expected to continue, and earnings will generally be put under pressure.



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## Product development and new products

The aim of Glunz & Jensen's product development is to be a total supplier within processing products and to be a leading supplier of products for the graphic industry in other selected areas. Glunz & Jensen has traditionally set the technological standards in its product areas and, with a view to maintaining its strong market position, Glunz & Jensen regularly seeks to meet the customers' demands and read and adjust to important market trends.

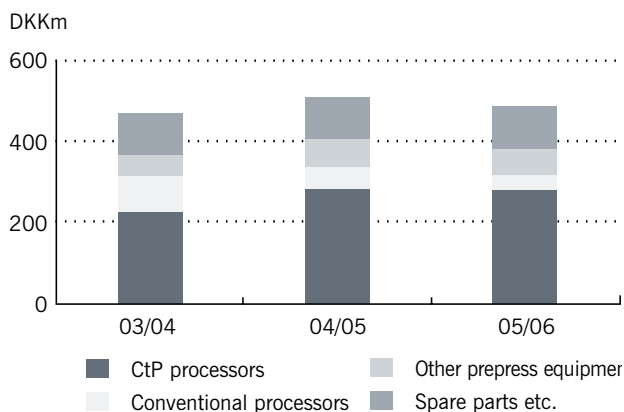
In 2005/06, the focus was primarily on developing the inkjet CtP technology further and initiating sales of the new product, PlateWriter 4200. Using the inkjet CtP technology, it is possible to create text and pictures directly on aluminium printing plates which do not require processing before use on the printing press. The new technology is primarily intended for minor printing firms and is particularly suitable for minor productions. The inkjet CtP technology generates lower costs, larger flexibility and a simpler workflow than the technologies presently used by these printing firms. In 2005/06, the iCtP product was tested by a number of test customers in the USA, and the test was completed in the third quarter. Sales have subsequently been initiated in the USA,

and the customer base is expanded concurrently with the establishment of customer service facilities and the consumables delivery chain. Testing and optimisation of the technology for the European market were initiated in June 2006 and are expected to be completed in Q2 or Q3, subsequent to which sales are expected to start. The inkjet technology will be subject to constant development.

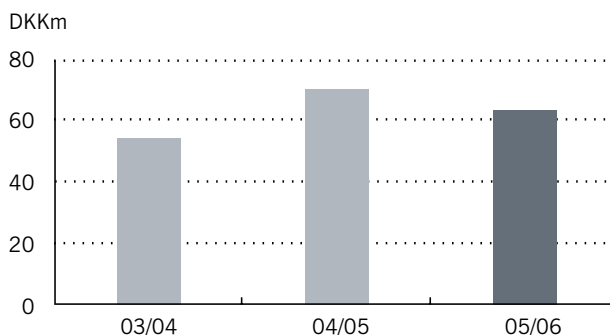
Glunz & Jensen constantly strives to make technological improvements and product updates for the company's CtP product programme. It is important for Glunz & Jensen to always be at the leading edge of technological developments in terms of CtP plates and supply equipment that meets market demands, within traditional CtP plate processors as well as processor solutions for chemical-free plates. Furthermore, efforts have been made during the financial year to prepare products and product documentation for the relocation of production facilities from England to Slovakia.

An important part of Glunz & Jensen's product strategy is to be able to offer integrated solutions to customers. As a result of the company's close relations with platesetter manufacturers, it has been possible to develop system solutions that enable customers to monitor and operate

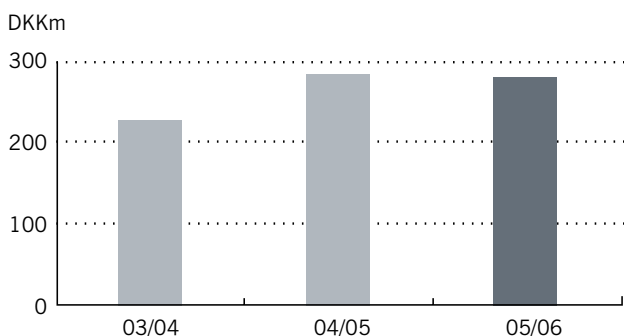
### Revenue divided on products



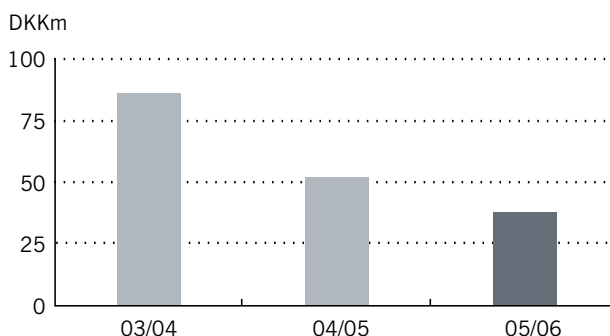
### Revenue, other prepress equipment



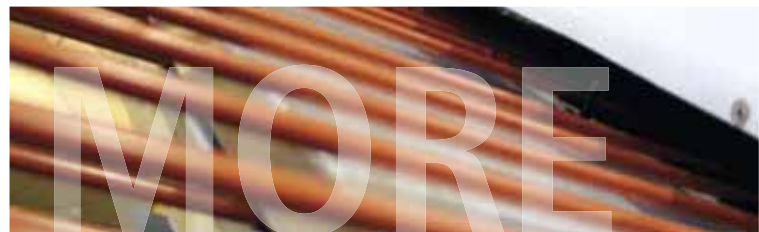
### Revenue, CtP processors



### Revenue, conventional processors







all units in the CtP systems from a master unit. The products are also integrated in terms of design and appear as one system.

## Optimisation of production

The transition to CtP technology and intensive competition within Glunz & Jensen's business areas have created a constant pressure on prices and, accordingly, a need for optimisation and streamlining of Glunz & Jensen's products to ensure satisfactory profitability.

Over the past few years, a number of activities have been initiated for the purpose of optimising production. In the spring of 2005, a production site was set up in Slovakia and, initially, the production of a range of Raptor products was transferred to the factory. The relocation of the production facilities went smoothly and, at the end of 2005, all Raptor products were manufactured in Slovakia.

Based on the successful start-up of the factory in Slovakia and decreasing sales of English products, it was decided in August 2005 to discontinue the activities at the factory in England and relocate production to the factory in Slovakia. The first product from the factory in England was relocated to the factory in Slovakia in the autumn of 2005, and since then other products have followed. The production in England is expected to be fully closed down by the end of 2006.

At the end of the financial year, 28% of Glunz & Jensen's total production was manufactured in Slovakia.

The relocation of the production to Slovakia resulted in a reduction of unit costs. Further reductions are expected in the period until 2008, when the relocation of the production facilities from Denmark and England is expected to be completed.

Glunz & Jensen has set up a network of suppliers outside Denmark. This network is assessed regularly with a goal of minimising unit costs for individual products. In connection with the increase in production in Slovakia, it has become even more attractive to use suppliers from Central and Eastern Europe.

## Acquisition of K&F International, Inc.

In January 2006, Glunz & Jensen acquired all shares in the company K&F International, Inc., Indiana, USA, for an enterprise value of USD 2.9 million.

The acquisition formed part of Glunz & Jensen's strategy of setting up new activities and business areas to supplement and create synergy



## Glunz & Jensen moves into new product area

In January 2006, Glunz & Jensen acquired the American company K&F International, Inc., now Glunz & Jensen K&F, Inc. The company's main product is automatic punch & bend equipment used mainly by newspaper printing houses and large commercial printing houses to process printing plates before they are used on the printing press.

In connection with the punch & bend process, the plates are bent and punched, which ensures that the plates can be placed accurately on the printing roller. This process is needed regardless of the type of plates being used, and the business area is therefore expected to be comparatively insensitive to the development of the process-less plate technology.

Glunz & Jensen K&F is located in Indiana and has approximately 70 employees. The organisation has its own production facilities, development department and sales and support department.



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in relation to the company's core business. K&F's most important product is automatic punch & bend equipment, which is primarily used in newspaper printing houses to process printing plates before they are used on the printing press. Punch & bend equipment is typically used in addition to CtP plate processors and is, accordingly, the next link in the prepress chain after Glunz & Jensen's most important product. Therefore, there is a very large degree of overlap between K&F's customers and Glunz & Jensen's end users. The punch & bend process is a precondition for the use of printing plates and is therefore expected to be comparatively insensitive in relation to the technological development towards process-less plate technology. Owing to the acquisition, Glunz & Jensen has expanded its product range to include several links in the prepress chain, and K&F is expected to strengthen its position and stand out as an even more attractive supplier for the graphic industry, including in particular the newspaper printing houses. The North American newspaper printing houses are in the process of converting to CtP technology and, with the acquisition of K&F, Glunz & Jensen will be able to offer broader solutions to this group of customers.

After the acquisition, a process has been initiated in which Glunz & Jensen regularly provides K&F with a range of supplementary competences within, for example, the optimisation of production and logistics. At the same time, K&F's products are being marketed more actively. So far, K&F has primarily focused on the US market. Via Glunz & Jensen's relations with a wide range of large OEM customers, it is expected that K&F's products can be marketed more efficiently in the USA, and the possibility of establishing a positive position in non-US markets is estimated to be good. The company name has been changed to Glunz & Jensen K&F, Inc., and the integration with the rest of the Glunz & Jensen group is proceeding according to plan. In the period after the takeover, revenue in the acquired company was approx. DKK 15 million.

## Development in revenue and results

In 2005/06, revenue totalled DKK 484.4 million against DKK 505.7 million in 2004/05. The fall in revenue is primarily attributable to decreasing sales of conventional processors and other prepress equipment.

Revenue is divided into four groups: CtP processors, other prepress equipment, conventional processors (film and conventional plate processors) and spare parts etc.

Revenue from CtP processors totalled DKK 277.8 million against DKK 281.6 million in 2004/05, corresponding to a modest decrease of 1%. The past year has seen an increase in the demand for CtP products at a lower price for small printing houses, whereas the demand for more advanced products for large printing houses has been decreasing.

This means that the number of CtP plate processors sold has been increasing. The fall in revenue from the high-end segment seems to be the consequence of growing saturation of this segment, which is expected to be met by increasing compensatory sales. Within the newspaper segment demand continues to grow.

The revenue from other prepress equipment, including, among other things, equipment for the transportation and stacking of plates, ovens for the processing of plates, punch & bend equipment (from the acquired company K&F) and iCtP products, was DKK 63.0 million against DKK 69.9 million in 2004/05, corresponding to a fall of 10%. The development in revenue reflects an expected fall in revenue from plateline equipment following the consolidation among Glunz & Jensen's customers and increased revenue following the acquisition of K&F and the revenue from the iCtP product.

In 2005/06, the revenue from conventional processors was DKK 37.6 million, a fall of 27% as compared to 2004/05. This development reflects the continued shift in technology from the conventional film-based prepress method to CtP technology.

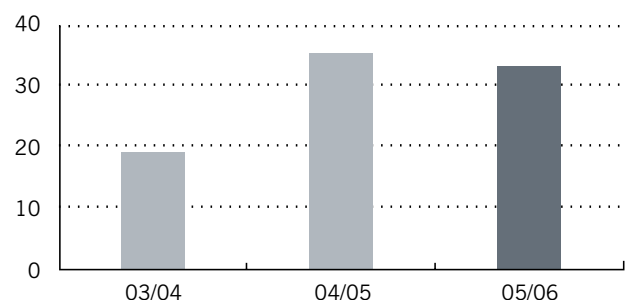
Revenue from spare parts etc. was DKK 106.0 million against DKK 102.6 million in 2004/05, an increase which can be attributed to the acquisition of K&F as well as to an increase in the sale of spare parts.

In 2005/06, the operating profit (EBITA) totalled DKK 32.8 million against DKK 35.0 million the year before. This profit is in line with the most recently published expectations, cf. stock exchange announcement of 23 March 2006) but higher than stated at the beginning of the financial year.

Net profit for the year was DKK 8.2 million against DKK 4.2 million the year before. Net profit for the year has been affected negatively by special items of approximately DKK 17.9 million following the decision to discontinue the production in Thetford, England.

## EBITA

DKK m





## Incentive programmes

Glunz & Jensen regularly seeks to set up incentive programmes supporting the generation of value for the company's shareholders.

The incentive programmes include share options and performance-related pay.

In the 2005/06 financial year (November 2005), René Barington, Managing Director, received 15,000 options, each corresponding to one class B share with a nominal value of DKK 20. The exercise price has been fixed at DKK 81.54 per share with an annual increase of 6%. The options can be exercised for a period of two years after the publishing of the announcement of the financial statements for 2007/08 in August 2008.

Furthermore, in August 2005, it was decided to carry on the option programme from October 2004 for allotting share options to the Management and selected employees (not including members of the Board of Directors elected by the annual general meeting). 31,000 share options were allotted, each with a right to purchase one class B share with a nominal value of DKK 20. The option can be exercised 3-5 years after the issue, and the exercise price is fixed as the average price on the Copenhagen Stock Exchange for the first 20 days after the publication of the most recent quarterly report before allotment with an annual increase of 6%.

At the end of the 2005/06 financial year, a total of 120,000 share options had been allotted. Calculated according to the Black-Scholes model for valuation of options, the value of the allotted options was DKK 4.2 million at the end of 2005/06.

For further information regarding the incentive programmes in Glunz & Jensen, see note 5.

Furthermore, a bonus plan has been set up for the Management and executive employees. The plan is agreed for one year at a time on the basis of the achievement of a number of defined objectives.

## Knowledge and competencies

To be able to sustain an attractive market position and satisfactory earnings, Glunz & Jensen needs to possess and develop a range of key competencies.

### Knowledge about and adaptation to market needs

Many years of presence in the prepress market have provided Glunz & Jensen with in-depth knowledge of the special needs of this market and, thanks to the close cooperation with the large OEM customers,

Glunz & Jensen's product range and other services match the customers' needs for innovative and competitive solutions.

Combined with the efforts to gain a technological advantage over competitors, Glunz & Jensen's high-quality products have ensured the company a leading position within its business areas. It is therefore vital for Glunz & Jensen to constantly be able to maintain and develop the know-how and expertise required to remain at the cutting edge.

### Knowledge of technology and processes

Glunz & Jensen's products form part of the products in the prepress process. The graphic industry, including the prepress process, is going through constant technological changes. In order to ensure the long-term competitiveness of Glunz & Jensen's products, it is of vital importance to constantly develop products adapted to the most recent and future technological opportunities.

Glunz & Jensen holds a leading position in the market for CtP processors, a favourable position within chemical-free plate processing and is establishing a position in the market for inkjet CtP. Several products are developed in close cooperation with other companies. Thanks to this cooperation, Glunz & Jensen is able to be among the first companies to develop products adapted to the most recent technologies. Glunz & Jensen seeks to develop, on an ongoing basis, its specialist knowledge in state-of-the-art and upcoming technologies as well as development and production processes.

In connection with the development of the inkjet CtP technology, a chemical lab has been set up, and special competencies have been established within the areas required to support the iCtP concept. At the same time, Glunz & Jensen has set up a printing machine to ensure that the development of plates and ink for the iCtP concept can be subjected to in-house testing.

### Employee development

To be able to develop its competencies in the areas mentioned, Glunz & Jensen must be able to attract, retain and develop well-educated and dedicated employees. In this respect, competency, quality awareness, performance orientation and willingness to change and to cooperate are especially important.

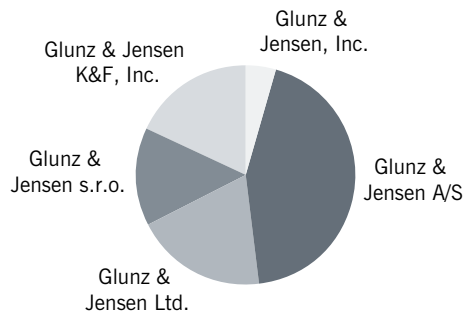
Staff appraisal interviews form an integral part of the staff development process. These interviews cover subjects such as future career, task and training requests. At the same time, the employees develop their skills through internal as well as external training and education, on-the-job training and other types of skills enhancement.

The relocation of the production to Slovakia will be a large assignment in the coming years. One of the challenges will be to ensure that a range of

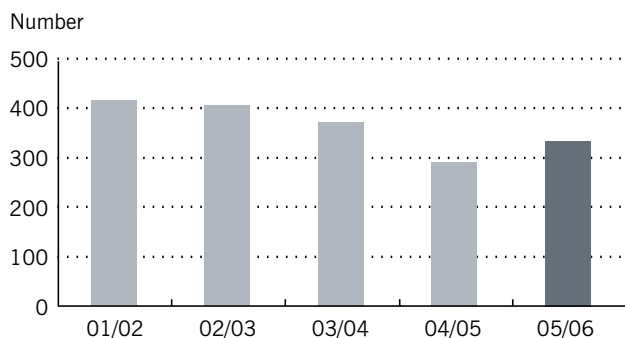


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**Number of employees divided on companies**



**Average number of employees**



important competences are retained in the company, and that new employees obtain the required knowledge. After the setting-up of the factory in Slovakia, a number of new, highly educated employees have been appointed, including engineers to maintain Glunz & Jensen's product range. At the same time, competencies have been developed in production control and logistics as well as economy and finances.

At the end of the year, Glunz & Jensen had 398 employees (2004/05: 301), 174 of whom were employed in Denmark (2004/05: 166) and 224 abroad (2004/05: 135) – 58 of whom worked in Slovakia and 71 in the acquired Glunz & Jensen K&F in the USA.

## Environment

Glunz & Jensen constantly seeks to reduce the environmental impact of the company's activities and to promote a sustainable environment, directly as well as indirectly. It is Glunz & Jensen's policy to comply with environmental rules and regulations and furthermore initiate measures for the purpose of making continued progress within this area.

The most important environmental impacts in relation to Glunz & Jensen's activities are seen in connection with the consumption of electricity, raw materials and related waste of materials. However, the direct environmental impact from Glunz & Jensen's production is very limited.

Importance is attached to choosing environmentally acceptable solutions for the heating and cooling of buildings and for the consumption of electricity and water. The consumption of resources is evaluated once a year to ensure that the level is environmentally acceptable.

In the production process, the environmental impact has been reduced to a minimum. For example by using water instead of developer and fixation liquids for the final test, the water is not contaminated after use and requires no treatment before being discharged via public sewage pipes. Production waste, packaging etc. is separated and delivered to approved waste disposal companies.

When developing Glunz & Jensen's processor products, focus is on reducing the environmental impacts from using the machines. The products are basically designed on the basis of a construction with as few vulnerable points as possible and to ensure that the chemicals used circulate through closed systems. Furthermore, the control systems have been optimised with a goal of minimising the consumption of chemicals. Procedures for the correct use of products and for the disposal of environmentally damaging substances are included in the products' safety instructions. Chemicals used in the development process are collected and delivered to approved collection facilities.

In August 2005, a new European directive concerning the disposal of electrical and electronic equipment came into force. For Glunz & Jensen, the directive means that all products must be labelled. This procedure has been completed.

In July 2006, another directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (the RoHS directive) came into force. This directive includes, among other provisions, a requirement to reduce the content of lead in circuit boards. According to an official statement from the Danish Ministry of the Environment to Glunz & Jensen, the company's CtP plate processors are not covered by the RoHS directive. However, as several large OEM customers have requested that the products comply with the RoHS directive, Glunz & Jensen has worked intensively on this area during the financial year, and it is expected that the company's CtP products will comply with the RoHS directive as from 1 September 2006.

The group is not involved in any environmental cases. Glunz & Jensen A/S is not subject to the rules on environmental approval and the Danish act on the presentation of "green accounts".



## Subsequent events

After the end of the financial year, as part of the closing-down of the production in England, it has been agreed to sell the company's production facilities in Thetford. The building was sold at a price of GBP 2.15 million, corresponding to DKK 23.4 million. The proceeds from the sale totalled approximately DKK 14 million, which will be recognised under special items in the 2006/07 financial year. Accordingly, the 2005/06 annual report is not affected by the sale.

## Board resolutions and proposals for the annual general meeting

### Distribution of net profit

The Board of Directors proposes the following distribution of the net profit for the year of DKK 8.2 million:

Dividend	DKK 4.7 million
Retained earnings	DKK 3.5 million
Total	DKK 8.2 million

### Dividend

The Board of Directors proposes that dividend in the amount of DKK 4.7 million, equivalent to DKK 2 per share of DKK 20, be paid for 2005/06 (2004/05: dividend of DKK 4.7 million, equivalent to DKK 2 per share of DKK 20).

Dividend for the year is distributed automatically through VP Securities Services immediately after the annual general meeting.

### Other proposals

As of 1 June 2006, VP Security Services (*VærdiPapircentralen A/S*) has taken over the management of the register of shareholders from Nordea and Danske Bank. Therefore, the Board of Directors proposes that Article 2, paragraph 2.1, is changed to: "The register of shareholders shall be managed by *VærdiPapircentralen A/S*, Helgeshøj Allé 61, P.O. Box 20, 2630 Taastrup, Denmark, on behalf of the company".

It is furthermore proposed that, until the next ordinary annual general meeting, the Board of Directors be authorised to acquire up to 10% of the company's share capital as treasury shares at the market price applicable at the time of the acquisition with a deviation of up to 10%.

Chairman Jørn Kildegaard has informed the Board of Directors that he does not wish to be re-elected. Instead, the election of Managing Director Ulrik Gammelgaard to the Board of Directors is proposed. A



## The inkjet CtP technology – Glunz & Jensen enters new territory

With the development of the inkjet CtP technology, Glunz & Jensen moves into an area which differs from its traditional business in a number of ways. The iCtP product is a plate setter, where Glunz & Jensen up to now has supplied plate processors and plateline equipment.

The new technology makes it possible to create text and images directly on aluminium printing plates without subsequent processing. Also, the market for iCtP is smaller printing houses, while Glunz & Jensen's other products are mainly used by large and medium-sized printing houses.

The iCtP concept carries with it considerable sales of consumables, primarily printing plates and the special inkjet ink. This is new territory for Glunz & Jensen, which among others has new requirements for logistics concerning the delivery of these consumables. In order to be able to support iCtP customers in a satisfactory way, Glunz & Jensen has chosen to build sales gradually to be able to develop the logistics and service organisation around iCtP at the same time.





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description of the candidate's competences and background will be enclosed with the notice of the general meeting.

A proposal is made to re-elect the other members of the Board of Directors elected by the general meeting, Per Møller, William Schulm-Zeuthen and Peter Falkenham. Should they be re-elected, the Board of Directors is expected to elect Peter Falkenham as Chairman.

### Expectations for the 2006/07 financial year

In 2006/07, revenue in Glunz & Jensen will be affected by several opposing factors. Most important for the development in revenue and earnings will be measures initiated with a view to developing new business opportunities and the expected graduated decrease in the demand for CtP plate processors.

In 2006/07, total revenue is expected to be in line with 2005/06, when revenue totalled DKK 485 million. The expectations reflect the following factors:

- Revenue within the largest product segment, CtP plate processors, is affected negatively by the continued change in the demand for smaller and cheaper products. This development is not expected to be compensated for by an increased market share.
- "Other prepress equipment" is expected to generate a relatively higher revenue.
- Revenue from punch & bend products from the company acquired in January 2006, K&F International, Inc., is expected to increase and will be recognised with 12 months in 2006/07 against four months in 2005/06.
- Revenue from iCtP products is expected to increase as the products are expected to be marketed in Europe for part of the year. In 2005/06, these products were only sold on the American market.

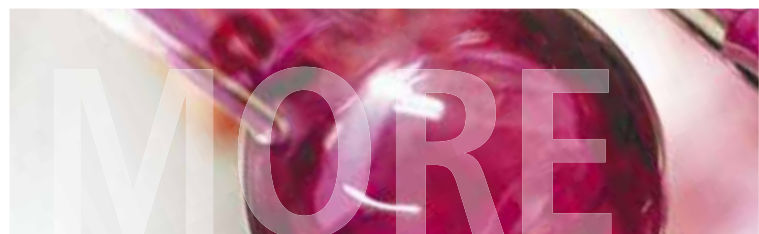
- Revenue from plateline equipment is expected to fall as a consequence of a decrease in the demand for ovens and fierce competition within stackers.
- Revenue from conventional processors is expected to continue to fall.

EBITA is expected to total DKK 15-20 million in 2006/07, including a considerable loss resulting from the investment in the two new product areas, punch & bend and iCtP, against DKK 33 million in 2005/06.

In addition to this, the profit for the year before tax is affected positively by special items of approx. DKK 8 million following the decision to close down the production in Thetford, England. The positive results are attributable to the fact that the proceeds from the sale of the company's production facilities in June 2006 (stock exchange announcement no. 126) exceed the costs expected until the final closing-down in December 2006. This means that the total costs of closing down Glunz & Jensen Ltd. and transferring production to Slovakia are considerably lower than expected in August 2005.

### Statements concerning the future

*Statements concerning the future, including in particular future revenue and operating profit/loss, are subject to a number of uncertainties and risks, many of which are beyond Glunz & Jensen's control. Actual results may differ materially from expectations. Such factors include material changes in market conditions, including technological developments, the customer portfolio, exchange rates or company acquisitions or divestments etc.*



### Share information

Glunz & Jensen has two classes of shares: class A shares and class B shares. The class B shares are quoted on the Copenhagen Stock Exchange and are part of the SmallCap+ index. The class B shares are negotiable securities with no restrictions in negotiability and are issued to the bearer. The class A shares are non-negotiable and are all owned by the Glunz & Jensen Foundation. The class A shares carry ten votes per DKK 20 share and class B shares carry one vote per DKK 20 share.

### Share capital and voting rights

There have been no changes in the share capital in the preceding financial year.

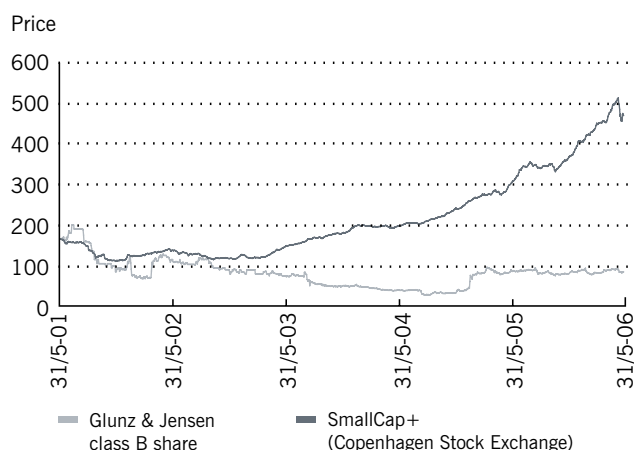
	Share capital, DKK	Votes, no.	Votes, %
Class A shares	6,080,000	3,040,000	60
Class B shares	40,420,000	2,021,000	40
Total	46,500,000	5,061,000	100

The price of the class B shares closed the financial year at DKK 84.6, up from DKK 82.7 at the beginning of the financial year. The price development during 2005/06 increases the market price of the company's class B shares to DKK 171 million from DKK 167 million.

In 2005/06, 2,788,000 class B shares were traded against 2,473,000 class B shares in 2004/05 – at a value of DKK 236.5 million in 2005/06 against DKK 150.3 million in 2004/05. This means that there has been a considerable increase in the trade in the company's shares.

At the end of the financial year, the company's holding of treasury shares amounted to 232,500 class B shares (end 2004/05: 232,500), or 10% of the share capital.

### Price development

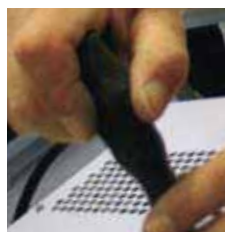


### Ownership

At the end of the financial year, Glunz & Jensen had 1,575 registered shareholders, holding a total of 78% of the share capital. Glunz & Jensen wishes to serve its shareholders in the best possible way by providing them with information about the company. Glunz & Jensen therefore encourages all shareholders to have their shares entered in the company's register of shareholders.

Distribution of shareholders	Proportion of share capital	Proportion of voting rights
The Glunz & Jensen Foundation, Haslevvej 13, 4100 Ringsted, Denmark	13.1%	34.0%
Susanne Jensen, c/o PBI Holding, Haslevvej 13, 4100 Ringsted, Denmark	3.2%	24.9%
Fåmandsforeningen LD, c/o FMS af 2004 A/S, Vendersgade 28, 1363 København K, Denmark	13.0%	6.0%
<b>Section 29 of the Danish Securities Trading Act (Værdipapirhandelsloven), total</b>	<b>29.3%</b>	<b>64.9%</b>
Other class A shareholders	0.0%	2.6%
Other class B shareholders	60.7%	27.9%
Treasury class B shares	10.0%	4.6% <sup>1)</sup>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1)</sup> The company's treasury class B shares carry no voting right.



# YOU



## “You can do more”

Since its establishment in 1973, Glunz & Jensen has been known as a quality supplier of graphic plate processors. In the first many years, film processors were the company's main product, and Glunz & Jensen has since assumed a dominant position on the market for CtP plate processors. The strong position on the market for plate processors has helped make Glunz & Jensen a renowned brand in the graphic industry, but it has also created a strong association between the company's name and the plate processor products. As it is part of Glunz & Jensen's strategy to move into new product areas, it has become necessary to communicate that Glunz & Jensen is now a supplier of much more than plate processors.

The past year, the company's sales slogan has been “You can do more”. With this slogan we invite existing and new customers to expand their partnership with Glunz & Jensen. The partnership may be expanded from plate processors to include other existing product areas, such as plateline equipment, punch & bend equipment or iCtP as well as a partnership concerning the development of new products and services.

During the year, Glunz & Jensen introduced a new and wider range of products and services on three major graphic arts shows – Print05 and Nexpo in Chicago and IPEX in Birmingham. Here, Glunz & Jensen was able to present complete prepress systems consisting of iCtP, CtP processors, conveyors, punch & bend equipment and stackers – all designed and manufactured by Glunz & Jensen.

Share-related ratios	2001/02	2002/03	2003/04	2004/05	2005/06
Average number of shares (1,000 shares)	2,234	2,168	2,093	2,093	2,093
Earnings per share (EPS), DKK	7.3	(36.8)	5.1	2.0	3.9
Diluted earnings per share (EPS-D)	-	-	-	2.0	3.8
Cash flow per share (CFPS), DKK	17.3	34.6	27.7	13.9	11.4
Book value per share, DKK	113.3	67.3	74.0	75.0	76.7
Market price per share, DKK	115	75	39	83	85
Market price/book value	1.0	1.1	0.5	1.1	1.1
Market value, DKKm	257	157	82	173	177
Dividend per share, DKK	-	-	-	2	2
Pay-out ratio, %	-	-	-	110	57



## Dividend

An assessment of the company's earnings, cash flows and financial circumstances, including solvency, cash needs and outlook, is carried out in connection with the determination of the size of dividend. Based on this assessment, it has been decided to recommend to the annual general meeting that a dividend of DKK 2 per share of DKK 20 be paid for the 2005/06 financial year.

Dividend for the year is distributed automatically through VP Securities Services immediately after the annual general meeting.

## Investor relations

Glunz & Jensen recognises the importance of providing open and relevant information to its shareholders and other stakeholders and, at the same time, having an active dialogue with these.

Communication with investors, analysts, the press and other stakeholders takes place via regular announcements, including quarterly reports, investor presentations and individual meetings. Announcements and investor presentations can be viewed on the company's website.

Shareholders, analysts, investors, stock brokers and other stakeholders with queries about Glunz & Jensen should contact:

Glunz & Jensen A/S  
 Haslevvej 13  
 4100 Ringsted  
 Tel.: +45 5768 8181  
 Fax: +45 5768 8340  
 Contact: Managing Director René Barington  
 Email: rba@glunz-jensen.com

## Annual general meeting

The company's annual general meeting will be held on Thursday 28 September 2006 at 3 pm at Ringsted Teater og Kongrescenter, Nørretorv, 4100 Ringsted, Denmark.

## Notifications for the OMX Copenhagen Stock Exchange in 2005/06

### 2005

22 August	Announcement of the financial statements 2004/05
29 September	Report for Q1 2005/06
29 September	Ordinary general meeting at Glunz & Jensen A/S – Chairman's report
29 September	Development of the annual general meeting at Glunz & Jensen A/S
13 October	Development of the extraordinary general meeting at Glunz & Jensen A/S
10 November	Allotment of share options to Managing Director René Barington
15 December	Election of company representatives for the Board of Glunz & Jensen A/S

### 2006

26 January	Report for Q2 2005/06
26 January	Glunz & Jensen acquires K&F International, Inc.
23 March	Report for Q3 2005/06
11 May	Financial calendar 2006/07
14 June	Glunz & Jensen sells the production buildings in England
24 August	Announcement of the financial statements 2005/06

## Financial calendar 2006/07

### 2006

28 September	Report for Q1 2006/07
28 September	Annual general meeting

### 2007

25 January	Report for Q2 2006/07
29 March	Report for Q3 2006/07
30 August	Announcement of financial statements 2006/07
27 September	Annual general meeting



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## Accounting policies

This annual report is the first annual report presented in accordance with the International Financial Reporting Standards (IFRS). On transition to IFRS, IFRS 1 on First-time Adoption of IFRS was applied.

The accounting policies adopted by both the group and the parent company have been changed in a number of areas as a result of the transition to presentation of financial statements in accordance with IFRS. The opening balance sheet as at 1 June 2004 and the comparative figures for 2004/05 have been adapted to the changes in accounting policies.

The consequences and the effect of the transition to IFRS are detailed under accounting policies on page 24. The most significant effect on the income statement is the fact that goodwill is no longer amortised and the profit/loss from discontinued operations and goodwill impairment have been reclassified. The effect on consolidated EBITA is positive with DKK 3.1 million for 2004/05.

## Income statement

### Revenue

Glunz & Jensen's revenue for 2005/06 was DKK 484.4 million, which is above expectations but lower than the revenue for 2004/05.

The development in revenue is detailed in "Development in revenue and results" in the management's review on page 10.

### Gross profit

Gross profit was DKK 118.9 million against DKK 122.1 million in 2004/05. The gross margin amounted to 25% in 2005/06, which is in line with 2004/05. The maintained gross margin, despite pressure on prices and changes in the product mix, is, among other factors, a result of the relocation of production to the factory in Slovakia.

### Operating profit (EBITA)

In 2005/06, EBITA totalled DKK 32.8 million against DKK 35.0 million in 2004/05. Consequently, the profit margin for 2005/06 was 6.8% (2004/05: 6.9%). The change in the profit margin is due to a modest increase in the total sales, development and administrative expenses.

The increase in expenses is due in part to the marketing of iCtP and expenses incurred in the acquired K&F. The sale of the production facilities in England will reduce costs, but this will be offset in 2006/07 by the all-year effect of the acquisition of K&F.

### Special items and impairment of goodwill

In connection with the closing-down of the production facilities in

England, it was announced that the profit is expected to be negatively effected by special items of approx. DKK 30 million. The majority of the reduction, DKK 25 million, was expected for 2005/06. In 2005/06, special items were lower than expected with a total cost of DKK 17.9 million, most of which concerns employee redundancy payments. The sale of the English production facilities in June 2006 produced a profit of approx. DKK 14 million, and a total net income from special items of around DKK 8 million is therefore expected for 2006/07. The sale is thus expected to reduce profits for 2005/06 and 2006/07 by approx. DKK 10 million in total.

Based on the performed impairment tests, impairment of goodwill has not been deemed necessary in 2005/06. In 2004/05, goodwill related to the acquisition of Agfa's CtP processors in England was impaired to DKK 0, or a total impairment of DKK 17 million.

### Tax on profit for the year

The income tax expense was DKK 4.4 million against DKK 7.6 million in 2004/05. In 2004/05, there were increased costs for establishing production in Slovakia which were not deductible for tax purposes.

### Loss on discontinued activities

In 2004/05, the net profit for the year was reduced by a DKK 4.8 million loss at Imacon A/S, which was sold in August 2004.

### Net profit/(loss) for the year

Consolidated profit after tax was DKK 8.2 million against DKK 4.2 million in 2004/05.

## Balance sheet

The group's total assets amounted to DKK 333.2 million at the end of the financial year, an increase of DKK 47 million. The increase is mainly due to the acquisition of K&F in January 2006.

Intangible assets amounted to DKK 64.2 million at the end of the financial year against DKK 41.9 million in 2004/05, of which goodwill totalled DKK 41.7 million in 2005/06 against DKK 25.7 million in 2004/05. Goodwill related to the acquisition of K&F has been calculated at DKK 17.2 million.

Assets held for sale concern the factory in England, which was sold in June 2006.

Net interest-bearing debt has risen from DKK 49.1 million in 2004/05 to DKK 64.5 million as a result of the acquisition of K&F.

Long-term debt to credit institutions consist of a floating-rate loan of USD 2 million which was raised by the American subsidiary Glunz &





Jensen, Inc. to finance the company's building. The loan was converted to a 20-year loan in 2005/06.

Group equity amounted to DKK 160.5 million at the end of the financial year (2004/05: DKK 157.0 million), of which DKK 4.7 million is expected to be distributed as dividend (2004/05: DKK 4.7 million). Solvency was 48% at the end of the financial year against 55% at the end of 2004/05.

## Cash flows and liquidity

Cash flows from operating activities totalled DKK 23.8 million against DKK 29.1 million in 2004/05, a drop of DKK 5.3 million. The drop is primarily due to an increase in working capital, which has risen by over DKK 20 million adjusted for special items. This is, among other things, attributable to an increase in the working capital of Glunz & Jensen K&F following the acquisition in order to improve the delivery situation.

Cash flows from investing activities were negative in 2005/06 by a total of DKK 21.8 million. The acquisition of K&F only reduces cash flows from investing activities by DKK 0.9 million. In 2005/06, investments in intangible assets rose to DKK 13.6 million due to significant development activities, while investments in property, plant and equipment dropped to DKK 10.8 million. The majority of the investments in connection with the establishment in Slovakia was made in 2004/05.

Less cash flows from investing activities, the available cash flow totalled DKK 2.0 million in 2005/06 against DKK 96.1 million in 2004/05.

Group liquidity and capital reserves are considered to be satisfactory.



## Increasing production in Slovakia

A lot has happened at the factory in Slovakia since its opening in the spring of 2005. The 10,000 m<sup>2</sup> factory now has approx. 60 employees, and all relevant functions and departments have been established. The production, which like Glunz & Jensen's other production units is jobbing-based, fully lives up to Glunz & Jensen's high standards.

Furthermore, an engineering department has been established which is responsible for maintaining and adapting products. The department participates in larger projects together with Glunz & Jensen's other development teams.

In the past year, more than 1,200 machines were manufactured at the factory in Slovakia, and at the end of the financial year, 35% of Glunz & Jensen's CtP processors were manufactured at the factory. This activity is expected to increase further in future. By the end of 2006/07, all CtP processors are expected to be manufactured at the factory.

## RISK FACTORS



# YOU

A number of factors may significantly impact the activities and the development in the financial situation and results of Glunz & Jensen. Whenever possible, Glunz & Jensen seeks to prevent and limit the risks that may be influenced by our own actions. Some of these risk factors are described below. The description is not necessarily exhaustive, and the risks are not described in order of priority.

### Commercial risks

#### General market conditions

The development in group revenue is influenced by both the global economic development and industry-specific/technological factors. Declining economic activity globally or regionally results in a general reduction in the demand for the different products of the group. Significant changes in applied prepress technologies may also result in declining demand for Glunz & Jensen's products.

Glunz & Jensen has not entered into any long-term contracts to secure sales, but then this is not traditional practice in the industry.

#### New technologies and product development

The technological development in the industry is estimated to constitute the biggest uncertainty in respect of the future development of the group's sale of processing equipment.

Glunz & Jensen seeks to be among the first to offer products that are adapted to new technologies within our business areas. This places heavy demands on continuous product development to allow us to market products in time that match the needs of the customers and that can be offered at competitive prices. Failure to do so may affect revenue and results negatively.

Glunz & Jensen's core activity is the development and sale of CtP processors. It is a condition for the continued use of CtP processors that there is a need for plate processing. Several major plate manufacturers are working to develop a process-less technology that does not require plate processing. The process-less technology is still in its infancy, and it is yet uncertain to which extent and at what rate it will gain momentum and which effect this will have on Glunz & Jensen's CtP plate processing activities.

In May 2004, Glunz & Jensen introduced the inkjet CtP technology and has since been developing the technology further. The sale of iCtP products has begun, but it is yet uncertain to which extent the new technology will gain momentum and how big a revenue we can expect.

#### Competitiveness

To strengthen Glunz & Jensen's competitiveness, it was decided in 2004 to establish a production factory in Slovakia. The relocation of

production to Slovakia was initiated at the end of the 2004/05 financial year, and all Raptor products were manufactured in Slovakia at the end of 2005/06. In August 2005, it was decided to close down the production in England and relocate it to mainly Slovakia and a minor part to Denmark. The relocation is expected to be completed in late 2006. The relocation of a product will be followed by a run-in period during which flexibility, reliability of delivery and quality may be reduced. Glunz & Jensen seeks to minimise the run-in costs and problems through thorough preparations and has had good experiences with the first products.

#### Competition and market conditions

The graphic industry is continuously consolidating. Further consolidation in the industry may increase the uncertainty regarding revenue. So far, consolidations have tended to put a temporary decline on demand, and consolidations may also result in a lapse of revenue.

The prices of prepress equipment are under pressure, mainly as a result of mounting competition, and the fierce competition within Glunz & Jensen's product segments is expected to continue.

The group's order horizon for prepress equipment is generally 4-8 weeks. For punch & bend equipment, the order horizon and the delivery times are both longer (8-20 weeks). Expectations for revenue beyond this period are based on estimates prepared in cooperation with the group's major customers. The customers are not bound by the provided estimates, so considerable deviations in relation to the estimated revenue may occur.

#### Customer relations

Glunz & Jensen sells a large part of its production to a number of major long-term customers. The four largest customers account for more than 75% of the revenue.

Lapse of revenue from one or several of the major customers could have a significant impact on overall earnings. Glunz & Jensen has not yet lost a major customer.

#### Company acquisitions

It is part of Glunz & Jensen's strategy to create new business opportunities, which involves possible business acquisitions to ensure future growth opportunities. Company acquisitions are always subject to risks. When making acquisitions, the price is typically determined on the basis of a number of expectations which are subject to considerable uncertainty. There is no guarantee that the acquired businesses, upon integration into the group, can deliver the results that were expected at the time of acquisition. Glunz & Jensen seeks to limit the risks associated with company acquisitions by means of careful due diligence.



## Insurance

It is the group's policy to take out insurance against risks which may threaten the group's financial position. In addition to statutory insurance, the group has taken out insurance against product liability and operating losses. Buildings, operating equipment and inventories are insured on an all-risk basis at replacement cost.

## Financial risks

### Currency risks

The Glunz & Jensen group mainly invoices its customers in foreign currency. In 2005/06, 59% of the revenue was invoiced in EUR, 30% in USD and 10% in GBP. In 2006/07, no significant revenue is expected in GBP.

Expenses in the Glunz & Jensen group are mainly incurred in DKK, GBP, USD, EUR and SKK. In 2005/06, expenses in the five currencies totalled approx. 48%, 28%, 11%, 6% and 6%, respectively. After the closing-down of operations in England at the end of 2006, expenses in GBP will be reduced.

It is Glunz & Jensen's policy to fully or partly hedge commercial transactions by means of forward exchange contracts and interval contracts with a term of up to one year. There were no open contracts at the end of the financial year.

Even with full hedging of the foreign currency transactions, the consolidated financial statements are affected by fluctuations in foreign currencies when translating the foreign subsidiaries' financial statements into DKK. It is estimated that, all else being equal, a 10% increase in the USD exchange rate will affect the operating profit by DKK 9 million in the 2006/07 financial year.

### Interest rate risks

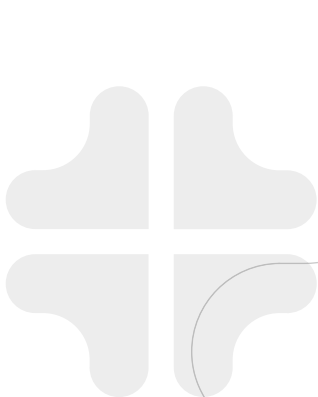
The interest rate risk is mainly attributable to interest-bearing liabilities, as Glunz & Jensen did not have any significant interest-bearing assets at the end of the financial year. The net interest-bearing debt at the end of the financial year totalled DKK 64.5 million at a floating interest rate. Financing primarily takes place in DKK.

The debt is reduced as cash generation occurs.

### Debtor risks

The group's debtors are monitored on a continuous basis. The majority of Glunz & Jensen's production is sold to customers with whom Glunz & Jensen enjoys a long-term customer relationship. These are usually large companies with a good reputation.

In connection with the establishment of new customer relationships, Glunz & Jensen often demands advance payment or secure payment by means of letters of credit.





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## New technologies to be introduced

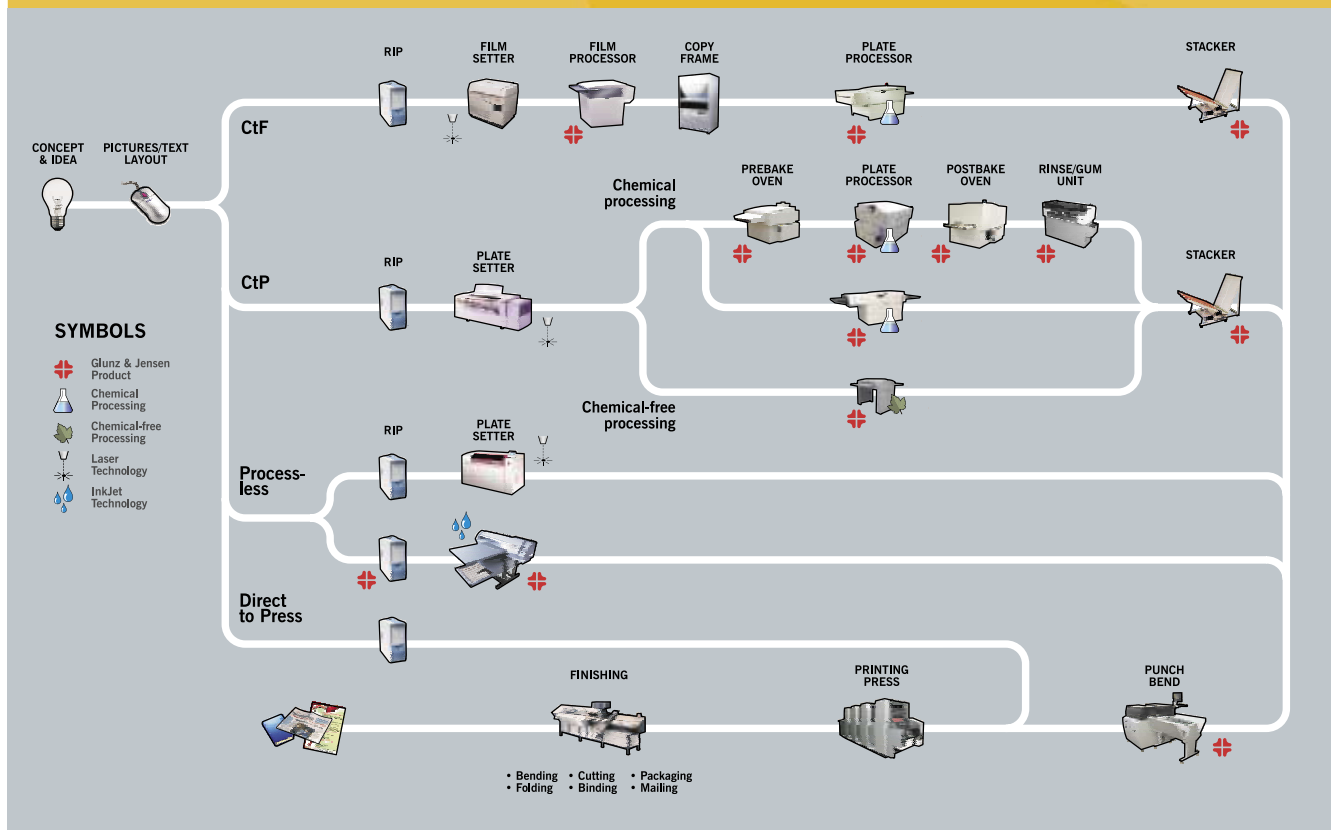
Today, the CtP technology is the dominant prepress technology, but the company continuously strives to develop new and more efficient technologies that can reduce investments and simplify work processes.

A relatively new addition within the CtP technology is the development of chemical-free CtP systems. Together with one of its major customers, Glunz & Jensen developed a chemical-free plate processor a few years back which has enjoyed major success. This CtP technology is mainly aimed at the medium segment.

The inkjet CtP technology is also an example of a new technology. Glunz & Jensen is one of few manufacturers to have

developed this technology, which is aimed at the low-end segment and allows even small printing houses to switch to the CtP technology and reap the benefits without having to make heavy investments.

The development of printing plates that do not require processing – the process-less technology – is also gaining ground, and the number of products in the market is increasing. The technology continues to have certain technical limitations in terms of quality and capacity, which means that very demanding and large productions cannot yet be handled using process-less plates.



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## MANAGEMENT STATEMENT AND AUDITORS' REPORT



### Management statement

Today, the Board of Directors and the Management have considered and adopted the annual report of Glunz & Jensen A/S for 2005/06.

The annual report has been presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies. We consider the accounting policies to be appropriate to the effect that the annual report gives a true and fair view of the group's and the company's assets, liabilities and financial standing as at 31 May 2006 and of the results of the group's and the company's activities and cash flows for the financial year 1 June 2005 - 31 May 2006.

We recommend that the annual report be adopted by the annual general meeting.

*Ringsted, 24 August 2006*

### Management

René Barington  
Managing Director

### Board of Directors

Jørn Kildegaard  
Chairman

Per Møller  
Deputy Chairman

Steen Andreasen

Peter Falkenham

William Schulin-Zeuthen

Klaus Øhrgaard

### Auditors' report

#### To the shareholders

We have audited the annual report of Glunz & Jensen A/S for the financial year 1 June 2005 - 31 May 2006, which is presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies.

The annual report is the responsibility of the management of Glunz & Jensen. Our responsibility is to express an opinion on the annual report, based on our audit.

#### Basis of opinion

We conducted our audit in accordance with Danish accounting standards. Those standards require that we plan and conduct our audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as evaluating the overall presentation of the annual report. We believe that our audit provides a reasonable basis for our report.

Our audit did not result in any qualification.

#### Conclusion

In our opinion, the annual report gives a true and fair view of the group's and the company's assets, liabilities and financial standing as at 31 May 2006 and of the results of the group's and the company's operations and cash flows for the financial year 1 June 2005 - 31 May 2006 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies.

*Copenhagen, 24 August 2006*

KPMG C.Jespersen  
Statsautoriseret Revisionsinteressentskab

Finn L. Meyer  
State Authorised  
Public Accountant

Søren Christiansen  
State Authorised  
Public Accountant



## ACCOUNTING POLICIES



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The annual report of Glunz & Jensen A/S for 2005/06 is presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies, cf. the Copenhagen Stock Exchange's disclosure requirements for the annual reports of listed companies and the IFRS Executive Order issued in pursuance of the Danish Financial Statements Act (*Årsregnskabsloven*). In addition, the annual report complies with the International Financial Reporting Standards (IFRS) issued by IASB.

This annual report is the first annual report to be presented under IFRS. On transition to IFRS, IFRS 1 on First-time Adoption of IFRS was applied.

The annual report is presented in DKK.

### Change of accounting policies

The accounting policies adopted by both the group and the parent company have been changed in a number of areas as a result of the transition to presentation of financial statements in accordance with IFRS.

As stipulated by IFRS 1, the opening balance sheet as at 1 June 2004 and comparative figures for 2004/05 have been prepared in accordance with the IFRS/IAS and IFRIC/SIC standards that are mandatory as per 31 May 2006. The opening balance sheet as at 1 June 2004 has been prepared as if these standards and interpretations had always been applied, except for the special transitional and commencement provisions described in the following.

The accounting effect of the transition to IFRS is as follows:

	Reference to comment	1 June 2004 Assets	1 June 2004 Liabilities	1 June 2004 Equity	2004/05 Net profit/ (loss) for the year	31 May 2005 Assets	31 May 2005 Liabilities	31 May 2005 Equity
<b>DKK '000</b>								
<b>Group</b>								
According to the Danish Financial Statements Act and Danish accounting standards		405,179	250,438	154,741	1,379	283,099	128,996	154,103
Goodwill	1	0	0	0	3,432	3,432	0	3,432
Share-based payment	2	0	0	0	(578)	0	532	(532)
Total adjustments		0	0	0	2,854	3,432	532	2,900
Calculated according to IFRS		405,179	250,438	154,741	4,233	286,531	129,528	157,003
<b>Parent company</b>								
According to the Danish Financial Statements Act and Danish accounting standards		331,223	176,482	154,741	1,379	254,301	100,198	154,103
Share-based payment	2	0	0	0	(579)	0	534	(534)
Investments in subsidiaries, including goodwill	3	(39,217)	0	(39,217)	(8,998)	(31,237)	0	(31,237)
Dividend from subsidiaries	4	0	0	0	15,776	0	0	0
Total adjustments		(39,217)	0	(39,217)	6,199	(31,237)	534	(31,771)
Calculated according to IFRS		292,006	176,482	115,524	7,578	223,064	100,732	122,332



### Explanation of accounting policy changes on transition to IFRS

1. Glunz & Jensen A/S has applied IFRS 3 with effect from 1 June 2004. As a result, goodwill is not amortised after 1 June 2004. Previously, goodwill was amortised over its economic life. For business combinations prior to 1 June 2004, the carrying amount of goodwill, calculated in accordance with the group's previous accounting policies, has been used as the cost of goodwill in the opening balance sheet, calculated in accordance with IFRS. On the transition to IFRS on 1 June 2004, the recoverable value exceeded the carrying amount of goodwill.
2. For equity-settled schemes awarded after 7 November 2002 and not yet fully vested at 1 June 2005, the fair value is measured at the time of award and is recognised as a salary cost in the income statement over the period in which the right to the options is acquired. The 2004/05 comparative figures have been restated for these schemes. For cash-settled schemes, the settlement obligation has been calculated as at 1 June 2004. The settlement obligation is remeasured subsequently on each balance sheet date and on final settlement. Changes in value are recognised in the income statement as staff costs. So far no costs have been recognised for share-based payment. See also note 6 to the annual report.
3. Investments in subsidiaries are measured in the parent company's balance sheet at cost. Investments have so far been measured according to the equity method. In the balance sheets as at 1 June 2004 and 31 May 2005, respectively, value adjustments are reversed from cost to book value including the carrying amount of goodwill. In the income statement for 2004/05, the share of net profit for the year is reversed.
4. Dividends received from subsidiaries are recognised in the parent company's income statement under financial income as from 2004/05.

On transition to IFRS, the Glunz & Jensen group reviewed the lives and scrap values of the group's assets in connection with the decomposition of property, plant and equipment. These reviews are not expected to lead to material changes in the group's depreciation and amortisation charges in the coming years. In the opening balance sheet as at 1 June 2004 and for the net profit for 2004/05, the change has not caused any changes in the previously recognised amounts.

### Financial instruments

The provisions of IAS 32 and IAS 39 concerning the accounting treatment of financial instruments have been applied with effect from 1 June 2005, which is in accordance with the transitional provisions for these standards in IFRS 1.

### Share-based payment

In accordance with the transitional provisions of IFRS 1 and IFRS 2, the provisions of IFRS 2 concerning recognition and measurement of share-based payment have not been applied for equity-settled share options granted before 7 November 2002 nor for equity-settled share options granted after 7 November 2002, which were fully vested on 1 June 2005. In accordance with the commencement provisions of IFRS 2, the 2004/05 comparative figures have only been restated to reflect the schemes covered by IFRS 2 from 1 June 2005.

### Reclassifications

In addition to accounting policy changes, the following reclassifications and presentation changes have been carried out, with restatement of comparative figures for 2004/05:

- Assets are presented as either non-current or current assets. Previously they were presented as fixed assets or current assets.
- Deferred tax liabilities as well as provisions are no longer presented under a separate main category (provisions) in the balance sheet, but are included under non-current and current liabilities.

The reclassifications have not affected net profit for the year or equity.

### Cash flow statement

Finance leases made for non-current assets are accounted for as non-cash investments under IFRS. Under the previous accounting policies they were included in cash flows from both investing and financing activities. Non-cash transactions relating to finance leases are shown in note 21.

There are no other material differences between the cash flow statement as presented under IFRS and the previous presentation under Danish accounting legislation.

### Financial highlights and ratios

Financial highlights and ratios for 2001/02-2003/04 have not been restated to reflect the changed accounting policies and are therefore consistent with the highlights and ratios set out in the annual report for 2004/05. The adjustments that will be needed if comparative figures set out in the summary of financial highlights and ratios for 2001/02-2003/04 were to be restated to IFRS correspond to the adjustments made to the opening balance sheet at 1 June 2004 and the net profit for 2004/05, see details above. However, the effect on amounts in the years 2001/02-2003/04 differs from the figures shown for 2004/05.

## Description of accounting policy changes

### Consolidated financial statements

The consolidated financial statements include the parent company Glunz & Jensen A/S and subsidiaries in which Glunz & Jensen A/S directly or indirectly holds more than 50% of the voting rights or in which Glunz & Jensen A/S otherwise has a controlling interest.

The consolidated financial statements are prepared on the basis of the financial statements of Glunz & Jensen A/S and its subsidiaries by adding together uniform items.

The financial statements used for consolidation purposes are prepared in accordance with the group's accounting policies.

The consolidated financial statements are prepared by eliminating intercompany income and expenses, investments, balances and dividends as well as realised and unrealised gains and losses on transactions between the consolidated companies.

Investments in subsidiaries are offset against the parent company's proportionate share of the fair value of the subsidiaries' identifiable net assets and recognised contingent liabilities at the time of acquisition.

Newly acquired or newly formed companies are recognised in the consolidated financial statements from the date of acquisition. Companies sold or discontinued are recognised in the consolidated income statement up to the time of sale or discontinuance. Comparative figures are not restated for newly acquired companies. Discontinued operations are presented separately, see below.

Purchases of new companies are accounted for using the purchase method of accounting. The identifiable assets, liabilities and contingent liabilities of the acquired companies are measured at fair value at the time of acquisition. Identifiable intangible assets are recognised if they can be separated from or arise from a contractual right and the fair value can be measured reliably. Deferred tax is recognised on the revaluations made.



For business combinations on or after 1 June 2004, positive balances (goodwill) between the cost of the business and the fair value of identifiable assets, liabilities and contingent liabilities acquired are recognised as goodwill under intangible assets. Goodwill is not amortised but is tested annually for impairment. The first impairment test is performed before the end of the year of acquisition. On acquisition, goodwill is allocated to the cash-generating units which subsequently provide the basis for an impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency of the Glunz & Jensen group are accounted for as assets and liabilities belonging to the foreign entity and are translated into the foreign entity's functional currency at the exchange rate prevailing at the transaction day. Negative balances (negative goodwill) are recognised in the income statement at the time of acquisition.

For business combinations prior to 1 June 2004, the accounting classification is maintained in accordance with the previous accounting policies. Goodwill is recognised on the basis of the cost recognised under the previous accounting policies (Danish Financial Statements Act (Årsregnskabsloven) and Danish accounting standards) less amortisation and impairment losses up to 31 May 2004. Goodwill is not amortised after 1 June 2004. The accounting treatment of business combinations prior to 1 June 2004 has not been restated in connection with the opening balance sheet at 1 June 2004. Goodwill recognised in the opening balance sheet was tested for impairment as at 1 June 2004.

If, at the time of acquisition, uncertainty attaches to the measurement of identifiable assets, liabilities and contingent liabilities acquired, the initial recognition is based on fair values calculated on a provisional basis. If it subsequently turns out that the value of identifiable assets was different at the time of acquisition from that first assumed, goodwill will be subject to adjustment until 12 months after acquisition. The effect of the adjustments will be taken to equity at the beginning of the period, and comparative figures will be restated. Subsequently goodwill will only be adjusted as a result of changed estimates of conditional purchase consideration unless material errors are involved. However, subsequent realisation of the acquired company's deferred tax assets which were not recognised at the time of acquisition will lead to recognition of the tax advantage in the income statement and the simultaneous impairment of the carrying amount of goodwill to the amount that would have been recognised if the deferred tax asset had been recognised as an identifiable asset at the time of acquisition.

Gains or losses on the disposal or discontinuance of subsidiaries are calculated as the difference between the selling price or the discontinuance amount and the carrying amount of net assets including goodwill at the time of sale as well as expenses relating to sale or discontinuance.

### Foreign currency translation

For each of the reporting companies in the group, a functional currency is determined. The functional currency is the currency of the primary economic environment in which the individual reporting business operates. Transactions in currencies other than the functional currency are foreign currency transactions.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency according to the rate at the transaction date. Exchange differences arising between the rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income and expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the

rate at the time the receivable or payable is created or recognised in the latest financial statements is recognised in the income statement under financial income and expenses.

Upon recognition in the consolidated financial statements, the foreign subsidiaries' income statements are translated into DKK using average exchange rates which do not deviate significantly from the rate at the transaction date, and balance sheet items are translated at the exchange rates at the balance sheet date. Exchange differences arising from the translation of the equity of foreign subsidiaries at the beginning of the year to the exchange rates at the balance sheet date and in connection with translation of income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity under a separate reserve for foreign currency translation adjustments.

Translation adjustments arising from accounts with foreign subsidiaries, which are regarded as part of the total investment in the subsidiary, are recognised in the consolidated financial statements directly in equity if the account is denominated in the parent company's or the subsidiary's functional currency. Similarly, exchange gains and losses on loans and derivative financial instruments entered into to hedge the net investment in these foreign subsidiaries are also recognised in the consolidated financial statements directly in equity.

### Derivative financial instruments

Derivative financial instruments are recognised and measured in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively, and set-off of positive and negative values is only made when the company has the right and intention to settle several financial instruments net.

The fair value of derivative financial instruments is calculated on the basis of current market data and recognised valuation methods.

Changes in the fair value of derivative financial instruments classified as hedging instruments and meeting the criteria for hedging the fair value of a recognised asset or liability are recognised in the income statement together with changes in the value of the hedged asset or liability to the extent of the hedged portion.

Changes in the fair value of derivative financial instruments classified as hedging instruments and meeting the criteria for hedging future cash flows are recognised under receivables or payables and in equity. Income and expenses related to such hedging transactions are transferred from equity on realisation of the hedged item and included in the same item as the hedged item.

For derivative financial instruments which do not meet the criteria for accounting treatment as hedging instruments, changes in fair value are recognised in the income statement under financial income and expenses as they arise.

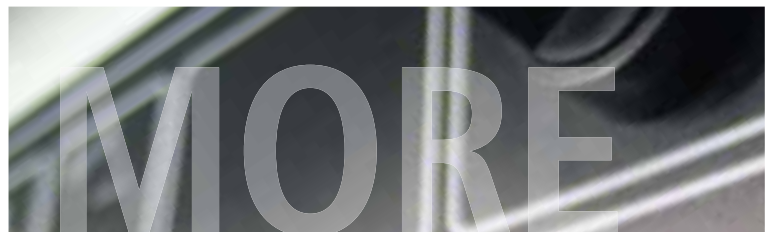
### Income statement

#### Revenue

Revenue is recognised in the income statement if delivery has taken place and risk has passed to the purchaser before the end of the year and provided the income can be reliably calculated and is expected to materialise. Revenue is measured exclusive of VAT and other taxes and less any discounts granted in connection with the sales.

#### Expenses

Expenses, including depreciation, amortisation and wages and salaries, are allocated in the income statement to the functions production, selling and distribution, development and administration, and special items. Expenses that



are not directly attributable to functions are allocated on the basis of the number of employees attached to the functions concerned.

Development costs also include development costs that do not meet the criteria for capitalisation as well as amortisation of capitalised development costs.

#### Other operating income and expenses

Other operating income and expenses include items of a secondary nature in relation to the group's activities, including gains and losses on sales of intangible assets and property, plant and equipment. Gains and losses on the disposal of intangible assets and property, plant and equipment are measured as the selling price less selling expenses and the carrying amount at the time of sale.

#### Special items

Special items comprise significant non-recurring income and expenses. These are presented in a separate item to make comparisons easier and to give a better view of the operating profit.

#### Financial income and expenses

Financial income and expenses include interest, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as additions and allowances under the provisional tax scheme etc. Realised and unrealised gains and losses regarding derivative financial instruments that cannot be classified as hedging transactions are also included.

Dividends from investments in subsidiaries are recognised in the parent company's income statement in the financial year in which the dividend is declared. However, to the extent the distributed dividend exceeds accumulated earnings after the date of acquisition, the dividend is recognised as a write-down on the cost of the investment.

#### Tax on profit for the year

The income tax expense for the year, which consists of the year's current income tax and the change in deferred tax, including the effect of a change in the tax rate, is recognised in the income statement with the proportion that is attributable to the net profit or loss for the year and directly in equity with the proportion that is attributable to equity items.

### Balance sheet

#### Goodwill

Goodwill is initially recognised in the balance sheet at cost as described under "Consolidated financial statements". Subsequent measurements are at cost less accumulated impairment losses. Goodwill is not amortised.

#### Development projects, patents and trademarks

Development costs include costs, salaries and amortisation attributable to the company's development activities.

Clearly defined and identifiable development projects are recognised as intangible assets where the technical feasibility, the availability of adequate resources and a potential future market or development opportunity in the company can be demonstrated and where the intention is to manufacture, market or use the project if the cost can be measured reliably and it is probable that the future earnings or the net selling price can cover cost of production, selling expenses and distribution costs, development costs as well as administrative expenses. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and accumulated impairment losses.

After completion of the development work, development costs are amortised on a straight-line basis over the expected economic useful life. The period of amortisation is 3-5 years. The basis of amortisation is reduced by any impairment losses.

Patents and trademarks are measured at cost less accumulated amortisation and accumulated impairment losses. Patents and licences are amortised on a straight-line basis over the shorter of the remaining term of the patent or agreement and their useful lives. The period of amortisation is usually 5-10 years.

#### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquisition and expenses directly attributable to the acquisition until the asset is ready for use.

For finance leases, cost is measured at the lower of the fair value and the net present value of the future lease payments. When computing the net present value, the internal rate of return according to the lease is used as the discount rate or an approximated value.

Subsequent costs, for instance in relation to the replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset concerned when it is likely that the cost will result in future financial benefits for the group. Recognition of the replaced components in the balance sheet ends, and the carrying amount is transferred to the income statement. All other costs related to ordinary repairs and maintenance are recognised in the income statement when they incur.

Depreciation is provided on a straight-line basis over the expected useful lives, which are estimated to be as follows:

Production buildings and building components	10-20 years
Technical installations	10-15 years
Office buildings and building components	10-25 years
Other fixtures and fittings, tools and equipment	3-5 years

Depreciation is not provided on land.

The basis of depreciation is determined having regard to the asset's scrap value and is reduced by any impairment losses. The scrap value is determined at the time of acquisition and is reassessed every year. If the scrap value exceeds the asset's carrying amount, no depreciation will be made. If the period of depreciation or the scrap value is changed, the impact on depreciation will be recognised prospectively as a change of accounting estimates.

#### Investments in subsidiaries in the parent company's financial statements.

Investments in subsidiaries are measured at cost. If cost exceeds the recoverable value, it is written down to this lower value.

Cost is reduced by the amount of dividend received which exceeds the accumulated earnings after the date of acquisition.

#### Impairment of non-current assets

Goodwill and intangible assets with an indefinite useful life are tested annually for impairment, the first time before the end of the year of acquisition. Similarly, development projects in progress are tested for impairment.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit to which goodwill is allocated and is impaired to recoverable value through the income statement if the carrying amount is higher.

## ► ACCOUNTING POLICIES



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The recoverable value is generally calculated as the present value of the expected future net cash flows from the business or activity (the cash-generating unit) to which goodwill attaches. Goodwill impairment is recognised as a separate line item in the income statement.

Deferred tax assets are assessed every year and are only recognised to the extent they are likely to be utilised

The carrying amount of other non-current assets is reviewed on an annual basis to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable value is estimated. The recoverable value is the higher of the asset's fair value less expected selling expenses and its value in use.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit, respectively, exceeds the asset's or the cash-generating unit's recoverable value. Impairment losses are recognised in the income statement under production, development, sales and distribution costs and administrative expenses, respectively. However, impairment of goodwill is presented as a separate line item in the income statement.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent there have been any changes in the assumptions and estimates that led to recognition of the impairment loss. Impairment losses are only reversed to the extent the asset's new carrying amount does not exceed the carrying amount that the asset would have had after depreciation if the asset had not been written down.

### **Inventories**

Inventories are measured at cost using the FIFO method. Write-down to net realisable value is made if it is lower than cost.

The cost of goods for resale, raw materials and consumables includes the cost of purchase plus costs incurred in bringing the inventories to their present location and condition. The cost of manufactured goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production costs. Indirect production costs include indirect materials and labour costs as well as maintenance of and depreciation on the machinery, factory buildings and equipment used in the manufacturing process as well as the cost of factory management and administration.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to execute the sale and it is determined having regard to marketability, obsolescence and expected selling price movements.

### **Receivables**

Receivables are measured at amortised cost. Write-downs for impairment are made to counter expected losses.

### **Prepayments**

Prepayments, recognised under assets, include expenses incurred related to subsequent financial years.

### **Equity**

Dividend:

Proposed dividend is recognised as a liability at the time of adoption of the dividend resolution at the annual general meeting (the time of declaration). Dividend expected to be paid for the year is shown as a separate item under equity.

Treasury shares:

Cost and selling prices of treasury shares as well as dividend are recognised directly in retained earnings under equity.

Translation reserve:

The translation reserve in the consolidated financial statements includes exchange differences arising on translation of financial statements of foreign entities from their functional currencies to the Glunz & Jensen group's presentation currency (Danish kroner).

On any realisation in whole or in part of the net investment, the exchange differences are recognised in the income statement.

The translation reserve has been reset to zero at 1 June 2004 in accordance with IFRS 1.

Hedging transaction reserve:

The hedging transaction reserve includes the accumulated net change in the fair value of the hedging transactions which meet the criteria for hedging future cash flows.

Incentive programmes:

The Glunz & Jensen group's incentive programmes include a share option programme.

For equity-settled share options, the fair value is measured at the grant date and is recognised in the income statement under staff costs over the period in which the final right to the options is acquired. The counter-item is recognised directly in equity.

For share options where the option owner has the choice of settlement by way of shares or cash difference settlement, the fair value is measured at the first recognition at the grant date and recognised in the income statement under staff costs over the period in which the final right to the options is acquired. Subsequently, the fair value of the share options is measured on each balance sheet date and on final settlement, and any changes in the value of the share options are recognised in the income statement under staff costs in proportion to the elapsed part of the period in which the employee acquires the final right to the options. The counter item is recognised under liabilities.

The fair value of the options granted is estimated by using an option pricing model. The calculation of the value will take into account the terms and conditions attaching to the share options granted.

### **Assets classified as held for sale**

Assets held for sale include non-current assets and disposal groups held for sale.

A disposal group is a group of assets to be disposed of by sale or otherwise as a group in a single transaction. Liabilities relating to shares held for sale are liabilities directly attributable to these assets which will be transferred through the transaction. Assets are classified as "held for sale" when their accounting value will primarily be recovered through a sale within 12 months in accordance with a formal plan rather than through continuing use.

Assets or disposal groups held for sale are measured at the lower of carrying amount and the fair value less costs of sale. Assets will not be impaired or amortised from the time they are classified as "held for sale".





Impairment losses arising on the first classification as "held for sale" and gains or losses arising on any subsequent measurement at the lower of the carrying amount and fair value less costs of sale are recognised in the income statement under the items they concern. Gains and losses are disclosed in the notes.

Assets and the associated liabilities are presented as separate line items in the balance sheet, and the main items are specified in the notes.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable income for previous years and for provisional taxes paid.

Deferred tax is measured according to the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities and their tax base. However, no deferred tax is recognised on temporary differences relating to goodwill for which amortisation is not deductible for tax purposes and properties where temporary differences – other than acquisitions of companies – have arisen at the time of acquisition without affecting results or taxable income.

Deferred tax assets, including the tax value of tax-loss carryforwards, are recognised under other non-current assets at the value at which they are expected to be used, either by elimination in tax on future earnings or by offsetting against deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustment is made of deferred tax relating to elimination of 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 liability is expected to be realised as current tax. Any changes in deferred tax as a result of changed tax rates are recognised in the income statement.

### Provisions

Provisions include expected expenses for guarantee commitments and restructurings etc.

Provisions are recognised when the group has a legal or constructive obligation that arises from a past event and it is likely that an outflow of the group's financial resources will be required to settle the obligation.

Provisions are measured at the management's best estimate of the amount required to settle the obligation.

Guarantee commitments include commitments relating to repairs of work within the guarantee period. Provisions for guarantee commitments are measured and recognised based on experience from guarantee work.

Restructuring costs are recognised as liabilities when a detailed formal restructuring plan has been published on or before the balance sheet date to the persons affected by the plan. On acquisition of companies, provisions for restructurings in the company acquired are only included in the calculation of goodwill if, at the time of acquisition, an obligation exists on the part of the acquired company.

### Financial liabilities

Mortgage debt and debt to credit institutions are recognised at the time of the raising of the loan at proceeds received less transaction costs paid. In subsequent

periods, the financial liabilities are measured at amortised cost, equivalent to the capitalised value when the effective rate of interest is used, so that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the loan period.

The remaining lease obligation according to finance leases is capitalised and recognised as financial liabilities.

Other liabilities are measured at net realisable value.

### Deferred income

Deferred income, recognised under liabilities, includes payments received related to income in subsequent financial years.

### Cash flow statement

The cash flow statement shows cash flows from operating activities, investing activities, financing activities and the cash and cash equivalents at the beginning and end of the year.

The effect on cash flow from acquisition and disposal of enterprises is shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognised in the cash flow statement from the date of acquisition, and cash flows relating to enterprises sold are recognised until the time of sale.

Cash flows from operating activities are calculated as the operating profit or loss before special items, adjusted for non-cash operating items, working capital changes, special items paid, interest rate paid and income taxes paid.

Cash flows from investing activities include payments in connection with purchases and sales of companies and activities as well as purchases and sales of intangible assets, property, plant and equipment and other non-current assets.

Cash flows from financing activities include changes in the amount or composition of share capital and related expenses as well as the raising of loans, repayments on interest-bearing debt, the purchase and sale of treasury shares and payment of dividend.

Cash and cash equivalents include bank deposits and cash.

### Presentation of discontinued operations

Discontinued operations represent an important entity whose activities and cash flows are clearly distinct from the rest of the business, both in terms of operations and in terms of accounting, and which has either been sold or hived off for sale and expected to be sold within one year according to a formal plan. Discontinued operations also include companies classified in connection with the acquisition as "held for sale".

The profit or loss after tax of discontinued operations and value adjustments after tax of the associated assets and liabilities are presented as separate line items in the income statement together with comparative figures. In the notes, the revenue, expenses, value adjustments and tax of the discontinued operations are disclosed. Assets and the associated liabilities relating to discontinued operations are presented as separate line items in the balance sheet, see the section "Assets held for sale", and the main items are specified in the notes.

Cash flows from operating, investing and financing activities for the discontinued operations are disclosed in a note.



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### Segment information

Following the divestment of Imacon A/S in August 2004, the Glunz & Jensen group consists of one segment. It is therefore not possible to divide the primary segments further. Consequently, information is only provided on the secondary segment – the geographical markets.

Additional information about the group's revenue by product types is provided for the primary segment.

### Definitions of ratios

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

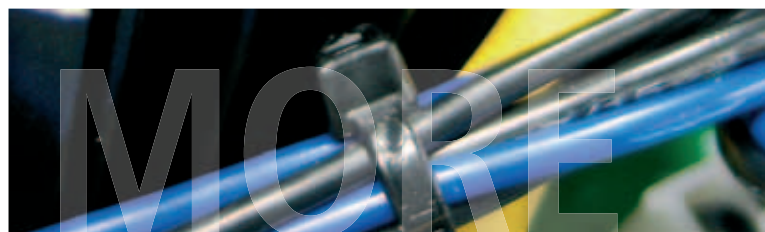
Other ratios are calculated according to the "Recommendations and Ratios 2005" issued by the Danish Society of Financial Analysts.

The ratios in the annual report are calculated as follows:

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Operating margin (EBITA)	$\frac{\text{Operating profit/(loss) before special items (EBITA)} \times 100}{\text{Revenue}}$
Return on invested capital incl. goodwill (ROIC)	$\frac{\text{Operating profit/(loss)} \times 100}{\text{Average operating assets}}$
Return on equity (ROE)	$\frac{\text{Profit/(loss)} \times 100}{\text{Average equity}}$
Equity ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Equity and liabilities at year-end}}$
Interest cover ratio (EBITA)	$\frac{\text{Operating profit/(loss) before special items (EBITA)} + \text{interest income}}{\text{Interest expenses}}$
Earnings per share (EPS Basic)	$\frac{\text{Net profit/(loss) for the year}}{\text{Average number of shares in circulation}}$
Diluted earnings per share (EPS-D)	$\frac{\text{Diluted net profit/(loss) for the year}}{\text{Diluted average number of shares in circulation}}$
Cash flow per share (CFPS)	$\frac{\text{Cash flows from operating activities}}{\text{Diluted average number of shares}}$
Book value per share (BVPS)	$\frac{\text{Equity}}{\text{Number of shares at year-end}}$
Pay-out ratio	$\frac{\text{Payment of dividend}}{\text{Net profit/(loss) for the year}}$
Price/book value (KI)	$\frac{\text{Market price}}{\text{BVPS}}$

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## INCOME STATEMENT



Note	1 June - 31 May	Group 2005/06 DKK '000	Group 2004/05 DKK '000	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
2	<b>Revenue</b>	484,392	505,657	365,585	335,166
3,4,7	Production costs	(365,444)	(383,573)	(276,758)	(256,003)
	<b>Gross profit</b>	118,948	122,084	88,827	79,163
8	Other operating income	2,120	600	1,872	597
4,7	Sales and distribution costs	(28,750)	(26,125)	(18,154)	(18,683)
4,7	Product development costs	(28,842)	(33,514)	(25,644)	(28,231)
4,7	Administrative expenses	(30,659)	(27,953)	(19,274)	(18,723)
8	Other operating expenses	-	(91)	-	(78)
	<b>Operating profit before special items</b>	32,817	35,001	27,627	14,045
4,9	Special items	(17,932)	-	(1,408)	-
7	Impairment of goodwill	-	(16,722)	-	-
	<b>Operating profit</b>	14,885	18,279	26,219	14,045
10	Financial income	1,669	2,864	20,305	18,715
10	Financial expenses	(3,976)	(4,525)	(14,509)	(21,014)
	<b>Profit before tax</b>	12,578	16,618	32,015	11,746
11	Tax on profit/(loss) for the year for continuing activities	(4,356)	(7,586)	(7,885)	(4,168)
	<b>Net profit for the year from continuing activities</b>	8,222	9,032	24,130	7,578
26	Net profit/(loss) for the year from discontinued activities	-	(4,799)	-	-
	<b>Net profit for the year</b>	8,222	4,233	24,130	7,578
	<b>Proposed appropriation of profit</b>				
	Proposed dividend DKK 2 per share of DKK 20 (2004/05: DKK 2 per share of DKK 20)			4,650	4,650
	Retained earnings			19,480	2,928
	<b>Total</b>			24,130	7,578
	<b>Earnings per share</b>				
12	Earnings per share (EPS)	3.9	2.0		
12	Diluted earnings per share (EPS-D)	3.8	2.0		
12	Earnings from continuing activities per share	3.9	4.3		
12	Diluted earnings from continuing activities per share	3.8	4.2		

## BALANCE SHEET

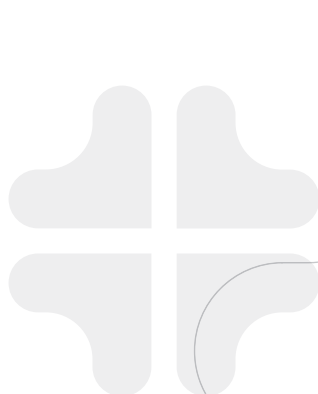


Note	31 May	Group 2006 DKK '000	Group 2005 DKK '000	Parent company 2006 DKK '000	Parent company 2005 DKK '000
	<b>ASSETS</b>				
	<b>Non-current assets</b>				
13	<b>Intangible assets</b>				
	Completed development projects	10,787	9,907	10,787	9,907
	Patents and trademarks	365	344	290	344
	Goodwill	41,708	25,743	-	-
	Development projects in progress	11,315	5,886	11,007	5,886
		64,175	41,880	22,084	16,137
14	<b>Property, plant and equipment</b>				
	Land and buildings	68,528	78,047	43,484	49,155
	Other fixtures and fittings, tools and equipment	12,472	10,393	6,861	7,526
	Property, plant and equipment in progress and prepayments for property, plant and equipment	-	191	-	-
		81,000	88,631	50,345	56,681
	<b>Other non-current assets</b>				
15	Investments in subsidiaries	-	-	39,416	49,022
16	Deferred tax	7,419	8,293	-	1,724
	Deposits	65	57	-	24
		7,484	8,350	39,416	50,770
	<b>Total non-current assets</b>	152,659	138,861	111,845	123,588
	<b>Current assets</b>				
17	Inventories	66,505	57,992	20,505	22,911
18	Trade receivables	80,504	75,718	60,720	37,505
	Receivables from subsidiaries	-	-	65,318	35,236
	Other receivables	4,796	6,770	2,352	503
11	Income taxes	6,186	1,321	-	1,000
	Prepayments	2,609	2,264	1,362	1,388
	Cash	11,195	3,605	5,529	933
26	Assets classified as held for sale	8,729	-	-	-
	<b>Total current assets</b>	180,524	147,670	155,786	99,476
	<b>TOTAL ASSETS</b>	333,183	286,531	267,631	223,064

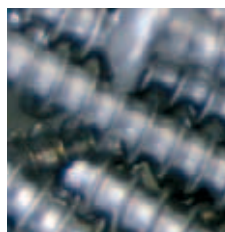
► BALANCE SHEET



Note	31 May	Group 2006 DKK '000	Group 2005 DKK '000	Parent company 2006 DKK '000	Parent company 2005 DKK '000
	<b>EQUITY AND LIABILITIES</b>				
19	<b>Equity</b>				
	Share capital	46,500	46,500	46,500	46,500
	Hedging transaction reserve	-	(761)	-	(761)
	Translation reserve	(2,568)	(1,202)	-	-
	Retained earnings	111,945	107,816	91,980	71,943
	Proposed dividend	4,650	4,650	4,650	4,650
	<b>Total equity</b>	<b>160,527</b>	<b>157,003</b>	<b>143,130</b>	<b>122,332</b>
	<b>Liabilities</b>				
	<b>Long-term liabilities</b>				
16	Deferred tax	701	-	691	-
20	Provisions	675	633	675	632
21	Credit institutions	11,430	13,046	418	966
	<b>Total long-term liabilities</b>	<b>12,806</b>	<b>13,679</b>	<b>1,784</b>	<b>1,598</b>
	<b>Short-term liabilities</b>				
21	Credit institutions	64,301	39,699	63,722	39,218
	Trade payables	39,965	42,156	13,810	17,759
	Payables to subsidiaries	-	-	18,476	15,864
11	Income taxes	3,364	3,747	3,364	3,049
20	Provisions	18,049	4,384	2,375	1,898
	Prepayments from customers	5,384	-	-	-
	Other payables	28,787	25,863	20,970	21,346
	<b>Total short-term liabilities</b>	<b>159,850</b>	<b>115,849</b>	<b>122,717</b>	<b>99,134</b>
	<b>Total liabilities</b>	<b>172,656</b>	<b>129,528</b>	<b>124,501</b>	<b>100,732</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>333,183</b>	<b>286,531</b>	<b>267,631</b>	<b>223,064</b>



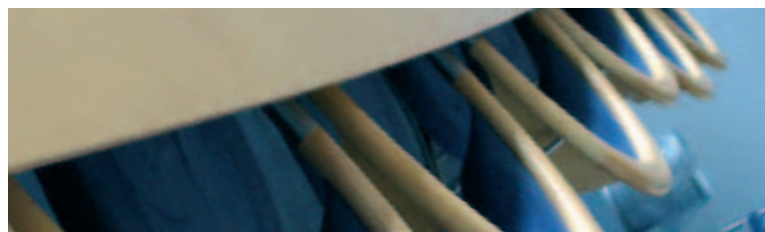




## STATEMENT OF CHANGES IN EQUITY

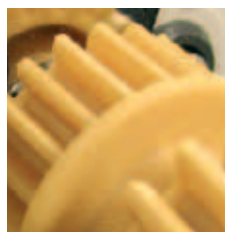
	Share capital DKK '000	Hedging transaction reserve DKK '000	Translation reserve DKK '000	Retained earnings DKK '000	Proposed dividend DKK '000	Total DKK '000
<b>Group</b>						
<b>Equity 1 June 2004</b>	46,500	54	(5,819)	114,006	-	154,741
Change of accounting policies	-	-	5,819	(5,819)	-	0
<b>Adjusted equity 1 June 2004</b>	46,500	54	0	108,187	-	154,741
<b>Changes in equity 2004/05</b>						
Translation adjustment, foreign entities	-	-	(1,202)	-	-	(1,202)
Value adjustment of hedging instruments	-	(1,134)	-	-	-	(1,134)
Share-based payment	-	-	-	46	-	46
Tax on changes in equity	-	319	-	-	-	319
Net gains recognised directly in equity	-	(815)	(1,202)	46	-	(1,971)
Net profit/(loss) for the year	-	-	-	(417)	4,650	4,233
<b>Total income</b>	-	(815)	(1,202)	(371)	4,650	2,262
Distributed dividend	-	-	-	-	-	-
<b>Total changes in equity in 2004/05</b>	-	(815)	(1,202)	(371)	4,650	2,262
<b>Equity 31 May 2005</b>	46,500	(761)	(1,202)	107,816	4,650	157,003
<b>Changes in equity 2005/06</b>						
Translation adjustment, foreign entities	-	-	(1,366)	-	-	(1,366)
Value adjustment of hedging instruments	-	1,057	-	-	-	1,057
Share-based payment	-	-	-	92	-	92
Tax on changes in equity	-	(296)	-	-	-	(296)
Net gains recognised directly in equity	-	761	(1,366)	92	0	(513)
Net profit for the year	-	-	-	3,572	4,650	8,222
<b>Total income</b>	-	761	(1,366)	3,664	4,650	7,709
Distributed dividend	-	-	-	-	(4,650)	(4,650)
Dividend, treasury shares	-	-	-	465	-	465
<b>Total changes in equity in 2005/06</b>	-	761	(1,366)	4,129	0	3,524
<b>Equity 31 May 2006</b>	46,500	0	(2,568)	111,945	4,650	160,527

► STATEMENT OF CHANGES IN EQUITY



	Share capital DKK '000	Hedging trans- action reserve DKK '000	Retained earnings DKK '000	Proposed dividend DKK '000	Total DKK '000
<b>Parent company</b>					
<b>Equity 1 June 2004</b>	46,500	54	108,187	-	154,741
Change of accounting policies	-	-	(39,216)	-	(39,216)
<b>Adjusted equity 1 June 2004</b>	46,500	54	68,969	-	115,523
<b>Changes in equity 2004/05</b>					
Value adjustment of hedging instruments	-	(1,134)	-	-	(1,134)
Share-based payment	-	-	46	-	46
Tax on changes in equity	-	319	-	-	319
Net gains recognised directly in equity	-	(815)	46	-	(769)
Net profit/(loss) for the year	-	-	(2,928)	4,650	7,578
<b>Total income</b>	-	(815)	(2,974)	4,650	6,809
Distributed dividend	-	-	-	-	-
<b>Total changes in equity in 2004/05</b>	-	(815)	(2,974)	4,650	6,809
<b>Equity 31 May 2005</b>	46,500	(761)	71,943	4,650	122,332
<b>Changes in equity 2005/06</b>					
Value adjustment of hedging instruments	-	1,057	-	-	1,057
Share-based payment	-	-	92	-	92
Tax on changes in equity	-	(296)	-	-	(296)
Net gains recognised directly in equity	-	761	92	-	853
Net profit for the year	-	-	19,480	4,650	24,130
<b>Total income</b>	-	761	19,572	4,650	24,983
Distributed dividend	-	-	-	(4,650)	(4,650)
Dividend, treasury shares	-	-	465	-	465
<b>Total changes in equity in 2005/06</b>	-	761	20,037	0	20,798
<b>Equity 31 May 2006</b>	46,500	0	91,980	4,650	143,130

## CASH FLOW STATEMENT



Note	1 June - 31 May	Group 2005/06 DKK '000	Group 2004/05 DKK '000	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
	Operating profit before special items	32,817	35,001	27,627	14,045
	Adjustment for non-cash operating items etc.				
	Amortisation, depreciation and write-downs	18,813	21,855	15,582	19,045
	Gains and losses on sale of non-current assets	(1,699)	(359)	(1,679)	(369)
	Other operating items, net	(843)	936	522	1,697
	Provisions	(1,430)	2,049	520	430
	Cash flow from operating activities before changes in working capital	47,658	59,482	42,572	34,848
	Changes in working capital:				
	Changes in inventories	(3,603)	(4,953)	2,407	5,074
	Changes in payables to and receivables from subsidiaries	-	-	(27,471)	(32,759)
	Changes in receivables	823	(12,401)	(25,014)	(2,979)
	Changes in trade payables and other payables	(6,841)	1,288	(4,324)	(39)
	Changes in working capital	(9,621)	(16,066)	(54,402)	(30,703)
	Special items paid during the year	(4,673)	-	(1,408)	-
	Financial payments received	988	1,535	3,026	1,706
	Financial payments made	(3,349)	(4,336)	(2,882)	(4,292)
	Income taxes paid	(7,173)	(11,561)	(4,451)	(2,111)
	<b>Cash flow from operating activities</b>	<b>23,830</b>	<b>29,054</b>	<b>(17,545)</b>	<b>(552)</b>
2, 13	Acquisition of intangible assets	(13,578)	(5,112)	(13,495)	(5,112)
2, 14	Acquisition of property, plant and equipment	(10,743)	(20,783)	(3,350)	(2,363)
14	Disposal of property, plant and equipment	3,402	900	3,331	627
26	Divestment of subsidiaries and activities	-	92,079	-	70,815
27	Acquisition of subsidiaries and activities	(864)	-	(1,395)	-
	Dividends from subsidiaries	-	-	17,279	15,776
	<b>Cash flow from investing activities</b>	<b>(21,783)</b>	<b>67,084</b>	<b>2,370</b>	<b>79,743</b>
	Loan financing:				
	Changes in debt to credit institutions	9,792	(100,283)	23,956	(78,851)
	Shareholders:				
	Dividend distributed	(4,185)	-	(4,185)	-
	<b>Cash flow from financing activities</b>	<b>5,607</b>	<b>(100,283)</b>	<b>19,771</b>	<b>(78,851)</b>
	<b>Cash flow for the year from continuing activities</b>	<b>7,654</b>	<b>(4,145)</b>	<b>4,596</b>	<b>340</b>
26	<b>Cash flow for the year from discontinued activities</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>-</b>
	<b>Total cash flow for the year</b>	<b>7,654</b>	<b>(4,101)</b>	<b>4,596</b>	<b>340</b>
	Cash, beginning of year	3,605	12,224	933	593
	Cash in divested subsidiaries	-	(4,400)	-	-
	Translation adjustment of cash and cash equivalents	(64)	(118)	-	-
	<b>Cash, end of year</b>	<b>11,195</b>	<b>3,605</b>	<b>5,529</b>	<b>933</b>

## NOTES



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### 1. Significant accounting estimates and assessments

When calculating the book value and when preparing the Annual Report, the Management estimates how future events will affect the value of certain assets. The estimates are based on preconditions which the Management believes to be proper, but which are, naturally, uncertain and unpredictable. Specifically trade receivables are assessed, including previous bad debts, customer credit ratings and current economic trends in the countries where the group operates.

When measuring deferred tax assets, it is assessed whether the coming years' earnings based on budgets and operating plans will make it possible to use the temporary differences between the tax bases and book values or tax-loss carryforwards.

It is assessed whether the book value of the non-current assets will be recoverable. The assessment of the recoverable amount is based on the utilisation of the assets in their respective cash flow-generating units, and whether the asset may be used elsewhere in the group.

### 2. Segment information

The Glunz & Jensen group consists of a primary segment, the graphic segment. A division of the group's income statement, balance sheet and cash flow statement into primary segments thus corresponds to the consolidated figures.

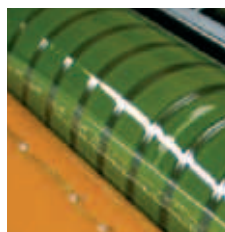
#### Primary segment – breakdown of revenue by product types

	Group 2005/06 DKK '000	Group 2004/05 DKK '000
1 June - 31 May		
CtP processors	277,810	281,552
Other prepress equipment	62,975	69,902
Conventional processors	37,597	51,575
Spare parts etc.	106,010	102,628
Total	484,392	505,657

#### Secondary segment – geographical breakdown

	Revenue 2005/06	Revenue 2004/05	Total assets 2005/06	Total assets 2004/05	Invest- ments 2005/06	Invest- ments 2004/05
Group						
Europe	224,723	246,152	272,137	231,270	23,004	25,569
North America	171,275	170,756	61,046	55,261	1,317	326
Rest of the world	88,394	88,749	0	0	0	0
	484,392	505,657	333,183	286,531	24,321	25,895

Of the parent company's revenue, 2 per cent (2004/05: 2 per cent) come from sales to Denmark.



### 3. Production costs

1 June - 31 May	Group 2005/06 DKK '000	Group 2004/05 DKK '000	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
Cost of goods soled	264,689	287,728	274,641	194,309
Inventory write-downs for the year	10,893	11,655	4,604	5,830
Reversed inventory write-downs	(4,422)	(2,670)	(1,963)	(1,782)

Inventory write-downs are, among other things, based on an assessment which includes expectations for the future need and use of the product concerned. As the expectations are subject to regular changes, write-downs may vary. The variances may result in a reversal of the write-downs.

### 4. Employee costs

1 June - 31 May	Group 2005/06 DKK '000	Group 2004/05 DKK '000	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
Remuneration of the Board of Directors	765	900	765	900
Wages and salaries	124,908	117,089	66,660	67,293
Share-based payment, equity-settled schemes	92	46	92	46
Share-based payment, cash-settled schemes	834	533	834	533
Other social security costs	8,131	6,627	4,733	4,488
	134,730	125,195	73,084	73,260
Employee costs are included in the following items:				
Production costs	66,983	68,256	34,099	39,892
Sales and distribution costs	17,252	18,036	10,559	9,664
Product development costs	15,786	15,116	14,571	11,208
Administrative expenses	19,473	23,787	13,555	12,496
Special items	15,236	-	300	-
	134,730	125,195	73,084	73,260
Average number of full-time employees	333	291	165	168

### Remuneration of the Management and the Board of Directors

1 June - 31 May	Group 2005/06 DKK '000	Group 2004/05 DKK '000
Salaries	1,851	1,773
Bonus	800	714
Share-based payment	92	46
Remuneration of the Management	2,743	2,533
Remuneration of the Board of Directors	765	900

See the section on Corporate Governance on page 52.

### 5. Share-based payment

The general rule for outstanding option programmes is that each option corresponds to one class B share of DKK 20. The option programmes may be exercised 3-5 years after issue. The exercise prices are usually determined as the average exchange rate at the Copenhagen Stock Exchange the first 20 days after publication of the latest quarterly report before granting. The exercise prices are subject to an annual addition of 6 per cent.

Upon exercise, the Management's share option programmes will be settled by transfer of shares from Glunz & Jensen's holding of treasury shares.

Option programmes for overseas employees will be settled in cash upon exercise. For employees in Denmark, the employee may choose between settlement in cash and settlement by transfer of shares from Glunz & Jensen's holding of treasury shares.

In March 2003, the Management was awarded 15,000 options with a total nominal value of DKK 300k. Exercise may take place from August 2006 to September 2008. The exercise price has been set at 30 for each class B share plus 6 per cent p.a.

In 2004/05, a number of managers and specialists were awarded a total of 59,000 options with a total nominal value of DKK 1,180k. The exercise price has been set at an average of 33 for each class B share plus 6 per cent p.a.

In 2005/06, the Management and a number of managers and specialists were awarded a total of 46,000 options with a total nominal value of DKK 920k. Exercise prices have been set at 82-83 for each class B share plus 6 per cent p.a.

Board members elected by the annual general meeting are not covered by any option programmes.

The below market values of the option programmes are based on the Black-Scholes model for valuation of options (40 per cent volatility, 3.0-3.5 per cent interest and a dividend of DKK 2 (2004/05: 60 per cent, 2.4-2.5 per cent and DKK 0, respectively)).



► NOTES



**Share options in Glunz & Jensen A/S**

	Management	Executive empl. etc.	Other empl.	Total	Av. exercise price
Outstanding options 1 June 2004	15,000	18,816	43,588	77,404	228
Options granted in 2004/2005	-	59,000	-	59,000	33
<b>Outstanding options 31 May 2005</b>	15,000	77,816	43,588	136,404	143
Options granted in 2005/06	15,000	31,000	-	46,000	83
Options cancelled in 2005/06	-	(18,816)	(43,588)	(62,404)	275
<b>Outstanding options 31 May 2006</b>	30,000	90,000	0	120,000	45
Market value at the time of granting of the options granted in 2005/06 (DKKm)	0.2	0.5	-	0.7	
Market value of outstanding options (DKKm)	1.0	3.2	-	4.2	

**Share options in Glunz & Jensen A/S – time of granting**

	Management	Executive empl. etc.	Total	Exercise price <sup>1)</sup>	Number of years until expiry	Market value DKKm
<b>Equity-settled</b>						
March 2003	15,000	-	15,000	30	0.3-2.3	0.7
November 2005	15,000	-	15,000	82	2.4-4.4	0.3
<b>Cash-settled</b>						
December 2004	-	59,000	59,000	33	1.5-3.5	2.6
December 2005	-	20,000	20,000	83	2.5-4.5	0.4
March 2006	-	11,000	11,000	82	2.8-4.8	0.2
	30,000	90,000	120,000			4.2

<sup>1)</sup> Exercise price at the time of granting plus 6 per cent p.a.

**6. Fees paid to the company auditors appointed by the annual general meeting**

	Group 2005/06 DKK '000	Group 2004/05 DKK '000	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
1 June - 31 May				
<b>Audit</b>				
KPMG	1,646	1,468	700	869
RBH-REVISION	-	70	-	70
	1,646	1,538	700	939
<b>Other services</b>				
KPMG	516	449	336	348

**7. Amortisation, depreciation and impairment losses**

	Group 2005/06 DKK '000	Group 2004/05 DKK '000	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
1 June - 31 May				
Amortisation, intangible assets	6,912	10,443	6,903	9,805
Impairment, intangible assets	645	17,225	645	-
Depreciation, property, plant and equipment	11,256	13,067	8,034	9,240
	18,813	40,735	15,582	19,045
Amortisation, depreciation and impairment losses are recognised in the income statement in the following way:				
Production costs	7,259	7,723	4,829	5,927
Sales and distribution costs	1,425	1,591	947	1,113
Product development costs	9,028	11,176	9,006	11,039
Administrative expenses	1,101	1,364	800	966
Impairment of goodwill	-	16,722	-	-
Net profit for the year from discontinued activities	-	2,159	-	-
	18,813	40,735	15,582	19,045

Amortisation of intangible assets is recognised under product development costs.

Impairment of intangible assets in 2005/06 concern activated product development projects that no longer generate income. In 2004/05, goodwill regarding acquired plate processing activities from Agfa, Thetford was impaired, cf. note 13.

► NOTES



8. Other operating income and expenses

1 June - 31 May

**Other operating income**

Rental income  
Gain on sale of non-current assets

Group 2005/06 DKK '000	Group 2004/05 DKK '000	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
421	150	193	150
1,699	450	1,679	447
2,120	600	1,872	597
<b>Other operating expenses</b>			
-	(91)	-	(78)

9. Special items

1 June - 31 May

Redundancy payments etc. regarding the closing-down of production facilities in England  
Other expenses related to the relocation of production from England to Slovakia

Group 2005/06 DKK '000	Group 2004/05 DKK '000	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
15,236	-	-	-
2,696	-	1,408	-
17,932	-	1,408	-

Special items comprise significant non-recurring expenses regarding relocation of production from England to Slovakia.

10. Financial income and expenses

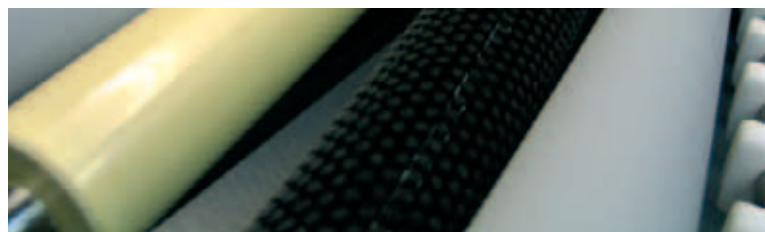
1 June - 31 May

**Financial income**

Dividends from subsidiaries  
Interest income from subsidiaries  
Interest, credit institutions and debtors etc.  
Foreign exchange gains  
Other financial income

Group 2005/06 DKK '000	Group 2004/05 DKK '000	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
-	-	17,279	15,776
-	-	2,390	288
466	1,303	163	1,186
681	1,329	0	1,233
522	232	473	232
1,669	2,864	20,305	18,715
<b>Financial expenses</b>			
-	-	11,000	16,722
-	-	357	899
3,053	3,964	2,358	3,213
627	189	627	0
296	372	167	180
3,976	4,525	14,509	21,014

For write-downs of investments in subsidiaries, see note 15.



11. Tax on profit for the year for continuing activities

1 June - 31 May

**Tax on profit for the year**

Current tax	1,994	10,817	5,766	4,663
Adjustment of tax regarding previous years	(79)	46	-	(4)
Adjustment of deferred tax	2,441	(3,277)	2,119	(491)
<b>Tax on profit for the year</b>	<b>4,356</b>	<b>7,586</b>	<b>7,885</b>	<b>4,168</b>

Tax on profit for the year may be explained in the following way:

28 per cent tax on net profit for the year	3,522	4,653	8,964	3,289
Reduction in the Danish income tax rate	-	218	-	62
Tax effect of:				
Dividends from subsidiaries	-	-	(4,838)	(4,417)
Non-deductible write-downs of investments in subsidiaries	-	-	3,080	4,682
Non-taxable income and non-deductible expenses	1,091	1,734	376	556
Variance in foreign tax rates	(481)	935	-	-
Dividend tax on repatriation of dividends from foreign subsidiaries	303	-	303	-
Adjustment of tax regarding previous years	(79)	46	-	(4)
	<b>4,356</b>	<b>7,586</b>	<b>7,885</b>	<b>4,168</b>

**Effective tax rate**

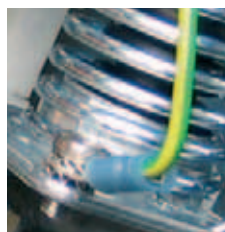
34.6%	45.6%	24.6%	35.5%
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12. Earnings per share

1 June - 31 May

Net profit for the year, DKK '000	8,222	4,233
Average number of shares, 1,000	2,325	2,325
Average number of treasury shares, 1,000	(232)	(232)
<b>Average number of shares in circulation, 1,000</b>	<b>2,093</b>	<b>2,093</b>
Outstanding share options' average dilution effect, 1,000	59	59
<b>Average number of shares, diluted, 1,000</b>	<b>2,152</b>	<b>2,152</b>
Earnings per share in DKK (EPS)	3.9	2.0
Diluted earnings per share in DKK (EPS-D)	3.8	2.0
Net profit for the year from continuing activities, DKK '000	8,222	9,032
Earnings per share in DKK for continuing activities	3.9	4.3
Diluted earnings per share in DKK for continuing activities	3.8	4.2

► NOTES



13. Intangible assets

	Completed develop- ment projects DKK '000	Patents and trademarks DKK '000	Goodwill DKK '000	Develop- ment projects in progress DKK '000	Total DKK '000
<b>Group</b>					
Acquisition cost 1 June 2004	43,780	1,792	89,347	5,581	140,500
Translation adjustment	-	-	(374)	-	(374)
Additions	-	186	-	6,078	6,264
Transfer	3,795	-	-	(3,795)	0
Disposals	(11,822)	(62)	-	-	(11,884)
Sale of subsidiary	(13,440)	(1,324)	(46,482)	(1,978)	(63,224)
Acquisition cost 31 May 2005	22,313	592	42,491	5,886	71,282
Amortisation and impairment losses 1 June 2004	19,628	1,097	-	-	20,725
Depreciation for the year	10,316	127	-	-	10,443
Impairment losses for the year	-	-	17,250	-	17,250
Amortisation and impairment of fully amortised assets	(11,822)	(62)	-	-	(11,884)
Sale of subsidiary	(5,716)	(914)	(502)	-	(7,132)
Amortisation and impairment losses 31 May 2005	12,406	248	16,748	-	29,402
<b>Book value 31 May 2005</b>	9,907	344	25,743	5,886	41,880
Acquisition cost 1 June 2005	22,313	592	42,491	5,886	71,282
Translation adjustment	-	-	(1,224)	(26)	(1,250)
Acquisition of subsidiaries	-	-	17,189	334	17,523
Additions	-	151	-	13,428	13,579
Transfer	8,307	-	-	(8,307)	0
Disposals	(7,820)	(108)	-	-	(7,928)
Acquisition cost 31 May 2006	22,800	635	58,456	11,315	93,206
Amortisation and impairment losses 1 June 2005	12,406	248	16,748	-	29,402
Depreciation for the year	6,782	130	-	-	6,912
Impairment losses for the year	645	-	-	-	645
Amortisation and impairment of fully amortised assets	(7,820)	(108)	-	-	(7,928)
Amortisation and impairment losses 31 May 2006	12,013	270	16,748	-	29,031
<b>Book value 31 May 2006</b>	10,787	365	41,708	11,315	64,175
<b>Parent company</b>					
Acquisition cost 1 June 2004	30,767	468	-	4,328	35,563
Additions during the year	-	186	-	4,925	5,111
Transfer	3,367	-	-	(3,367)	0
Disposals during the year	(11,822)	(62)	-	-	(11,884)
Acquisition cost 31 May 2005	22,312	592	-	5,886	28,790
Depreciation 1 June 2004	14,522	211	-	-	14,733
Depreciation for the year	9,705	99	-	-	9,804
Amortisation of fully amortised assets	(11,822)	(62)	-	-	(11,884)
Depreciation 31 May 2005	12,405	248	-	-	12,653
<b>Book value 31 May 2005</b>	9,907	344	-	5,886	16,137
Acquisition cost 1 June 2005	22,312	592	-	5,886	28,790
Additions during the year	-	67	-	13,428	13,495
Transfer	8,307	-	-	(8,307)	0
Disposals during the year	(7,819)	(108)	-	-	(7,927)
Acquisition cost 31 May 2006	22,800	551	-	11,007	34,358
Depreciation 1 June 2005	12,405	248	-	-	12,653
Depreciation for the year	6,782	121	-	-	6,903
Impairment losses for the year	645	-	-	-	645
Amortisation of fully amortised assets	(7,819)	(108)	-	-	(7,927)
Depreciation 31 May 2006	12,013	261	-	-	12,274
<b>Book value 31 May 2006</b>	10,787	290	-	11,007	22,084



#### Group and parent company

Write-down of development projects concern products which were phased out in 2005/06, upon which the remaining book value was written down.

Amortisation and write-downs of development projects are recognised in the income statement under product development costs.

In 2005/06, the company incurred product development costs of DKK 42,270k (2004/05: DKK 38,439k), of which DKK 13,428k (2004/05: DKK 4,925k) have been recognised in the balance sheet, and DKK 28,842k (2004/05: DKK 33,514k) have been recognised in the income statement under product development costs.

In 2005/06, an impairment test was carried out of the book values of the recognised development assets. This included an evaluation of the project development process in the shape of expenses incurred and schedules met etc. against approved project plans, sales budgets and expected future cash flow. Based on this evaluation, it is estimated that the recoverable amount exceeds the book value.

	Group 2005/06 DKK '000	Group 2004/05 DKK '000	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
31 May				
<b>Book value of goodwill</b>				
Plate processors/plateline	25,743	25,743	-	-
Glunz & Jensen K&F, Inc.	15,965	-	-	-
	41,708	25,743	-	-

As at 31 May 2006, the Management performed an impairment test of the book value of goodwill. The impairment test was performed for the group's cash flow-generating units to which goodwill can be attributed as per 31 May 2006.

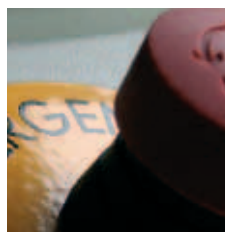
Based on the impairment test, the discounted values of future cash flow for each of the cash flow-generating units are compared with the book values at 31 May 2006. Cash flow are estimated on the basis of the budget for 2006/07 and of a strategy plan etc. for the period 2007/08 - 2010/11. The budget and strategy plans are commercial assessments, while projections after 2010/11 are based on general parameters. The preconditions for the budget and strategy plan are different for the two cash flow-generating units, as market growth is expected for Glunz & Jensen K&F, Inc. However, the plate processor/plateline market is expected to decline, and consequently, a condition of continuous cost adjustments has been incorporated. Terminal values are determined on the assumption of declining markets. The discount factor used is 15 per cent before tax.

In 2004/05, goodwill for Glunz & Jensen Ltd. was impaired on the basis of an impairment test resulting from a decision to close down production in England and the fact that the English-produced products were not expected to generate income which counterbalance the book value.

#### 14. Property, plant and equipment

	Land and buildings DKK '000	Other fixtures and fittings, tools and equipment DKK '000	Property, plant and equip- ment in progress DKK '000	Total DKK '000
<b>Group</b>				
Acquisition cost 1 June 2004	101,690	115,083	662	217,435
Translation adjustment	(251)	(188)	-	(439)
Additions during the year	16,270	7,436	191	23,897
Disposals during the year	(11)	(2,812)	(662)	(3,485)
Sale of subsidiary	-	(15,219)	-	(15,219)
Acquisition cost 31 May 2005	117,698	104,300	191	222,189
Depreciation 1 June 2004	34,476	99,439	-	133,915
Translation adjustment	(60)	(144)	-	(204)
Depreciation for the year	5,237	7,905	-	13,142
Depreciation of assets sold	(2)	(2,278)	-	(2,280)
Sale of subsidiary	-	(11,015)	-	(11,015)
Depreciation 31 May 2005	39,651	93,907	-	133,558
<b>Book value 31 May 2005</b>	78,047	10,393	191	88,631
Acquisition cost 1 June 2005	117,698	104,300	191	222,189
Translation adjustment	82	(509)	-	(427)
Acquisition of subsidiaries	-	3,196	-	3,196
Additions during the year	6,266	4,668	-	10,934
Disposals during the year	(1,698)	(18,999)	(191)	(20,888)
Transferred to assets classified as held for sale	(10,535)	-	-	(10,535)
Acquisition cost 31 May 2006	111,813	92,656	-	204,469
Depreciation 1 June 2005	39,651	93,907	-	133,558
Translation adjustment	(226)	(267)	-	(493)
Depreciation for the year	5,666	5,536	-	11,202
Depreciation of assets sold	-	(18,992)	-	(18,992)
Transferred to assets classified as held for sale	(1,806)	-	-	(1,806)
Depreciation 31 May 2006	43,285	80,184	-	123,469
<b>Book value 31 May 2006</b>	68,528	12,472	-	81,000





14. **Property, plant and equipment (continued)**

	Land and buildings DKK '000	Other fixtures and fittings, tools and equipment DKK '000	Property, plant and equipment in progress DKK '000	Total DKK '000
<b>Parent company</b>				
Acquisition cost 1 June 2004	81,720	86,894	662	169,276
Additions during the year	-	4,688	-	4,688
Disposals during the year	-	(2,473)	(662)	(3,135)
Acquisition cost 31 May 2005	81,720	89,109	-	170,829
Depreciation 1 June 2004	28,516	78,609	-	107,125
Depreciation for the year	4,049	5,191	-	9,240
Depreciation of assets sold	-	(2,217)	-	(2,217)
Depreciation 31 May 2005	32,565	81,583	-	114,148
<b>Book value 31 May 2005</b>	49,155	7,526	-	56,681
Acquisition cost 1 June 2005	81,720	89,109	-	170,829
Additions during the year	26	3,325	-	3,351
Disposals during the year	(1,646)	(18,980)	-	(20,626)
Acquisition cost 31 May 2006	80,100	73,454	-	153,554
Depreciation 1 June 2005	32,565	81,583	-	114,148
Depreciation for the year	4,051	3,983	-	8,034
Depreciation of assets sold	-	(18,973)	-	(18,973)
Depreciation 31 May 2006	36,616	66,593	-	103,209
<b>Book value 31 May 2006</b>	43,484	6,861	-	50,345
<b>Group</b>				
Book value 31 May 2005, assets with registered mortgage	3,882	-	-	-
Book value 31 May 2006, assets with registered mortgage	3,183	-	-	-
<b>Group and parent company</b>				
Book value 31 May 2005, leased assets	-	1,501	-	-
Cash property assessment value 31 May 2005, Danish properties	58,000	-	-	-
Book value 31 May 2005, Danish properties	49,115	-	-	-
Book value 31 May 2006, leased assets	-	970	-	-
Cash property assessment value 31 May 2006, Danish properties	56,100	-	-	-
Book value 31 May 2006, Danish properties	43,484	-	-	-

15. **Investments in subsidiaries**

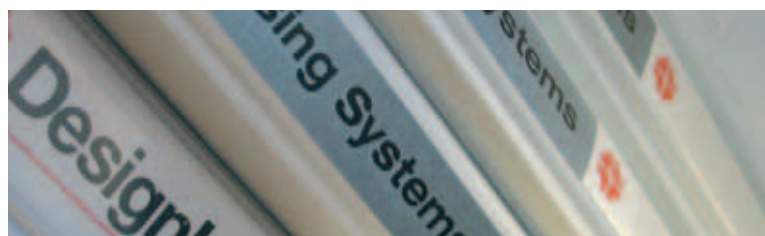
	Ownership share 2006	Ownership share 2005	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
31 May				
Glunz & Jensen, Inc., Virginia, USA	100%	100%		
Glunz & Jensen Ltd., Thetford, UK	100%	100%		
Glunz & Jensen s.r.o., Presov, Slovakia	100%	100%		
Glunz & Jensen K&F, Inc., Indiana, USA	100%	0%		
Acquisition cost 1 June			65,744	112,188
Additions during the year			1,394	38
Sale of subsidiaries			-	(46,482)
Acquisition cost 31 May			67,138	65,744
Impairment losses 1 June			16,722	-
Impairment losses for the year			11,000	16,722
Impairment losses 31 May			27,722	16,722
Book value 31 May			39,416	49,022

If the parent company's holding of investments in subsidiaries is realised at the book value, no tax shall be payable (2004/05: DKK 0).

Sale of subsidiaries in 2004/05 concerns the sale of Imacon A/S. See note 26.

Impairment of investments in subsidiaries in 2004/05 of DKK 16,722k concerns an impairment of Glunz & Jensen Ltd. in connection with a decision to close down production in England where it has been impaired to the recoverable amount. Impairment losses in 2005/06 of DKK 11,000k concern impairment of Glunz & Jensen Ltd. to the recoverable amount in connection with distribution of dividends.

## ► NOTES



### 16. Deferred tax

	Group 2006 DKK '000	Group 2005 DKK '000	Parent company 2006 DKK '000	Parent company 2005 DKK '000
Deferred tax 1 June	8,293	5,878	1,724	914
Translation adjustment	(214)	(38)	-	-
Deferred tax for the year recognised under profit for the year	(2,441)	5,464	(2,119)	491
Deferred tax for the year recognised in equity	(296)	319	(296)	319
Additions related to acquisition of subsidiary	1,376	-	-	-
Sale of subsidiary	-	(3,330)	-	-
Deferred tax 31 May	6,718	8,293	(691)	1,724
Deferred tax is recognised in the balance sheet in the following way:				
Deferred tax (asset)	7,419	8,293	-	1,724
Deferred tax (liability)	(701)	-	(691)	-
Net deferred tax 31 May	6,718	8,293	(691)	1,724

The group's tax assets and liabilities are recognised in the balance sheet.

	Intangible assets	Property, plant and equipment	Current assets	Liabilities	Tax-loss carry- forwards etc.	Total
<b>Group</b>						
Deferred tax 1 June 2004	(9,651)	4,206	7,407	2,093	1,823	5,878
Translation adjustment	-	(9)	(14)	(15)	-	(38)
Recognised in profit for the year, net	6,253	378	(114)	770	(1,823)	5,464
Recognised in equity, net	-	-	319	-	-	319
Sale of subsidiary	(1,118)	(1,323)	(711)	(178)	-	(3,330)
Deferred tax 31 May 2005	(4,516)	3,252	6,887	2,670	-	8,293
Deferred tax 1 June 2005	(4,516)	3,252	6,887	2,670	-	8,293
Translation adjustment	-	(80)	(67)	(67)	-	(214)
Acquisition of subsidiary	-	383	36	957	-	1,376
Recognised in profit for the year, net	(1,667)	(412)	810	(1,878)	706	(2,441)
Recognised in equity, net	-	-	(296)	-	-	(296)
Deferred tax 31 May 2006	(6,183)	3,143	7,370	1,682	706	6,718
<b>Parent company</b>						
Deferred tax 1 June 2004	(6,242)	1,842	2,657	834	1,823	914
Recognised in profit for the year, net	1,726	(184)	405	367	(1,823)	491
Recognised in equity, net	-	-	319	-	-	319
Deferred tax 31 May 2005	(4,516)	1,658	3,381	1,201	-	1,724
Deferred tax 1 June 2005	(4,516)	1,658	3,381	1,201	-	1,724
Recognised in profit for the year, net	(1,667)	(182)	465	(735)	-	(2,119)
Recognised in equity, net	-	-	(296)	-	-	(296)
Deferred tax 31 May 2006	(6,183)	1,476	3,550	466	-	(691)

### 17. Inventories

	Group 2006 DKK '000	Group 2005 DKK '000	Parent company 2006 DKK '000	Parent company 2005 DKK '000
31 May				
Raw materials and consumables	41,393	29,489	16,066	18,496
Finished goods and semi-manufactures	25,112	28,503	4,439	4,415
Total	66,505	57,992	20,505	22,911
The book value of inventories is recognised at the net selling price	508	799	389	574

## ► NOTES



### 18. Trade receivables

	Group 2006 DKK '000	Group 2005 DKK '000	Parent company 2006 DKK '000	Parent company 2005 DKK '000
31 May				
Write-downs contained in trade receivables	6,098	7,036	5,234	6,442

### 19. Equity

The share capital consists of:

Class A shares, nom. DKK 6,080,000, distributed onto 56 shares of nom. DKK 100,000 and 48 shares of nom. DKK 10,000.

Class B shares, nom. DKK 40,420,000, distributed onto 2,021,000 shares of nom. DKK 20.

Each class A share of nominally DKK 20 carries 10 votes, while a class B share of nominally DKK 20 carries one vote. The share capital was last changed in October 1995.

Translation adjustments arising from the translation of the income statements and balance sheets of foreign entities are recognised directly in equity under a separate reserve for translation adjustments. As at 1 June 2004, the group decided, in accordance with IFRS 1, to reset this reserve to zero so that only translation adjustments made after 1 June 2004 will be taken to a separate reserve.

#### Treasury shares

	No. of class B shares of DKK 20 each	Nominal value DKK '000	Proportion of share capital %
Holding 1 June 2005 and 31 May 2006	232,500	4,650	10.0

According to the authority granted by the annual general meeting, Glunz & Jensen A/S may acquire a maximum of 10 per cent of the share capital.

The market value of treasury class B shares was DKK 19,670k at 31 May 2006 (31 May 2005: DKK 19,223k).

The holding includes 120,000 treasury class B shares (2004/05: 135,275 shares) to cover share option programmes. The remaining holding was acquired with a view to continued development of the capital structure, financing of acquisitions or cancellation.

### 20. Provisions

	Group 2006 DKK '000	Group 2005 DKK '000	Parent company 2006 DKK '000	Parent company 2005 DKK '000
Warranty commitments 1 June	3,368	3,575	2,530	2,100
Translation adjustment	(181)	(10)	-	-
Acquisition of subsidiaries	2,036	-	-	-
Used during the year	(4,930)	(2,442)	(1,639)	(1,472)
Reversed during the year	(258)	(56)	(258)	-
Provisions for the year	3,781	2,938	2,067	1,902
Sale of subsidiaries	-	(637)	-	-
Warranty commitments 31 May	3,816	3,368	2,700	2,530
Provisions for restructurings 1 June	1,649	-	-	-
Translation adjustment	(18)	-	-	-
Used during the year	(1,308)	-	-	-
Provisions for the year	14,585	1,649	350	-
Provisions for restructuring 31 May	14,908	1,649	350	-
<b>Provisions 31 May</b>	<b>18,724</b>	<b>5,017</b>	<b>3,050</b>	<b>2,530</b>
Expected maturities for provisions:				
Short-term liabilities	18,049	4,384	2,375	1,898
Long-term liabilities	675	633	675	632
<b>Provisions 31 May</b>	<b>18,724</b>	<b>5,017</b>	<b>3,050</b>	<b>2,530</b>

#### Warranties

Warranty commitments comprise commitments related to the usual product warranty of up to 1-2 years. The commitment is calculated on the basis of historic warranty costs. The costs are expected to be incurred over the coming two years.

#### Restructuring

In February 2005, it was decided to relocate part of the production from England to Slovakia. Provisions for restructuring as at 31 May 2005 comprise redundancy payments etc. to the employees.

In August 2005, it was decided to close down production in England and relocate it to Slovakia. In May 2006, it was also decided to relocate an additional part of production from Denmark to Slovakia. Both decisions involve redundancy payments etc. to the employees which are recognised under provisions for restructuring as at 31 May 2006. The provisions are expected to be exhausted in 2006/07.



21. Credit institutions

	Due within 1-5 years	Due after 5 years	Due after 1 year, total	Due within 1 year
<b>Group</b>				
Credit institutions 31 May 2005:				
Credit institutions (DKK), floating rate 2%-5%	966	-	966	24,556
Credit institutions (USD), floating rate 2%-6%	-	12,080	12,080	4,726
Credit institutions (GBP), floating rate 4%-6%	-	-	-	9,795
Credit institutions (EUR), floating rate 2%-4%	-	-	-	622
	966	12,080	13,046	39,699
Credit institutions 31 May 2006:				
Credit institutions (DKK), floating rate 3%-5%	418	-	418	55,017
Credit institutions (USD), floating rate 4%-6%	-	11,012	11,012	7,454
Credit institutions (GBP), floating rate 4%-6%	-	-	-	1,472
Credit institutions (EUR), floating rate 2%-4%	-	-	-	358
	418	11,012	11,430	64,301
<b>Parent company</b>				
Credit institutions 31 May 2005:				
Credit institutions (DKK), floating rate 2%-4%	966	-	966	24,557
Credit institutions (USD), floating rate 2%-5%	-	-	-	4,726
Credit institutions (GBP), floating rate 5%-6%	-	-	-	9,313
Credit institutions (EUR), floating rate 2%-3%	-	-	-	622
	966	-	966	39,218
Credit institutions 31 May 2006:				
Credit institutions (DKK), floating rate 3%-5%	418	-	418	55,017
Credit institutions (USD), floating rate 4%-6%	-	-	-	6,875
Credit institutions (GBP), floating rate 4%-6%	-	-	-	1,472
Credit institutions (EUR), floating rate 2%-4%	-	-	-	358
	418	-	418	63,722
<b>Group and parent company</b>				
Finance leases 31 May 2005:				
Lease payments	982	-	982	561
Interest	(16)	-	(16)	(26)
Book value	966	-	966	535
Finance leases 31 May 2006:				
Lease payments	421	-	421	561
Interest	(3)	-	(3)	(14)
Book value	418	-	418	547

Short-term debt is not subject to any repayment. The debt is reduced as cash generation occurs.

There are no payable conditional lease payments in leases entered into.

The fair value of current and non-current liabilities corresponds to the book value, as the liabilities are floating-rate liabilities.

## ► NOTES



### 22. Operating leases

	Group 2006 DKK '000	Group 2005 DKK '000	Parent company 2006 DKK '000	Parent company 2005 DKK '000
Lease commitments (operating):				
Due within 1 year	1,095	74	279	74
Due between 1-5 years	3,323	237	944	237
	4,418	311	1,223	311
Lease costs for the year (operating)	402	11	160	11

Operating leases concern operating equipment. The lease period is typically 1-4 years. None of the leases contain conditional lease payments.

### 23. Contingent liabilities

A financial declaration in support has been granted to the subsidiary Glunz & Jensen s.r.o.

The group is a party to a few disputes. The Management believes that the outcome of these disputes will not affect the financial position of the group except for the receivables and payables that have been recognised in the balance sheet as at 31 May 2006.

### 24. Currency exposure and use of derivative financial instruments

	Group 2006 Contract amount in currency (‘000)	Group 2006 Market value DKK '000	Group 2005 Contract amount in currency (‘000)	Group 2005 Market value DKK '000
31 May				
<b>Contracts, sale</b>				
USD	-	-	5,400	(1,057)
Market value recognised in the balance sheet before tax		-		(1,057)
Contract term		-		3 months

Currency exposure is detailed in the section on financial risks under risk factors on page 21.

### 25. Information about related parties and related party transactions

Controlling interest:

The Glunz & Jensen Foundation, which owns all class A shares in Glunz & Jensen A/S, has a controlling interest in the parent company together with the original holders of the class A shares.

Considerable interest:

The parent company's related parties with a considerable interest include the Board of Directors and the Management of the parent company plus executive employees and related family members. Related parties also include companies in which the above persons have considerable interests.

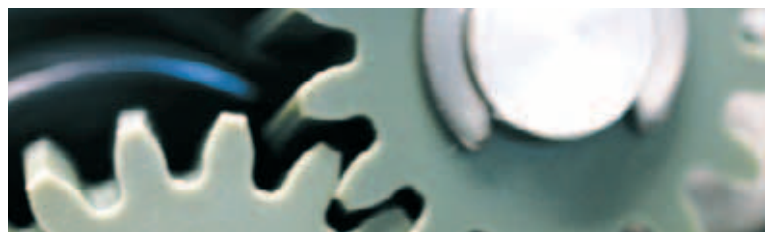
There have been no transactions with the Board of Directors, the Management, executive employees, major shareholders or other related parties except for payment of the usual fees.

Other related parties include subsidiaries as mentioned in note 15.

Intercompany transactions take place on market terms and are eliminated in the consolidated financial statements.

	Parent company 2005/06 DKK '000	Parent company 2004/05 DKK '000
1 June – 31 May		
Sale of raw materials to subsidiaries	34,013	15,097
Sale of finished goods to subsidiaries	63,645	69,059
Sale of services to subsidiaries	2,212	2,579
Purchase of raw materials from subsidiaries	8,772	1,554
Purchase of finished goods from subsidiaries	83,614	37,393
Purchase of services from subsidiaries	419	-
Payment of royalties to subsidiaries	110	-





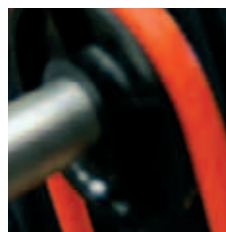
26. Discontinued activities and assets classified as held for sale

	Group 2005/06 DKK '000	Group 2004/05 DKK '000
<b>Key figures and ratios for discontinued activities</b>		
Revenue	-	22,571
Expenses	-	(26,484)
Profit/(loss) before tax	-	(3,913)
Tax on profit/(loss) for the year	-	(384)
Profit/(loss) after tax	-	(4,297)
Write-down to fair value	-	(502)
Net profit/(loss) for the year from discontinued activities	-	(4,799)
Cash flow from operating activities	-	5,066
Cash flow from investing activities	-	(1,915)
Cash flow from financing activities	-	(3,107)
Total cash flow	-	44
Cash and cash equivalents, beginning of year		4,401
Cash related to sale		4,445
Earnings per share in DKK for discontinued activities	-	(2.3)
Diluted earnings per share in DKK for discontinued activities	-	(2.2)

Discontinued activities concern the sale of the subsidiary Imacon A/S in August 2004 at a selling price of DKK 92,079k. No enterprises were sold off in 2005/06.

	Koncern 2005/06 DKK '000	Koncern 2004/05 DKK '000
<b>Assets classified as held for sale</b>		
Property, plant and equipment	8,729	-
Total assets classified as held for sale	8,729	-

Assets classified as held for sale concern the building in England which was put up for sale in September 2005 following the decision to close down production in England. The building was sold on 14 June 2006 at a price of DKK 23.4 million. The proceeds will be recognised as income in 2006/07 under special items.



27. Acquisition of subsidiaries and activities

	Fair value at the time of acquisition	Book value before the acquisition
<b>Acquisition of K&amp;F International, Inc.</b>		
Intangible assets	334	334
Property, plant and equipment	3,196	3,728
Deferred tax	1,376	4,020
Inventories	5,322	5,729
Receivables	4,323	4,323
Cash	531	531
Credit institutions	(14,303)	(14,303)
Trade payables	(7,082)	(7,082)
Provisions (short-term liabilities)	(2,036)	(1,749)
Other payables	(3,443)	(3,443)
Prepayments from customers	(4,012)	(4,012)
Acquired net assets	(15,794)	(11,924)
Goodwill	17,189	
<b>Acquisition cost</b>	<b>1,395</b>	
Cash	(531)	
<b>Cash acquisition cost</b>	<b>864</b>	

On 26 January 2006, Glunz & Jensen A/S acquired all the shares in K&F International, Inc. (K&F), which develops, produces and markets punch & bend equipment for offset printing plates. The name of the company was changed to Glunz & Jensen K&F Inc. following the acquisition.

The purchase price was DKK 1,395k. Goodwill amounted to DKK 17,189k at the time of acquisition. Goodwill concerns synergy effects and employee qualifications.

In connection with the acquisition, identifiable intangible assets were recognised in the pre-acquisition balance sheet at fair value. At the time of acquisition of K&F International, Inc., development projects in progress of DKK 334k were identified.

In 2004/05, Glunz & Jensen A/S did not acquire any enterprises or activities, which is why no comparative figures have been stated.

28. Subsequent events

After the end of the financial year, as part of the closing-down of production in England, it has been agreed to sell the company's production facilities in Thetford.

The building was sold at a price of GBP 2.15 million, corresponding to DKK 23.4 million. The proceeds from the sale totalled approximately DKK 14 million, which will be recognised under special items in the 2006/07 financial year. The proceeds after tax are expected to total approx. DKK 10 million. The 2005/06 financial statements are not affected by the sale.

Otherwise there have been no significant subsequent events.

29. New accounting legislation

IASB has issued a number of new international accounting standards and interpretations. These had not yet become effective at the balance sheet date. The changed standards and interpretations which are relevant to Glunz & Jensen are IAS 21 "Effects of Changes in Foreign Exchange Rates" and 39 "Financial instruments: Recognition and Measurement", applicable from 1 June 2006 and the new IFRS 7 "Financial instruments: Disclosures" applicable from 1 June 2007. The implementation of these standards is not expected to have any monetary effect on the consolidated results.



30. Quarterly highlights (unaudited)

	Q1 2005/06 DKKm	Q2 2005/06 DKKm	Q3 2005/06 DKKm	Q4Year 2005/06 DKKm	2005/06 DKKm
<b>Income statement</b>					
Revenue	123.4	115.1	119.2	126.7	484.4
Gross profit	33.3	27.6	28.0	30.0	118.9
Operating profit before special items (EBITA)	14.1	7.2	7.8	3.7	32.8
Special items, net	(15.5)	(0.4)	(1.6)	(0.4)	(17.9)
Operating profit/(loss) (EBIT)	(1.4)	6.8	6.2	3.3	14.9
Net financials	0.0	0.4	(0.1)	(2.6)	(2.3)
Profit/(loss) before tax (EBT)	(1.4)	7.2	6.1	0.7	12.6
Profit/(loss) for the period	(1.4)	5.3	4.3	0.0	8.2
<b>Balance sheet</b>					
<b>Assets</b>					
Goodwill	25.7	25.7	41.1	41.7	41.7
Other non-current assets	117.6	119.5	124.4	111.0	111.0
Current assets	149.5	151.3	161.4	180.5	180.5
Total assets	292.8	296.5	326.9	333.2	333.2
<b>Equity and liabilities</b>					
Equity	156.3	158.2	163.4	160.5	160.5
Liabilities	136.5	138.3	163.5	172.7	172.7
Total equity and liabilities	292.8	296.5	326.9	333.2	333.2
<b>Cash flow</b>					
Cash flow from operating activities	18.8	4.3	5.1	(4.4)	23.8
Cash flow from investing activities <sup>1)</sup>	(4.6)	(4.6)	(7.0)	(5.5)	(21.7)
Cash flow from financing activities	0.3	(7.5)	(6.0)	18.8	5.6
Changes in cash and cash equivalents	14.5	(7.8)	(7.9)	8.9	7.7
<sup>1)</sup> of which net investment in property, plant and equipment	(1.0)	(3.0)	(2.7)	(0.6)	(7.3)
<b>Ratios</b>					
Operating margin – EBITA (%)	11.4	6.3	6.6	2.7	6.8
Earnings per share (EPS)	(0.7)	2.6	2.0	0.0	3.9
Cash flow per share (CFPS)	9.0	2.1	2.4	(2.1)	11.4
Market price per share	81	80	83	85	85
Book value per share (BV)	74.7	75.6	78.1	76.7	76.7
Average number of shares (1,000 shares)	2,093	2,093	2,093	2,093	2,093
<b>Revenue broken down by product</b>					
CtP processors	74.3	64.5	67.3	71.7	277.8
Other prepress equipment	12.6	12.8	15.6	22.0	63.0
Conventional processors	9.2	12.1	7.9	8.4	37.6
Spare parts etc.	27.3	25.7	28.4	24.6	106.0
Total	123.4	115.1	119.2	126.7	484.4



## CORPORATE GOVERNANCE

Glunz & Jensen's Board of Directors and Management seek to ensure that the company's management structure and control systems are appropriate and function satisfactorily. The company's management continuously keeps itself updated on developments in corporate governance, including legislation, good practice and recommendations, and seeks to improve the company's own standards in this area.

In October 2005, the Copenhagen Stock Exchange reviewed the recommendations for corporate governance, and the review of corporate governance in this annual report complies with the new recommendations, including the "comply or explain" principle.

Apart from a few exceptions, Glunz & Jensen's corporate governance is largely consistent with the recommendations from the Copenhagen Stock Exchange.

### Interaction with shareholders and other stakeholders

Glunz & Jensen's management seeks to ensure good communication and dialogue with shareholders and other stakeholders. The company strives to ensure a high degree of openness and efficient communication of information.

The dialogue with and information to shareholders and stakeholders take place by means of publication of quarterly reports and other announcements from the company and via meetings with investors, analysts and the press. Quarterly reports and other announcements are available on Glunz & Jensen's website immediately after they have been published. The website also contains material which is used in connection with investor presentations. The website is in English, but announcements and annual reports are also available in Danish.

Glunz & Jensen has two classes of shares: class A and class B shares, which carry 10 votes and 1 vote, respectively, for each DKK 20 share. The votes linked to the class A shares constitute 60% of the total votes.

The Glunz & Jensen Foundation is the company's largest shareholder. The foundation was set up in 1986 in connection with the establishment of the current Glunz & Jensen A/S and acquired all class A shares in the company. However, the shareholders (ordinary shareholders) from which the foundation acquired the shares reserved, in a transitional period, the voting right to the class A shares and any foundation shares that may later be issued on the basis of class A shares. The reserved voting right was 26.0% at the end of the financial year. The Glunz & Jensen Foundation will eventually take over the voting right to all class A shares.

The company's articles of association contain no restrictions on ownership or voting rights. If an offer to acquire the company's shares is made, the Board of Directors will – in accordance with legislation – deal with it openly and communicate the offer to the shareholders accompanied by comments from the Board of Directors.



# YOU

The Board of Directors is Glunz & Jensen's top decision-making authority, and it wants the shareholders to be thoroughly informed of the matters decided on at the general meeting. Notices to convene the general meeting are published and sent to the registered shareholders at least eight days prior to the meeting. According to the articles of association, every shareholder has the right to participate in and vote at the general meeting. Shareholders may also give proxy to the Board of Directors or others in relation to each item on the agenda. The general meeting allows the shareholders to ask questions of the Board of Directors and the Management, just as the shareholders, within a specific deadline, may submit proposals that they want to be discussed at the general meeting.

### The work of the Board of Directors

The work of the Board of Directors is to a great extent regulated by Danish legislation. Thus, the Board of Directors is responsible for the overall management of Glunz & Jensen and determines goals and strategies and approves overall budgets and action plans. In addition, the Board of Directors supervises the company in a broad sense, checking that it is managed properly and in compliance with legislation and the articles of association. The general guidelines for the work of the Board of Directors are described in the rules of procedure which are reviewed once a year and adapted to Glunz & Jensen's requirements. The latest adjustment was made in 2005/06. The rules of procedure include procedures for the Management's reporting, the work of the Board of Directors and a description of the tasks and responsibilities of the Chairman of the Board.

The Board of Directors is regularly briefed on the affairs of the company. The briefing takes place systematically at meetings and through regular written and oral reporting. The Board of Directors receives fixed monthly reporting which includes information about the financial developments and the most important activities and transactions.

At least five ordinary board meetings are held every year, and a fixed plan has been prepared for the contents of the meetings. In addition, the Board of Directors meets whenever necessary and, in the 2005/06 financial year, it held eight board meetings, including a strategy seminar.

So far it has not been deemed necessary to establish a board committee, as the size of the Board allows for the joint discussion of issues.

### Composition of the Board of Directors

According to the company's articles of association, the general meeting elects four to eight members. The Board of Directors currently counts six members, four of which are elected by the general meeting. Members of the Board of Directors elected by the general meeting are elected for a term of one year at a time and are eligible for re-election, while the term for the employee representatives, which is four years, is



fixed in accordance with the provisions of the Danish Companies Act (*Aktieselskabsloven*). The latest employee election took place in 2005. The Board of Directors elects a chairman and deputy chairman from among its members.

No age limit has been set for board members elected by the general meeting. This has not been deemed necessary, since the individual board members are assessed on the basis of their qualifications and their contribution to the work of the Board.

The board members elected by the general meeting are all considered to be independent.

The composition of the Board of Directors should ensure that the necessary competences are represented.

When recommending new board members for election at the general meeting, the Board of Directors will send out a description of each candidate's background, relevant qualifications and any managerial offices in advance, and the Board of Directors will also state the reason for the recommendation in relation to the established recruitment criteria.

Information about the individual board members can be found on page 54.

## Management

The Management is appointed by the Board of Directors. The Management is responsible for the daily management of the company's affairs, including the development and results of the company's activities and operations as well as internal affairs. The Board of Director's delegation of responsibility to the Management is laid down in the Board of Director's rules of procedure.

## Remuneration for the Board of Directors and the Management

Glunz & Jensen seeks to ensure that the remuneration for the Board of Directors and the Management is at a competitive and reasonable level and that it is sufficient to ensure that Glunz & Jensen is able to attract and retain competent people.

The members of the Board of Directors receive a fixed annual remuneration, and the total remuneration for the Board of Directors is approved by the general meeting in connection with the approval of the annual report. In the 2005/06 financial year, remuneration for the Board of Directors totalled DKK 765,000, of which DKK 235,000 was paid to the Chairman. The Board of Directors is not covered by any bonus or share option programme.

Payment to the Management, which currently consists of the Managing Director, is determined by the Board of Directors. In 2005/06, payment to the Management consisted of a basic salary including the usual benefits such as a company car and telephone plus a bonus programme. A share option programme has also been established for the Management

(described in further detail in the management's review on page 10 and in note 5 on page 38). Remuneration for the Management totalled DKK 2,743,000 in 2005/06. The Management's terms of employment, including pay and terms of resignation, are considered to be in accordance with the usual standards for positions of this nature and do not result in any particular obligations for the company.

## Evaluation of the Board of Directors and the Management

No formalised evaluation of the Board of Directors and the Management's work has yet been introduced. However, Glunz & Jensen's Board of Directors evaluates the Management's work, results and composition on a continuous basis. Furthermore, the Chairman of the Board regularly evaluates the work of the individual board members, the cooperation within the Board of Directors, the Board's work form and the cooperation between the Board and the Management. The work of the Board of Directors is then adjusted based on these evaluations.

## Risk management

The Board of Directors assesses the overall risk factors and the individual risk factors which are associated with Glunz & Jensen's activities.

The Board of Directors determines the policy and framework for the company's central risks and ensures that these risks are managed effectively. Reporting regarding key risks is part of the continuous reporting to the Board of Directors.

For a more detailed description of Glunz & Jensen's risk factors, see page 20 in the annual report.

As part of the company's risk management, internal control systems have been established which are reviewed by the Board of Directors at least once a year to ensure that these are appropriate and adequate and in accordance with good practice in the area.

## Audit

Glunz & Jensen's external auditor is elected by the general meeting for a term of one year at a time. Prior to recommending a candidate for election at the general meeting, the Board of Directors performs an assessment of the auditor's independence and competence etc.

The framework for the auditor's work, including pay, audit-related tasks and non-audit-related tasks, is described in an agreement.

The board members receive the external auditor's long-form audit report concerning the auditor's review of the annual report. The Board of Directors reviews the annual report and the long-form audit report at a meeting with the external auditor, and the auditor's observations and any important issues that have arisen out of the audit are discussed. Important accounting policies and the findings of the audit are also discussed.

## BOARD OF DIRECTORS AND GROUP MANAGEMENT



# YOU

### Board of Directors

#### Jørn Kildegaard (1955)

Chairman of the Board of Directors

Managing Director, GN Store Nord as

Member of the Board of Directors of Glunz & Jensen A/S since 1996

Chairman of the Board of Directors of Trykko Pack A/S

Member of the Boards of Directors of: Vækstfonden as well as seven companies affiliated with GN Store Nord as

#### Per Møller (1943)

Deputy Chairman of the Board of Directors

Member of the Board of Directors of Glunz & Jensen A/S since 1986

Chairman of the Boards of Directors of MT Højgaard a/s, Højgaard Holding a/s, Atrium Partners a/s and Det Danske Klasselotteri A/S

Member of the Boards of Directors of RTX Telecom A/S and BioMar Holding a/s

#### Steen Andreasen (1958)

Marketing Manager

Member of the Board of Directors of Glunz & Jensen A/S since 1999\*

#### Peter Falkenham (1958)

President and CEO, TrygVesta

Member of the Board of Directors of Glunz & Jensen A/S since 2004

Member of the Boards of Directors of Solar A/S, Danmarks Skibskredit A/S and four subsidiaries affiliated with Tryg Forsikring A/S

#### William Schulin-Zeuthen (1958)

Managing Director, Northmann A/S

Member of the Board of Directors of Glunz & Jensen A/S since 2002

#### Klaus Øhrgaard (1954)

Production staff

Member of the Board of Directors of Glunz & Jensen A/S since 1993\*

\*Elected by the employees

### Management

#### René Barington (1959)

CEO

### Management of Glunz & Jensen A/S

#### René Barington

CEO

#### Ole Biering

CFO

#### John Hytting

Vice President, R&D

#### Ole Nørklit

Vice President, Supply Chain

Shareholdings of the Board of Directors and the Management	No. as of 31 May 2006	Sale in 2005/06	Purchase in 2005/06
Jørn Kildegaard	0	0	0
Per Møller	3,100	0	0
Steen Andreasen	450	0	0
Peter Falkenham	0	0	0
William Schulin-Zeuthen	0	0	0
Klaus Øhrgaard	640	0	0
René Barington	1,000	0	0





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## **BRIEF ON GLUNZ & JENSEN**

Glunz & Jensen develops, manufactures and markets quality equipment for the prepress industry and is known for setting technological standards within its product areas.

Glunz & Jensen's products are used in the part of the prepress process in which offset printing plates are prepared for use. Glunz & Jensen's main products are CtP processors, inkjet CtP products, plateline equipment, punch & bend equipment and film and conventional plate processors. Glunz & Jensen has achieved a market leading position and holds a large market share in its product areas.

Glunz & Jensen's products are sold globally through a large network of distributors and dealers. A large part of the distribution takes

place in close cooperation with OEM customers, including Agfa, Fuji, Heidelberg and Kodak, and the end users are typically printing houses of all sizes.

At the end of May 2006, Glunz & Jensen employed 398 people, of which 174 are employed in Denmark and the others in the subsidiaries in the USA, England and Slovakia.

Glunz & Jensen is quoted on the Copenhagen Stock Exchange and is part of the SmallCap+ index.



**GLUNZ & JENSEN** 

THINK NEW - GO FURTHER

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