Annual Report 2006/07

GLUNZ & JENSEN

THINK NEW - GO FURTHER

Contents

*These sections constitute the complete management's review.

Financial highlights

DKKm	2002/03	2003/04	2004/05	2005/06	2006/07	EURm 2006/07[1]
Income statement						
Revenue	683.5	616.6	505.7	484.4	449.8	60.4
Gross profit	223.8	200.3	122.1	118.9	94.9	12.7
Operating profit/(loss) before special items (EBITA)	43.0	37.0	35.0	32.8	(3.2)	(0.4)
Special items	-	-	-	(17.9)	5.1	0.7
Amortisation of goodwill	(12.5)	(8.7)	-	-	-	-
Impairment of goodwill	(92.1)	-	(16.7)	-	-	-
Operating profit/(loss) (EBIT)	(61.7)	28.3	18.3	14.9	1.9	0.3
Net financials	(12.2)	(10.0)	(1.7)	(2.3)	(0.4)	(0.1)
Net profit/(loss) for the year from continuing activities	(79.8)	10.6	9.0	8.2	1.5	0.2
Net (loss) for the year from discontinued activities	-	-	(4.8)	-	-	-
Net profit/(loss) for the year	(79.8)	10.6	4.2	8.2	2.8	0.4
Balance sheet						
Assets						
Goodwill	97.0	89.8	25.7	41.7	41.1	5.5
Other non-current assets	138.9	124.0	113.1	111.0	107.8	14.4
Current assets	229.4	191.4	147.7	180.5	158.8	21.4
Total assets	465.3	405.2	286.5	333.2	307.7	41.3
Equity and liabilities						
Equity	140.8	154.7	157.0	160.5	158.9	21.3
Provisions	7.2	5.5	-	-	-	-
Long-term liabilities	12.6	12.2	13.7	12.8	11.0	1.5
Short-term liabilities	304.7	232.8	115.8	159.9	137.8	18.5
Total equity and liabilities	465.3	405.2	286.5	333.2	307.7	41.3
Cash flows						
Cash flows from operating activities	75.1	58.0	29.1	23.8	(10.8)	(1.5)
Cash flows from investing activities[2]	(58.0)	(13.5)	67.1	(21.7)	10.9	1.5
Cash flows from financing activities	7.4	(64.9)	(100.3)	5.6	(7.0)	(0.9)
Changes in cash and cash equivalents	24.5	(20.4)	(4.1)	7.7	(6.9)	(0.9)
[2] of which net investment in property, plant and equipment	(3.8)	(0.6)	(19.9)	(7.3)	18.8	2.5
Ratios (%)						
Operating margin (EBITA)	6.3	6.0	6.9	6.8	(0.7)	(0.7)
Return on assets	8.7	9.0	10.4	10.9	(0.7)	(0.7)
Return on equity after tax	(40.3)	7.2	2.7	5.2	1.2	1.2
Equity ratio	30.3	38.2	54.8	48.2	51.6	51.6
Other information						
Net interest-bearing debt	192.5	146.9	49.1	64.5	68.1	9.1
Interest cover (EBITA)	4.4	5.1	9.2	10.9	(0.6)	(0.1)
Earnings per share (EPS)	(36.8)	5.1	2.0	3.9	1.3	0.2
Earnings per share, diluted (EPS-D)	-	-	2.0	3.8	1.3	0.2
Cash flow per share (CFPS)	34.6	27.7	13.9	11.4	(5.1)	(0.7)
Equity value per share (EVPS)	67.3	74.0	75.0	76.7	75.9	10.2
Market price per share	75	39	83	85	59	8
Average number of shares (1,000 shares)	2,168	2,093	2,093	2,093	2,093	2,093
Dividend per share	0.0	0.0	2.0	2.0	0.0	0.0
Average number of employees	405	371	291	333	362	362

The ratios for 2004/05-2006/07 have been prepared in accordance with IFRS. Comparative figures for 2002/03 and 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 of the Danish Financial Statements Act *(Årsregnskabsloven)* and Danish accounting standards.

Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33. 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.

[1] Translated from DKK to EUR at a rate of 744.88.

Summary

2006/07 was a challenging year for Glunz & Jensen. As expected, sales within the largest product area, CtP processors, saw a decline. The development within the two new product areas iCtP and “punch & bend” was more difficult than anticipated.

The relocation of production from Denmark to Slovakia has been a success and has resulted in the expected cost cuts, but these have not yet been sufficient to generate satisfactory earnings. This is due, among other things, to losses from iCtP and “punch & bend”.

Total revenue in 2006/07 was DKK 449.8 million against DKK 484.4 million last year. The decline in revenue is primarily attributable to a fall in revenue from CtP processors and conventional processors. The fall is reduced by increasing revenue from “Other prepress equipment”.

The operating loss before special items (EBITA) totalled DKK (3.2) million against a profit of DKK 32.8 million the year before. The results are in line with the most recently published outlook (EBITA of around DKK 0 million cf. stock exchange notification of 29 March 2007), but lower than announced at the beginning of the financial year. The results are negatively affected by losses in the two new product areas, iCtP and “punch & bend”, amounting to just over DKK 25 million.

Net profit for the year was DKK 2.8 million against DKK 8.2 million in 2005/06. The net profit for the year was positively affected by special items following the decision to close down Glunz & Jensen’s production in England. In 2006/07, these items totalled income of DKK 5.1 million (2005/06: expenses of DKK 17.9 million).

Cash flow from operating activities, which were negative at DKK (10.8) million were impacted by payments for special items of DKK 24.6 million. Adjusted for special items, cash flow was positive at DKK 13.8 million against DKK 28.5 million last year.

Net interest-bearing debt increased by DKK 3.6 million to DKK 68.1 million.

Solvency increased to 52% from 48% at the end of the previous financial year.

The Board of Directors recommends that no dividend be paid for the 2006/07 financial year (2005/06: DKK 2 per share of DKK 20).

Within iCtP, 2006/07 saw intensive efforts going into establishing a stable and cost-effective supply chain, and progress continues to be made in this area. We therefore expect to be able to step up our marketing activities during 2007/08.

More active sales efforts in Glunz & Jensen K&F in the USA, which was acquired in January 2006, combined with an expansion of the product range are expected to create growth and improve earnings within “punch & bend” in 2007/08.

The establishment of these two areas is also expected to affect earnings negatively in 2007/08 – but to a significantly lesser degree than in 2006/07.

Glunz & Jensen’s business opportunities in Asia are continuously being more attractive. As a result, Glunz & Jensen’s expects to establish a sales and service office in China during 2007/08 which is to strengthen collaboration with customers and business partners.

Revenue of just above DKK 400 million is expected for the 2007/08 financial year. The expected fall in revenue compared to 2006/07 is attributable to an expected decline in demand for CtP processors and plateline equipment. EBITA is expected to total DKK 0-5 million, including a loss resulting from the investment in the two new product areas, iCtP and “punch & bend”. The net profit/(loss) for the year 2007/08 is not expected to be impacted by special items (2006/07: DKK 5.1 million).

Management's review

2006/07 was a challenging year for Glunz & Jensen. As expected, sales within the largest product area, CtP processors, saw a decline. This is attributable to a change in demand with an increasing demand for smaller and cheaper products and consequently a decreasing demand from the large graphics companies as well as the increasing use of new technologies, including the processing-free plate technology. Developments within the CtP area have affected both revenue and earnings negatively, for which reason we have focused on the continued restructuring of production and on creating opportunities for generating revenue and earnings within new areas.

The restructuring of production has taken place over the past couple of years. Since the establishment of Glunz & Jensen's factory in Slovakia in 2005, an increasing share of production has been relocated from Denmark to Slovakia, and in 2006 production in England was closed down and relocated to Slovakia as well. The relocation of production has been a success and has resulted in the expected cost cuts, but these have not yet been sufficient to generate satisfactory earnings. This is, among other things, due to losses from the two new product areas, iCtP and "punch & bend".

Within iCtP, 2006/07 saw intensive efforts going into establishing a stable and cost-effective supply chain, and progress continues to be made in this area. We therefore expect to be able to step up our marketing activities during of 2007/08.

The main product of Glunz & Jensen K&F in the USA, which was acquired in January 2006, is "punch & bend" equipment which is used by newspaper printing offices and large commercial printing houses for processing printing plates before they are used on the printing press. In 2006/07, a new management was appointed in Glunz & Jensen K&F in the USA, and new products were developed. More active sales efforts combined with an expansion of the product range are expected to create growth and improve earnings within this area in 2007/08.

The establishment of these two areas is also expected to affect earnings negatively in 2007/08 – but to a significantly lesser degree than in 2006/07.

The strategy which is to ensure long-term growth and satisfactory earnings in Glunz & Jensen still comprises three main elements.

The first element is to introduce and maintain a competitive cost structure. Optimisation of the cost structure is a precondition for running a successful company supplying prepress hardware to the graphics market where the purchasing power is concentrated on very few but large global players and where competition from local players and players based in low-cost countries is intense. General cost cuts, the setting-up of business in Slovakia and the closing-down of production in England are major factors in the optimisation of Glunz & Jensen. In the coming period, more production activities will be moved from Denmark to Slovakia, and the optimisation of the company's portfolio of subsuppliers will continue.

The second element is to maintain Glunz & Jensen's leading position in the market for CtP processors. Therefore, we must ensure that Glunz and Jensen continues to be the preferred supplier to the OEM customers in the high-end as well as the medium segment. This is done by offering high-quality products at a fair price and by ensuring continued product development. Development activities focus on chemical-free CtP processors, tailoring of CtP products to the OEM customers' new needs and finally the continued efforts – in cooperation with the OEM customers – to increase the integration of and communication between the products which form part of the prepress chain. Over many years, Glunz & Jensen has built a very strong position with the important players in the CtP market, a position which will also form a good basis for optimising and maintaining our leading position in the market for CtP processors in the coming period. The most important markets for CtP products are Europe and the USA, whereas growth opportunities are most attractive in Asia. Therefore, it has been decided to establish an office in China in the autumn of 2007 with a view to gaining a larger share of this growth.

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, the gradually increasing use of processing-free printing plates is expected to reduce demand for Glunz & Jensen's plate processing products. Consequently, the company needs to create new business opportunities. The development of inkjet CtP technology and the acquisition of K&F in 2006 are results of this part of the strategy, and together with further measures, possibly including further acquisitions, it will create 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 its existing business and competences.

Development trends in Glunz & Jensen's markets

A number of factors materially affect market conditions in Glunz & Jensen's line of business. These include activity levels in the graphics industry, technological developments, competition and changes in the market structure.

In the past year, the graphics industry has seen continued growth with generally favourable market conditions for suppliers in the area. This growth can be attributed to economic growth but also to the trend towards shorter lifetimes for printed products and fast obsolescence of information. These trends result in more frequent updating of printed matter and the preparation of new printed matter and, consequently, an increasing need for prepress work and printing. At the same time, the stepped-up use of more advanced technology and the emergence of a range of new markets in Eastern Europe and Asia contributed to raising demand for prepress hardware.

Technologically, the past years have been influenced by the transition to CtP systems and thereby the use of CtP-based plate processors. During the first phase, the large printing houses converted to CtP systems, and during the next phase, so did the graphics companies in the medium segment. As the CtP technology has matured, products can now be offered at ever lower prices, making sales to ever smaller printing firms possible.

Generally, the graphics companies in the high-end and medium segments in Europe have now switched to the CtP technology, and several of these companies have started investing in second-generation CtP products. The coming years are expected to see a declining demand for CtP processors in these markets. In the USA, we still expect growth in the medium segment for both commercial and newspaper printing houses, whereas stagnation is expected in the high-end segments. In Eastern Europe and Asia, the demand for CtP 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 graphics industry and the relocation of production facilities from the more mature markets to low-cost countries. However, in these markets competition from a number of local suppliers of equipment to the graphics industry is fierce.

Management's review

As a result of the expected positive market growth in Asia, Glunz & Jensen has decided to set up its own agency in the region. During the 2007/08 financial year, the company expects to open a sales and service office in China. The office will be responsible for servicing customers and business partners in the region within processors and "punch & bend" equipment, and, in the long term, iCtP.

Continuing efforts are going into developing new and more efficient technologies. Chemical-free CtP systems are gaining more and more ground, particularly in the medium segment. The technology is becoming ever more streamlined and tested, and the demand for chemical-free CtP technology is increasing.

The development of plates that do not require processing (the so-called processing-free technology) is also gaining momentum, and this technology is now being offered by all major plate manufacturers. The technology is gradually penetrating the medium segment with an ensuing falling demand for CtP processors, and processing-free solutions are also in the pipeline for the high-end segment.

Furthermore, a number of suppliers to the graphics industry are working on the development of alternative CtP solutions. These suppliers are typically working on technological solutions which are new in the context of the CtP technology, for example use of inkjet or toner-based printers combined with the use of polyester or aluminium plates for producing plates which are ready for printing. Glunz & Jensen's iCtP technology is an example of such a solution where text and pictures on aluminium printing plates are created by means of inkjet CtP technology and where there is no need for subsequent processing of the printing plates prior to the printing process.

In addition to the technological advances being made within CtP solutions for off-set printing, the introduction of digital printing solutions is growing. These solutions are based on technology which does not require any CtP equipment or off-set printing equipment. The digital printing technology does not yet provide the same graphics quality as off-set printing, nor do the production costs yet justify the use of this technology for larger runs. In the long term, digital printing solutions are expected to cover an increasing share of the market for printed matter and must be expected to lead to a decline in CtP systems sales.

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 pressure on prices. The competition and the price pressure among suppliers of equipment to the graphics industry are expected to continue, and earnings will generally be put under pressure.

Product development and new products

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

In 2006/07, focus was primarily on establishing a cost-effective supply chain for consumables for the iCtP 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 being used on the printing press. The technology is primarily intended for minor printing firms and is particularly suitable for smaller print runs. The inkjet CtP technology means lower costs, greater flexibility and a simpler workflow than the technologies currently used by these printing firms.

However, establishing of the supply chain has proved more difficult than expected. Firstly, the partner supplying plates for the iCtP system ended the collaboration, and Glunz & Jensen had to find a new supplier. The collaboration with the new supplier is now in place, and we have concluded an attractive agreement ensuring a higher product quality than was the case with the former supplier. Secondly, we have experienced technical problems in relation to the development of ink with an adequate durability. Initially, Glunz & Jensen chose to develop and manufacture the ink for the iCtP product itself, but has now expanded its collaboration with external partners with well-documented expertise in these areas.

Due to the problems relating to the establishment of the supply chain, sales of iCtP equipment continued to be limited in the financial year as sales efforts in the US market were kept at a low level. Furthermore, the extent of test activities in Europe was limited. Sales and testing activities will not be intensified until the supply chain is in place. This is expected to take place during 2007/08, subsequent to which a gradual increase in revenue in the USA and Europe is expected.

Glunz & Jensen constantly strives to introduce technological improvements and product updates of the company's CtP product programme. It is important for Glunz & Jensen to always be at the cutting edge of technological developments in terms of CtP plates and to supply equipment that meets market demands within traditional CtP processors as well as processor solutions for chemical-free plates.

In 2006/07, the following activities took place within the CtP area:

- A new Raptor variant (Raptor TP) for medium-sized newspapers was launched.
- A replacement for the oldest high-end platform, InterPlater HD, was developed, and the new version will be launched under the name of InterPlater HDX in the first half of 2007/08.
- The Quartz products, which used to be manufactured in England, were upgraded, and production was relocated to Glunz & Jensen's factory in Slovakia.
- The further development of chemical-free plate processors continued.

Within "punch & bend" products, new and more user-friendly and secure press locks, which are used to fasten the printing plates to the printing press, were developed. The market's response to the new press locks has been positive. At the same time, the entire "punch & bend" range was streamlined and now consists of fewer variants. Finally, a new plate manager (fully automatic plate feeding system and plate setter depository) was developed for a large OEM customer.

A new control system was introduced for a number of Glunz & Jensen's products, which involved an improved user interface, a more standardised production process and an improved electronic communication interface.

An important part of Glunz & Jensen's product strategy is to be able to offer integrated solutions to customers. Therefore, we have developed a new software product, Platelink, which integrates the monitoring of prepress line hardware (both Glunz & Jensen products and products from other suppliers). The software product is expected to be introduced in the 2007/08 financial year.

Management's review

Optimisation of production

Intensive competition within Glunz & Jensen's lines of business and a lower demand for CtP products have created a need for continuous optimisation and streamlining of production to ensure satisfactory profitability.

Over the past few years, a number of activities have been initiated for the purpose of optimising production. Since the spring of 2005, an increasing share of production has been relocated to Glunz & Jensen's factory in Slovakia. Initially, many of the Danish production activities were relocated to Slovakia.

In the summer of 2005, it was decided to close down activities at the factory in England and relocate production to the factory in Slovakia. Production in England primarily comprised the CtP platform Quartz, ovens for "baking" printing plates and stackers. As planned, production in England had been closed down completely by the end of 2006. However, the relocation of production from England to Slovakia proved more difficult than anticipated as the adjustment of documentation and processes was a major task. The relocation thus resulted in higher than expected costs and also in a period with reduced ability to deliver. Our ability to deliver has now been stabilised and is expected to improve further in the first half of 2007/08.

At the end of the financial year, approx. 60% of Glunz & Jensen's total production was manufactured in Slovakia, and the number of employees in Slovakia increased from 58 to 124 in the 2006/07 financial year.

A relocation is being prepared of the production of the CtP platform InterPlater HDX from Denmark to Slovakia. The relocation is expected to take place in the autumn of 2007, following which the number of employees in Denmark will be further reduced. After this time, only conventional processors and iCtP equipment will be manufactured at the factory in Denmark.

The relocation of production to Slovakia has resulted in cost cuts in line with expectations, and further cuts are expected in the period up until 2008, by which time the relocation of production is expected to be completed.

Glunz & Jensen has established a network of suppliers outside Denmark. This network is assessed regularly in order to minimise the unit costs of individual products. In connection with the closing-down of production in England, a large number of local suppliers have been replaced by more competitive suppliers from Central and Eastern Europe.

With a view to optimising production in Glunz & Jensen K&F (the US activities acquired by Glunz & Jensen in January 2006), the production of non-critical parts was outsourced in the 2006/07 financial year together with low-volume processes.

Development in revenue and results

Total revenue was DKK 449.8 million in 2006/07 against DKK 484.4 million in 2005/06. The decline in revenue is primarily attributable to declining revenue from CtP processors and conventional processors. The decline is reduced by increasing revenue from "Other prepress equipment".

Revenue is divided into four groups: CtP processors, "Other prepress equipment", conventional processors and spare parts etc.

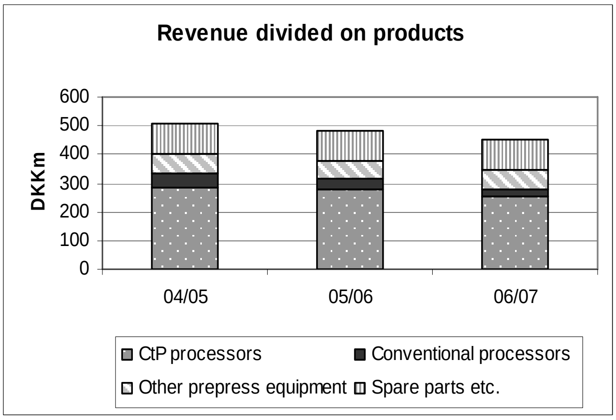
Revenue from CtP processors was DKK 251.4 million against DKK 277.8 million in 2005/06, down 9%. The fall in revenue from CtP processors reflects increased revenue and an increased market share in the high-end segment, which is, however, more than offset by lower revenue from the medium segment, where a transition to processing-free technologies is to some extent taking place.

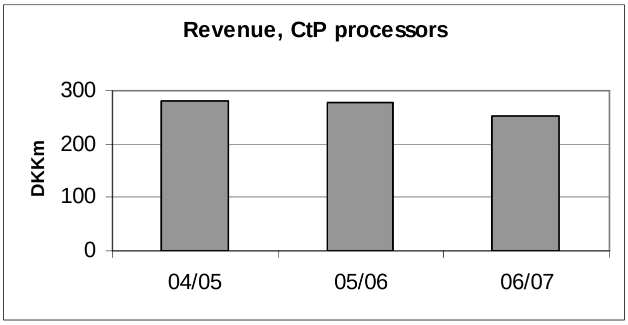
Revenue from "Other prepress equipment", including, among other things, equipment for the transport and stacking of plates, ovens for the processing of plates, "punch & bend" equipment and iCtP products, amounted to DKK 72.9 million against DKK 63.0 million in 2005/06, up 15%. The development in revenue reflects increased revenue from "punch & bend" products resulting from the full-year effect of the acquisition of K&F and revenue from iCtP products as well as an expected decline in revenue from plateline equipment resulting from intensifying competition within stackers and a reduced market for ovens.

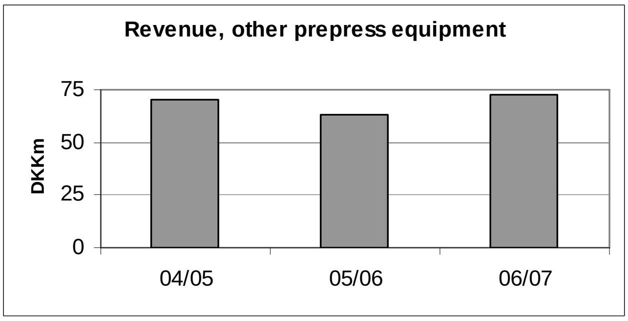
In 2006/07, revenue from conventional processors (film and conventional plate processors) was DKK 24.7 million, down 34% compared to 2005/06. This development reflects the continued shift in technology from the conventional film-based prepress method to CtP technology.

Revenue from spare parts etc. was DKK 101.5 million against DKK 106.0 million in 2005/06, down 4%. This development primarily reflects decreasing sales of accessories for CtP processors.

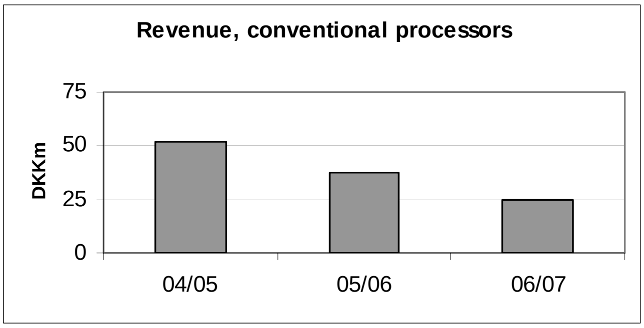
The operating loss before special items (EBITA) amounted to DKK (3.2) million against a profit of DKK 32.8 million the year before.







Management's review



Both revenue and EBITA are in line with the most recently published outlook, cf. stock exchange notification of 29 March 2007) but lower than announced at the beginning of the financial year.

Net profit for the year was DKK 2.8 million against DKK 8.2 million the year before. The net profit includes special items of DKK 5.1 million, which primarily comprise proceeds from the sale of the production building in Thetford, England and costs for employee redundancy payments and other costs incidental to the closing-down of Glunz & Jensen's production in England.

Incentive programmes

Glunz & Jensen regularly seeks to set up incentive programmes supporting the generation of value for the company's shareholders. Guidelines for incentive programmes will be presented for approval at the annual general meeting.

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

In March 2007, the company decided to grant additional options to its Management and key employees. The programme builds on the granting of 59,000 share options in 2004/05 and 46,000 share options in 2005/06. Under the new programme, up to a total of 60,000 share options could be granted – up to 50,000 share options to selected employees in the group and 10,000 share options to the Management. The granting took place in April and totalled 56,250 share options. The Board of Directors is not included in the programme.

Each option entitles the holder to purchase one share in the company. The exercise price is fixed at a level corresponding to the average price on the OMX Nordic Exchange Copenhagen for the last five days prior to the granting plus a current supplement of 4% p.a. less distributed dividend. The share option can be exercised 3-5 years after issue on the condition that the holder has not resigned from his position in the Glunz & Jensen group at the time of exercise.

At the end of the 2006/07 financial year, a total of 155,250 share options had been granted. Calculated according to the Black-Scholes model for valuation of share options (volatility 30%, interest rate 3-4% and dividend DKK 0), the value of the options granted was DKK 2.1 million at the end of 2006/07.

Please refer to note 5 for further information on the incentive programmes in Glunz & Jensen.

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

Knowledge of technology and processes

Glunz & Jensen's products form part of the chain of products in the prepress process. The graphics industry, including the prepress process, is undergoing constant technological change. In order to ensure the long-term competitiveness of Glunz & Jensen's products, it is of vital importance to constantly develop products which are tailored to the most recent and future technological advances.

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 collaboration with other companies. Thanks to this collaboration, Glunz & Jensen is among the first companies to develop products in line with the most recent technologies. Glunz & Jensen seeks to develop, on an ongoing basis, its specialist knowledge of 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 high level of know-how and competence has been gained within the areas needed to support the iCtP concept, including competencies within inkjet, RIP and printing plate technology. At the same time, Glunz & Jensen has set up its own chemical lab and installed a new printing machine to ensure that the development of plates and ink for the iCtP concept can be subjected to in-house testing.

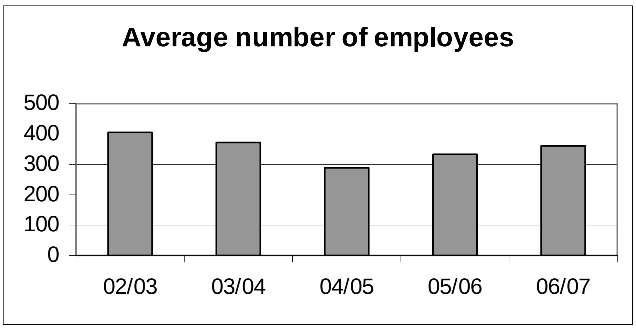
Knowledge about and adaptation to market needs

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 very close collaboration with its 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 secured the company a leading position within its lines of business. 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.

Employee development

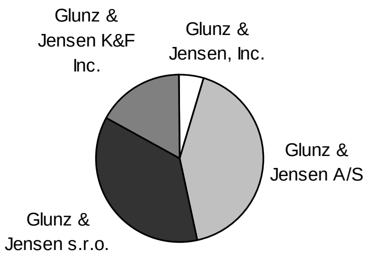
To develop its competences in the areas mentioned, Glunz & Jensen must be able to attract, retain and develop well-educated and dedicated employees. In this context, competence, quality awareness, performance orientation and willingness to change and to cooperate are especially important.



Management's review

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

Number of employees per company



The relocation of production to Slovakia will be a major task in the coming years. One of the challenges will be to ensure that a range of important competencies are retained in the company and that new employees acquire the necessary knowledge. A number of new, highly educated employees have been appointed following the establishment of the factory in Slovakia, including engineers who can maintain Glunz & Jensen's product range. At the same time, competences have been developed in production control and logistics as well as finance.

At the end of the year, Glunz & Jensen had 340 employees (2005/06: 398), 141 of whom were employed in Denmark (2005/06: 174) and 199 abroad (2005/06: 224) – 124 in Glunz & Jensen s.r.o, Slovakia, 17 in Glunz & Jensen Inc., Virginia, USA and 58 in Glunz & Jensen K&F Inc., Indiana, USA.

Environment

Glunz & Jensen is devoting determined efforts to reducing the environmental impact of the company's activities and to promoting a sustainable environment, directly as well as indirectly. It is Glunz & Jensen's policy to comply with all environmental rules and regulations and furthermore to initiate voluntary measures for the purpose of making continued progress within this area.

The most important environmental impacts from Glunz & Jensen's activities relate to the consumption of electricity, raw materials and derived waste materials. However, the direct environmental impact from Glunz & Jensen's production is very limited.

Importance is attached to choosing environmentally sound solutions for the heating and cooling of buildings and as far as the consumption of electricity and water is concerned. The consumption of resources is evaluated once a year to ensure that levels are environmentally acceptable.

The environmental impacts of the production process have been reduced to a minimum, for example by using water instead of processor and fixation liquids for final testing. 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 fundamental product design is based on a construction involving as few vulnerable elements as possible, while at the same time ensuring that the chemicals used circulate in closed systems. Furthermore, the control systems have been optimised with a view to minimising the consumption of chemicals. Procedures for the correct use of products and for the disposal of environmentally harmful substances are included in the products' safety instructions. Chemicals used in the development process are collected and delivered to approved collection facilities.

In July 2006, a new directive restricting 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 processors are not subject to the RoHS directive. However, several of Glunz & Jensen's OEM customers require that the CtP products comply with the RoHS directive, and consequently all CtP products manufactured by the company from September 2006 comply with the directive.

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".

Combination of share classes

In April 2007, it was decided to combine the class A and class B shares of Glunz & Jensen A/S and subsequently to list the former class A shares on the OMX Nordic Exchange Copenhagen.

Since 1986, Glunz & Jensen has had two share classes: class A and class B shares, which carry 10 votes and 1 vote, respectively, for each share of DKK 20. The votes linked to the class A shares constituted 60% of the total number of votes, while the votes linked to the class B shares constituted 40%. Following the combination of the share classes, each former class A share of DKK 20 will carry one vote, and the total number of class A shares will constitute just above 13% of the total number of votes, corresponding to the share of the share capital.

The Board of Directors' proposal to combine the two share classes was based on the view that technological advances within offset prepress – including not least the expected gradual transition to processing-free technology, which do not require processing of printing plates – will result in a declining demand for Glunz & Jensen's existing products, entailing a need for continued investments outside its core area of activity, i.e. plate processing equipment.

The combination of class A and class B shares will make it easier for the company to attract new capital, either in the form of a capital increase through the stock exchange or through the takeover of Glunz & Jensen A/S by a larger and financially stronger company. Furthermore, the combination of class A and class B shares increases the company's ability to finance the acquisition of other enterprises by issuing Glunz & Jensen A/S shares as payment.

Subsequent events

On 6 August 2007, a prospectus was published in connection with the combination of class A and class B shares and the listing of the former class A shares.

The listing of the former class A shares on the OMX Nordic Exchange Copenhagen took place on 13 August 2007.

No other significant events have occurred after 31 May 2007.

Management's review

Board resolutions and proposals for the annual general meeting

Distribution of net profit

The Board of Directors proposes that the net profit for the year of DKK 2.8 million be transferred to next year.

Dividend

Based on the earnings performance in 2006/07 and the outlook for 2007/08, the Board of Directors recommends to the annual general meeting that no dividend be paid for the 2006/07 financial year.

Other proposals

A proposal to amend the Articles of Association will be presented at the annual general meeting. The amendments will make the Articles of Association more up to date. Among other things, it is proposed that the electronic distribution of notices convening the annual general meeting be allowed.

Furthermore, guidelines for incentive programmes will be presented for adoption at the annual general meeting.

Outlook for the 2007/08 financial year

In 2007/08, revenue in Glunz & Jensen will be affected by several disparate factors. The development in total revenue is expected to be positively affected by increasing sales of iCtP and "punch & bend" products, but also to be negatively affected by the expected decline in the demand for CtP processors and conventional processors and the continuously low USD.

Total revenue is expected to amount to just over DKK 400 million in 2007/08 against DKK 450 million in 2006/07. This development reflects the following circumstances:

- Revenue from the largest product segment, CtP processors, is negatively affected by the general shrinking of the total market due to the increased use of processing-free technology.
- The "Other prepress equipment" segment is expected to generate significantly higher revenue.
    - Revenue from "punch & bend" products from Glunz & Jensen K&F Inc. is expected to increase after the launch of new products.
    - Revenue from iCtP products is expected to increase gradually once the supply chain is in place.
    - Revenue from plateline equipment is expected to carry on falling as a result of a continued decline in the demand for ovens and fierce competition within the stacker product area.
- Revenue from conventional processors is expected to continue to fall.

EBITA is expected to be DKK 0-5 million in 2007/08 against DKK (3.2) million in 2006/07. The earnings outlook is based on the following:

- Results are affected negatively by lower revenue.
- A positive effect resulting from lower fixed costs and lower unit costs due to increased production in Slovakia.
- Results within the iCtP and "punch & bend" product areas will improve, but will continue to affect earnings negatively.

The net profit/(loss) for the year 2007/08 is not expected to be impacted by special items (2006/07: DKK 5.1 million).

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. As a result, the actual results may differ materially from expectations. Such factors include material changes in market conditions, including technological developments, in the customer portfolio, in exchange rates or company acquisitions or divestments etc.

Shareholder information

Share information

Glunz & Jensen's shares are listed on the OMX Nordic Exchange Copenhagen and are included in the SmallCap+ index. The shares are negotiable securities with no restrictions in negotiability and are issued to the bearer. Each share of DKK 20 carries one vote.

Share capital and voting rights

In April 2007, it was decided to combine the A and B share classes. The combination is described in further detail in the section on the "combination of share classes" in the management's review. The nominal value of the share capital is DKK 46.5 million

There have been no other changes to the size of the share capital in the past financial year.

The share closed the financial year at a price of DKK 58.5, down from DKK 84.6 at the beginning of the financial year. The price development in 2006/07 reduced the market value of the company's shares from DKK 197 million to DKK 136 million.

In 2006/07, 2,137,000 shares were traded against 2,788,000 in 2005/06. The value of these shares were DKK 164.2 million against DKK 236.5 million in 2005/06. There has thus been a fall in the trading of the company's shares.

At the end of the financial year, Glunz & Jensen held 232,500 treasury shares (end 2005/06: 232,500), or 10% of the share capital.

Ownership

At the end of the financial year, Glunz & Jensen had 1,547 registered shareholders, holding a total of 79.1% 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.

Dividend

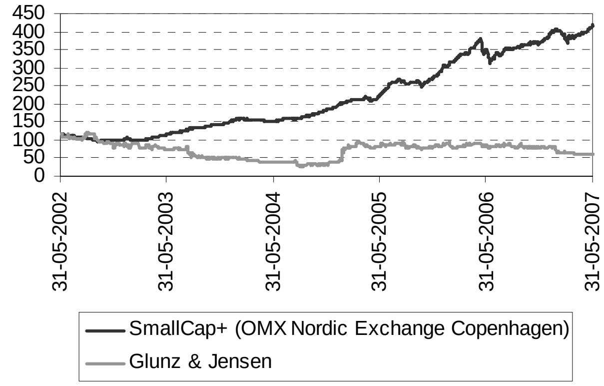
An assessment of the company's earnings, cash flows and financial circumstances, including solvency, cash requirements and outlook, is carried out when determining the size of dividend.

Based on this assessment, it has been decided to recommend to the annual general meeting that no dividend be paid for the 2006/07 financial year.

Distribution of shareholders	Share of share capital
The Glunz & Jensen Foundation, Haslevvej 13, 4100 Ringsted, Denmark	13.1%
Fåmandsforeningen LD, c/o FMS af 2004 A/S, Vendersgade 28, 1363 Copenhagen K, Denmark	13.0%
Reported in accordance with Section 29 of the Danish Securities Trading Act (*Værdipapirhandelsloven*), total	26.1%
Other shareholders	63.9%
Treasury shares	10.0% [1]
Total	100.0%

[1] The company's treasury shares carry no voting rights.

Price development



Investor relations

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

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

Shareholders, analysts, investors, stock brokers and other stakeholders who have questions about Glunz & Jensen should contact:

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

Annual general meeting

The company's annual general meeting will be held on Thursday 27 September 2007 at 3 pm at Ringsted Kongrescenter, Nørretorv, 22, 4100 Ringsted, Denmark.

Shareholder information

Notifications to the OMX Nordic Exchange Copenhagen 2006/07

2006

14 June	Glunz & Jensen sells the production buildings in England
24 August	Announcement of the financial statements 2005/06
28 September	Interim report for Q1 2006/07
28 September	Annual general meeting – Chairman's report
28 September	Development of the annual general meeting
13 October	Development of the extraordinary general meeting

2007

25 January	Interim report for Q2 and 1H 2006/07
25 January	Combination of share classes
25 January	Susanne Jensen transfers voting rights to the Glunz & Jensen Foundation
29 March	Interim report for Q3 2006/07
29 March	Development of the extraordinary general meeting
19 April	Financial calendar 2007/08
19 April	Development of the extraordinary general meeting
2 August	Publication of prospectus. Amalgamation of share classes and listing of former class A shares
16 August	Publication of Articles of Association of Glunz & Jensen A/S
30 August	Annual report 2006/07

Financial calendar 2007/08

2007

27 September	Interim report for Q1 2007/08
27 September	General meeting

2008

24 January	Interim report for Q2 and 1H 2007/08
31 March	Interim report for Q3 2007/08
28 August	Annual report 2007/08
25 September	General meeting

Share-related ratios	2002/03	2003/04	2004/05	2005/06	2006/07
Average number of shares, 1,000 shares	2,168	2,093	2,093	2,093	2,093
Earnings per share (EPS), DKK	(36.8)	5.1	2.0	3.9	1.3
Earnings per share, diluted (EPS-D)	-	-	2.0	3.8	1.3
Cash flow per share (CFPS), DKK	34.6	27.7	13.9	11.4	(5.1)
Equity value per share, DKK	67.3	74.0	75.0	76.7	75.9
Market price per share, DKK	75	39	83	85	59
Market price/equity value	1.1	0.5	1.1	1.1	0.8
Market value, DKK million	157	82	173	177	122
Dividend per share, DKK	-	-	2	2	-
Pay-out ratio, %	-	-	110	57	-

Financial review

The Glunz & Jensen group

Income statement

Revenue

Glunz & Jensen's revenue for 2006/07 was DKK 449.8 million, which is in line with the most recently published outlook, and thus, as expected, lower than in 2005/06.

The development in revenue is described in further detail in the "Development in revenue and results" section in the management's review on page 5.

Gross profit

The gross profit was DKK 94.9 million against DKK 118.9 million in 2005/06. The gross margin amounted to 21,1% in 2006/07, which is lower than in 2005/06 when the gross margin was 24.6%. The decline is attributable in part to changes in the product mix, the development in the price of USD and temporarily increased costs in connection with the relocation of production to Slovakia.

Operating profit/(loss) (EBITA)

In 2006/07, EBITA was negative at DKK (3.2) million against DKK 32.8 million in 2005/06. Overall, EBITA was impacted by a loss of DKK 26.2 million in 2006/07 resulting from the two new product areas iCtP and "punch & bend" against a loss of DKK 10.4 million in 2005/06.

The savings obtained in connection with the closing-down of production in England were therefore more than offset by the lower gross profit and a loss on iCtP and "punch & bend" products.

Special items and impairment of goodwill

In 2006/07, special items were lower than stated in the most recently published outlook – special items totalled income of DKK 5.1 million. Most of the income stems from the sale of the English production facilities in June 2006 which generated total proceeds of DKK 14 million. The income was reduced by redundancy payments to employees and other costs incidental to the closing-down of the company in England. The closing-down of production in England impacted results in 2005/06 and 2006/07 by a total of DKK 12.9 million.

Based on the impairment tests performed, no impairment of goodwill was deemed necessary in 2006/07, which was also the case in 2005/06.

Tax on profit/(loss) for the year

The tax on income from ordinary activities amounted to income of DKK 1.3 million against expenses of DKK 4.4 million in 2005/06.

Net profit for the year

The group recorded a net profit of DKK 2.8 million against DKK 8.2 million in 2005/06.

Balance sheet

The group's total assets amounted to DKK 307.7 million at the end of the financial year, down DKK 25 million compared to 2005/06. The decline is mainly attributable to provisions for redundancy payments and the sale of assets in connection with the closing-down of the company in England in 2006/07.

Intangible assets totalled DKK 62.7 million at the end of the financial year against DKK 64.2 million in 2005/06. Of this, goodwill amounted to DKK 41.1 million in 2006/07 against DKK 41.7 million in 2005/06.

Net interest-bearing debt increased to DKK 68.1 million from DKK 64.5 million in 2005/06.

Long-term debt to credit institutions consists of a floating-rate loan of USD 1.9 million which was raised by the US subsidiary Glunz & Jensen, Inc. to finance the company's building.

Group equity amounted to DKK 158.8 million at the end of the financial year (2005/06: DKK 160.5 million), out of which no dividend is expected to be distributed (2005/06: DKK 4.7 million). Solvency was 52% at the end of the financial year against 48% at the end of 2005/06.

Cash flows and liquidity

Cash flows from operating activities, which were negative at DKK (10.8) million were impacted by expenses for special items of DKK 24.6 million for redundancy payments and other special costs relating to the closing-down of the company in England.

Cash flows from investing activities were positive in 2006/07 at DKK 10.9 million, primarily as a result of the sale of production facilities in England. Investments in intangible assets were lower in 2006/07 than in 2005/06. Investments in property, plant and equipment fell to DKK 5.5 million. Most of the investments in property, plant and equipment in 2006/07 were made in Slovakia.

After cash flows from investing activities, the free cash flow totalled DKK 0.1 million in 2006/07 against DKK 2.0 million in 2005/06.

Capital reserves

At the end of the financial year, the group's total credit facilities amounted to DKK 138.0 million against DKK 139.0 million in 2005/06. Of these, an amount of DKK 68.1 million was drawn in 2006/07 against DKK 64.5 million in 2005/06.

Group liquidity and capital reserves are considered to be satisfactory.

Parent company

Revenue in the parent company increased from DKK 365.6 million in 2005/06 to DKK 410.5 million in 2006/07, which is mainly attributable to the fact that the sales activities of Glunz & Jensen Ltd. have been transferred to the parent company in connection with the closing-down of the company.

The gross profit and the operating profit (EBITA) of the parent company were affected by the above-mentioned circumstances of the Glunz & Jensen Group.

The parent company's financial income comprises dividend received from subsidiaries of DKK 5.5 million in 2005/06 and DKK 6.3 million in 2006/07.

The subsidiary Glunz & Jensen K&F Inc. has recorded a loss since its acquisition, and since the present value of the expected net cash flows from operations at Glunz & Jensen K&F Inc. is not deemed to correspond to the parent company's book value, receivables from the subsidiary were impaired by DKK 13.0 million under financial expenses in 2006/07. No impairment was made in 2005/06.

The parent company recorded a net loss of DKK 4.8 million against a net profit of DKK 24.1 million in 2005/06.

At the end of the financial year, the parent company's total assets amounted to DKK 237.9 million against DKK 267.6 million at the end of 2005/06. The decline is mainly attributable to an outflow of investments and a reduction in payables to subsidiaries in connection with the closing-down of Glunz & Jensen Ltd.

Risk factors

A number of factors may significantly impact the future financial position, activities and results of Glunz & Jensen. 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 listed in order of priority.

Commercial risks

General market conditions

The development in group revenue is influenced both by the global economy and by industry-specific/technological factors. Generally, falls in global or regional levels of economic activity lead to a general fall in demand for the different products offered by the group. Moreover, significant changes in prepress technologies may also result in a fall in demand for Glunz & Jensen's products.

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

New technologies and product development

Technological advances in the industry are believed to constitute the greatest uncertainty factor as regards future sales of the group's products.

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

Glunz & Jensen's products feature solutions based on years of developing products for the graphics industry and insight into the process needs and application environment of this particular industry. Some elements of Glunz & Jensen's products are patented, but most of the company's sales are of products that are not based on patented technology.

Glunz & Jensen's core activity is the development and sale of CtP processors. It is a precondition for the continued use of CtP processors that there is a need for plate processing. Several large plate manufacturers have developed processing-free printing plates. The processing-free technology is still in its infancy, and it is still uncertain to which extent and at what rate it will penetrate the market and which effect this will have on Glunz & Jensen's CtP processor activities. In the 2006/07 financial year, revenue from CtP processors fell by approx. 9%.

In May 2004, Glunz & Jensen introduced the inkjet CtP technology and has since been developing the technology further. The sale of iCtP products began in late 2005, but the establishment of a cost-effective supply chain for consumables has been more difficult than expected due to technical challenges. As sales efforts within iCtP equipment have been limited to the US market, revenue has been low. Other activities have been limited to testing in Europe. Sales and testing activities will not be broadened until the supply chain is in place. It is still uncertain to which extent the new technology will experience a breakthrough and thus how high revenue can be expected to be. If the project has to be discontinued, we expect a loss from impairment and write-down of capitalised product development costs, inventories, compensation for collaboration partners and costs relating to the termination of employees etc.

Production and reliability of delivery

Maintaining high levels of reliability of delivery and quality is important to maintaining existing customer relations. Falling standards may cause our customers to look for other suppliers.

To strengthen Glunz & Jensen's competitiveness, it was decided in 2004 to establish production facilities in Slovakia. The relocation of production to Slovakia was commenced at the end of the 2004/05 financial year. In August 2005, it was decided to close down production in England and to move most of these activities to Slovakia and the rest to Denmark. The factory in England was closed down at the end of 2006 as planned. The transfer of a product entails a running-in period in which flexibility, reliability of delivery and quality may suffer. The relocation of more production activities from Denmark to Slovakia is scheduled for completion in 2007. This restructuring of the company's production units has not resulted in the loss of any major customers.

A few suppliers are very important to Glunz & Jensen, and any loss of suppliers can lead to a fall in reliability of delivery. Moreover, resignations by employees can also affect reliability of deliveries.

Competition and market conditions

The graphics industry is consolidating. Further consolidation in the industry can have a negative impact on demand.

The prices of prepress equipment are under pressure. This pressure is partly attributable to intensifying competition primarily from Asian suppliers and partly to the industry's wish to sell CtP technology to ever smaller printing houses with more limited investment budgets. The intense competition within Glunz & Jensen's product areas is expected to continue.

The group's order horizon for prepress equipment is generally 4-8 weeks. For "punch & bend" products, the order horizon and delivery times are longer (8-20 weeks). Revenue expectations beyond this timeframe are based on estimates prepared in dialogue with the group's largest customers. Moreover, the customers are not bound by the estimates provided, and considerable deviations in relation to the estimated revenue may occur.

Customer relations

Glunz & Jensen sells a large share of its production to a number of major customers with whom the company enjoys long-standing relations. The four largest customers account for more than 70% of revenue.

Loss of sales to one or more of these major customers will have a significant impact on total earnings. To date, Glunz & Jensen has never lost a major customer.

Company acquisitions

It is part of Glunz & Jensen's strategy to create new business opportunities, possibly through acquisitions so as to ensure future growth. Company acquisitions always involve certain 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.

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, machinery and equipment and inventories are insured on an all-risk basis at replacement cost.

Please refer to note 24 for further information on financial risks.

Management's statement and auditors' report

Management's statement

Today, the Board of Directors and the Management have considered and adopted the annual report of Glunz & Jensen A/S for 2006/07.

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. In our opinion, the accounting policies applied are expedient, thus ensuring that the annual report gives a true and fair view of the group's and the company's assets, liabilities and financial position as at 31 May 2007 and of the results of the group's and the company's activities and cash flows for the financial year 1 June 2006 - 31 May 2007.

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

Ringsted, 30 August 2007

Management

René Barington
CEO

Board of Directors

Peter Falkenham Chairman	Per Møller Deputy Chairman
Steen Andreasen	Ulrik Gammelgaard
William Schulin-Zeuthen	Klaus Øhrgaard

Independent auditors' report

To the shareholders of Glunz & Jensen A/S

We have audited the annual report of Glunz & Jensen A/S for the financial year 1 June - 31 May 2007, which comprises the statement by the Executive and Supervisory Boards, Management's review, income statement, balance sheet, statement of recognised income and expense, cash flow statement and notes for the Group as well as for the parent company. The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of the annual report in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error; selecting and using appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the annual report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report is free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the annual report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Our audit did not result in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the parent company's financial position at 31 May 2007 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 June - 31 May 2007 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Copenhagen, 30 August 2007

KPMG C.Jespersen
Statsautoriseret Revisionsinteressentskab

Sven Carlsen State-Authorised Public Auditor	Søren Christiansen State-Authorised Public Auditor

Accounting policies

The annual report of Glunz & Jensen A/S for 2006/07 is presented in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies, cf. OMX Nordic Exchange Copenhagen's disclosure requirements for the annual reports of listed companies and the IFRS Executive Order issued in pursuance of the Danish Financial Statements Act.

In addition, the annual report complies with the International Financial Reporting Standards issued by IASB.

Basis of preparation

The annual report has been prepared on the historical cost basis and the accounting policies used in the preparation of the annual report are consistent with those of last year.

Non-current assets and assets classified as held for sale are measured at the lower of the carrying amount before the changed classification and fair value less costs to sell.

The accounting policies set out below have been used consistently in respect of the financial year and to comparative figures.

The annual report is presented in DKK, rounded to nearest thousand

Description of accounting policies

Consolidated financial statements

The consolidated financial statements include the Parent 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, shareholdings, intercompany 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'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.

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.

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'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, sale and distribution, development and administration, and special items, respectively. Expenses that are not directly attributable to functions are allocated on the basis of the number of employees attached to the individual functions.

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'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 written off 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.

Accounting policies

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
Administrative buildings and building components	10-25 years
Other fixtures and fittings, tools and equipment	3-5 years

Land is not depreciated.

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.

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 cost of sales, development 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 cost of sales. Indirect cost of sales includes 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 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.

Accounting policies

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

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 "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 recognised and 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 carry forwards, 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.

Pension obligations

Contributions to defined contribution plans where the Group currently pays fixed pension payments to independent pension funds are recognised in the income statement in the period to which they relate and any contributions outstanding are recognised in the balance sheet as other payables.

The group has not entered into defined pension benefit plans.

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.

Accounting policies

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 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.

Segment information

The Glunz & Jensen Group consists of one segment; the graphic business 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 profit margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Operating margin (EBITA)	$\frac{\text{Operating profit/(loss) before special items (EBITA) x 100}}{\text{Revenue}}$
Return on invested capital incl. goodwill (ROIC)	$\frac{\text{Operating profit/(loss) x 100}}{\text{Average operating assets}}$
Return on equity (ROE)	$\frac{\text{Profit* x 100}}{\text{Average equity}}$
Equity interest	$\frac{\text{Equity at year-end* x 100}}{\text{Equity and liabilities at year-end}}$
Interest cover (EBITA)	$\frac{\text{Operating profit/(loss) before special items (EBITA) + interest income}}{\text{Interest expense}}$
Earnings per share (EPS Basic)	$\frac{\text{Profit}}{\text{Average number of shares in circulation}}$
Earnings per share, diluted (EPS-D)	$\frac{\text{Diluted earnings}}{\text{Average number of shares in circulation, diluted}}$
Cash flow per share (CFPS)	$\frac{\text{Cash flows from operating activities}}{\text{Average number of shares, diluted}}$
Book value per share (BVPS)	$\frac{\text{Equity}}{\text{Number of shares at year-end}}$
Pay-out ratio	$\frac{\text{Dividend}}{\text{Profit}}$
Price/book value (KI)	$\frac{\text{Market price}}{\text{BVPS}}$

Income statement

Note	1 June - 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
2	**Revenue**	449,830	484,392	410,458	365,585
3,4,7	Production costs	(354,920)	(365,444)	(331,379)	(276,758)
	Gross profit	94,910	118,948	79,079	88,827
8	Other operating income	465	2,120	377	1,872
4,7	Sales and distribution costs	(34,414)	(28,750)	(20,344)	(18,154)
4,7	Product development costs	(36,845)	(28,842)	(34,522)	(25,644)
4,7	Administrative expenses	(27,257)	(30,659)	(18,203)	(19,274)
8	Other operating expenses	(26)	-	-	-
	Operating profit/(loss) before special items	(3,167)	32,817	6,387	27,627
4,9	Special items	5,040	(17,932)	(1,812)	(1,408)
	Operating profit	1,873	14,885	4,575	26,219
10	Financial income	6,417	1,669	11,017	9,305
10	Financial expenses	(6,822)	(3,976)	(19,736)	(3,509)
	Profit/(loss) before tax	1,468	12,578	(4,144)	32,015
11	Tax on profit/(loss) for the year	1,290	(4,356)	(685)	(7,885)
	Net profit/(loss) for the year	2,758	8,222	(4,829)	24,130
	Proposed appropriation of profit				
	Proposed dividend: DKK 0 per share of DKK 20 (2005/06: DKK 2 per share of DKK 20)			-	4,650
	Retained earnings			(4,829)	19,480
	Total			(4,829)	24,130
	Earnings per share				
12	Earnings per share (EPS)	1.3	3.9		
12	Diluted earnings per share (EPS-D)	1.3	3.8		

Balance sheet

Note	31 May	Group 2007 DKK '000	Group 2006 DKK '000	Parent company 2007 DKK '000	Parent company 2006 DKK '000
	ASSETS				
	Non-current assets				
13	**Intangible assets**				
	Completed development projects	21,153	10,787	20,915	10,787
	Patents and trademarks	247	365	2,014	290
	Goodwill	41,058	41,708	-	-
	Development projects in progress	256	11,315	256	11,007
		62,714	64,175	23,185	22,084
14	**Property, plant and equipment**				
	Land and buildings	67,362	68,528	39,433	43,484
	Other fixtures and fittings, tools and equipment	9,181	12,472	4,814	6,861
		76,543	81,000	44,247	50,345
	Other non-current assets				
15	Investments in subsidiaries	-	-	22,050	39,416
16	Deferred tax	9,604	7,419	-	-
	Deposits	-	65	-	-
		9,604	7,484	22,050	39,416
	Total non-current assets	148,861	152,659	89,482	111,845
	Current assets				
17	Inventories	76,133	66,505	21,976	20,505
18	Trade receivables	71,521	80,504	56,339	60,720
15	Receivables from subsidiaries	-	-	64,720	65,318
	Other receivables	2,572	4,796	458	2,352
11	Income taxes	1,110	6,186	40	-
	Prepayments	3,059	2,609	1,893	1,362
	Cash	4,389	11,195	3,034	5,529
26	Assets classified as held for sale	-	8,729	-	-
	Total current assets	158,784	180,524	148,460	155,786
	TOTAL ASSETS	307,645	333,183	237,942	267,631

Balance sheet

Note	31 May	Group 2007 DKK '000	Group 2006 DKK '000	Parent company 2007 DKK '000	Parent company 2006 DKK '000
	EQUITY AND LIABILITIES				
19	**Equity**				
	Share capital	46,500	46,500	46,500	46,500
	Translation reserve	(2,896)	(2,568)	-	-
	Retained earnings	115,260	111,945	87,708	91,980
	Proposed dividend	-	4,650	-	4,650
	Total equity	158,864	160,527	134,208	143,130
	Long-term liabilities				
16	Deferred tax	80	701	537	691
20	Provisions	925	675	925	675
21	Credit institutions	9,966	11,430	-	418
	Total long-term liabilities	10,971	12,806	1,462	1,784
	Short-term liabilities				
21	Credit institutions	62,530	64,301	60,121	63,722
	Trade payables	40,084	39,965	19,235	13,810
	Payables to subsidiaries	-	-	17	18,476
11	Income taxes	2,158	3,364	-	3,364
20	Provisions	4,090	18,049	3,121	2,375
	Prepayments from customers	2,438	5,384	-	-
	Other payables	26,510	28,787	19,778	20,970
	Total short-term liabilities	137,810	159,850	102,272	122,717
	Total liabilities	148,781	172,656	103,734	124,501
	TOTAL EQUITY AND LIABILITIES	307,645	333,183	237,942	267,631

Statement of changes in equity – group

Note		Share capital DKK '000	Hedging transaction reserve DKK '000	Translation reserve DKK '000	Retained earnings DKK '000	Proposed dividend DKK '000	Total DKK '000
	Equity 1 June 2005	46,500	(761)	(1,202)	107,816	4,650	157,003
	Changes in equity 2005/06						
	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/(loss) for the year	-	-	-	3,572	4,650	8,222
	Total income	-	761	(1,366)	3,664	4,650	7,709
	Distributed dividend	-	-	-	-	(4,650)	(4,650)
	Dividend, treasury shares	-	-	-	465	-	465
	Total changes in equity in 2005/06	-	761	(1,366)	4,129	0	3,524
	Equity 31 May 2006	46,500	0	(2.568)	111,945	4,650	160,527
	Changes in equity 2006/07						
	Translation adjustment, foreign entities	-	-	(328)	-	-	(328)
	Share-based payment	-	-	-	92	-	92
	Net gains recognised directly in equity	-	-	(328)	92	0	(236)
	Net profit/(loss) for the year	-	-	-	2,758	-	2,758
	Total income	-	-	(328)	2,850	0	2,522
	Distributed dividend	-	-	-	-	(4,650)	(4,650)
	Dividend, treasury shares	-	-	-	465	-	465
	Total changes in equity in 2006/07	-	-	(328)	3,315	(4,650)	(1,663)
	Equity 31 May 2007	46,500	0	(2,896)	115,260	0	158,864

Statement of changes in equity – parent company

Note		Share capital DKK '000	Hedging transaction reserve DKK '000	Retained earnings DKK '000	Proposed dividend DKK '000	Total DKK '000
	Equity 1 June 2005	46,500	(761)	71,943	4,650	122,332
	Changes in equity 2005/06					
	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/(loss) for the year	-	-	19,480	4,650	24,130
	Total income	-	761	19,572	4,650	24,983
	Distributed dividend	-	-	-	(4,650)	(4,650)
	Dividend, treasury shares	-	-	465	-	465
	Total changes in equity in 2005/06	-	761	20,037	0	20,798
	Equity 31 May 2006	46,500	0	91,980	4,650	143,130
	Changes in equity 2006/07					
	Share-based payment	-	-	92	-	92
	Net gains recognised directly in equity	-	-	92	-	92
	Net profit/(loss) for the year	-	-	(4,829)	-	(4,829)
	Total income	-	-	(4,737)	-	(4,737)
	Distributed dividend	-	-	-	(4,650)	(4,650)
	Dividend, treasury shares	-	-	465	-	465
	Total changes in equity in 2006/07	-	-	(4,272)	(4,650)	(8,922)
	Equity 31 May 2007	46,500	0	87,708	0	134,208

Cash flow statement

Note	1 June - 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
	Operations				
	Operating profit/(loss) before special items	(3,167)	32,817	6,387	27,627
	Adjustment for non-cash operating items etc.				
	Amortisation, depreciation and impairment losses	20,638	18,813	17,789	15,582
	Gains and losses on sale of non-current assets	(166)	(1,699)	(154)	(1,679)
	Other operating items, net	(109)	(843)	(126)	522
	Provisions	889	(1,430)	996	520
	Cash flows from operating activities before changes in working capital	18,085	47,658	24,892	42,572
	Changes in working capital:				
	Changes in inventories	(7,726)	(3,603)	(1,471)	2,407
	Changes in payables to and receivables from subsidiaries	-	-	(30,861)	(27,471)
	Changes in receivables	10,237	823	5,744	(25,014)
	Changes in trade payables and other payables	(8,525)	(6,841)	4,233	(4,324)
	Changes in working capital	(6,014)	(9,621)	(22,355)	(54,402)
	Special items paid during the year	(24,620)	(4,673)	(1,812)	(1,408)
	Financial payments received	6,417	988	5,506	3,026
	Financial payments made	(6,603)	(3,349)	(6,517)	(2,882)
	Income taxes paid	1,979	(7,173)	(4,243)	(4,451)
	Cash flows from operating activities	(10,756)	23,30	(4,529)	(17,545)
2, 13	Acquisition of intangible assets	(7,886)	(13,578)	(10,626)	(13,495)
2, 14	Acquisition of property, plant and equipment	(5,458)	(10,743)	(2,178)	(3,350)
14	Disposal of property, plant and equipment	24,280	3,402	166	3,331
27	Acquisition of subsidiaries and activities	-	(864)	-	(1,395)
	Dividends from subsidiaries	-	-	22,876	17,279
	Cash flows from investing activities	10,936	(21,783)	10,238	2,370
	Loan financing:				
	Changes in debt to credit institutions	(2,882)	9,792	(4,019)	23,956
	Shareholders:				
	Dividend distributed	(4,185)	(4,185)	(4,185)	(4,185)
	Cash flows from financing activities	(7,067)	5,607	(8,204)	19,771
	Total cash flow for the year	(6887)	7,654	(2,495)	4,596
	Cash, beginning of year	11,195	3,605	5,529	933
	Translation adjustment of cash and cash equivalents	81	(64)	-	-
	Cash, end of year	4,389	11,195	3,034	5,529

Notes

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 assumptions which the Management believes to be proper, but which are, naturally, uncertain and unpredictable.

The net realisable value of inventories and trade receivables are assessed specifically, 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 carry forwards.

It is assessed whether the book values 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 individual asset may be used elsewhere in the group.

2. Segment information

The Glunz & Jensen group consists of one primary segment, the graphics 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 – products 1 June - 31 May	Revenue 2006/07 DKK '000	Revenue 2005/06 DKK '000
Group		
CtP processors	251,421	277,810
Other prepress equipment	72,169	62,975
Conventional processors	24,711	37,597
Spare parts etc.	101,529	106,010
Total	449,830	484,392

Secondary segment – geographical breakdown	Revenue 2006/07	Revenue 2005/06	Assets total 2006/07	Assets total 2005/06	Invest-ments 2006/07	Invest-ments 2005/06
Group						
Europe	194,519	224,723	254,956	272,137	13,032	23,004
North America	175,377	171,275	52,689	61,046	312	1,317
Rest of the world	79,934	88,394	0	0	0	0
Total	449,830	484,392	307,645	333,183	13,344	24,321

Of the parent company's revenue, 1% (2005/06: 2%) comes from sales to Denmark.

Notes

3. Production costs

1 June - 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
Cost of sales for the year	266,192	264,689	279,287	274,641
Inventory impairment for the year	8,959	10,893	8,959	4,604
Reversed inventory impairment	(1,324)	(1,345)	(1,324)	(1,137)

Inventory impairment is, among other things, based on an assessment which includes expectations for the future need for and use of the product concerned. As expectations are subject to constant change, impairment may vary a great deal. The variances may result in a reversal of impairment.

4. Employee costs

1 June - 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
Wages and salaries	107,371	125,673	67,388	67,425
Share-based payment, equity-settled schemes	92	92	92	92
Share-based payment, cash-settled schemes	(537)	834	(537)	834
Other social security costs	11,501	8,131	3,775	4,733
	118,427	134,730	70,718	73,084
Employee costs are included in the following items				
Production costs	56,736	66,983	29,137	34,099
Sales and distribution costs	21,576	17,252	11,458	10,559
Product development costs	19,109	15,786	17,473	14,571
Administrative expenses	16,093	19,473	11,804	13,555
Special items	4,913	15,236	846	300
	118,427	134,730	70,718	73,084
Average number of full-time employees	362	333	151	165
Remuneration for the Management and Board of Directors:				
Salary	1,926	1,851		
Bonus	200	800		
Share-based payment	92	92		
Total remuneration for the Management	2,218	2,743		
Remuneration for the Board of Directors	800	765		

There are no defined-benefit pension plans in the group.

Notes

5. Share-based payment

The general rule for outstanding share option programmes is that each share option corresponds to one share of DKK 20. The share option programmes may be exercised 3-5 years after issue.

For the share option programme from 2006/07, the exercise prices have been fixed as the average price at the OMX Nordic Exchange Copenhagen A/S on the last five days prior to granting. The exercise prices are subject to the addition of 4% per year and are exclusive of distributed dividend.

Upon exercise, the share option programmes granted to the Management before 2006/07 will be settled by transfer of shares from Glunz & Jensen's holding of treasury shares.

Share 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 share options with a total nominal value of DKK 300k. Exercise may take place from August 2006 to September 2008. The exercise price has been fixed at DKK 30 per share plus 6% p.a.

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

In 2005/06, the Management and a number of managers and specialists were awarded a total of 46,000 share options with a total nominal value of DKK 920k. The exercise price has been fixed at an average of DKK 82-83 per share plus 6% p.a.

In 2006/07, the Management and a number of managers and specialists were awarded a total of 56,250 share options with a total nominal value of DKK 1,125k. The exercise price has been fixed at an average of DKK 60 per share plus 4% p.a. and is exclusive of dividend distributed.

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

The below market values of the share option programmes are based on the Black-Scholes model for valuation of share options (the expected volatility based on the historical volatility is 30%, interest 3.0-4.0% and dividend of DKK 0 (2005/06: 40%, 3.0-3.5% and DKK 2, respectively)).

Share options in Glunz & Jensen A/S	Manage-ment	Executive empl. etc.	Other empl.	Total	Av. exercise price
Outstanding share options 1 June 2005	15,000	77,816	43,588	136,404	143
Share options granted in 2005/06	15,000	31,000	-	46,000	83
Share options cancelled in 2005/06	-	(18,816)	(43,588)	(62,404)	275
Outstanding share options 31 May 2006	30,000	90,000	0	120,000	45
Share options granted in 2006/07	10,000	46,250	-	56,250	60
Share options cancelled in 2006/07	-	(21,000)	-	(21,000)	36
Outstanding share options 31 May 2007	40,000	115,250	0	155,250	55
Market value at the time of granting of the share options granted in 2006/07 (DKKm)	0.1	0.6	-	0.7	
Market value of outstanding share options (DKKm)	0.5	1.6	-	2.1	

Share options in Glunz & Jensen A/S – time of granting	Manage-ment	Executive empl. etc.	Total	Exercise price	Number of years until expiry	Market value DKKm
Equity-settled						
March 2003	15,000	-	15,000	30[1]	0.0-1.3	0.3
November 2005	15,000	-	15,000	82[1]	1.4-3.4	0.1
Cash-settled						
December 2004	-	44,000	44,000	33[1]	0.5-2.5	0.9
December 2005	-	14,500	14,500	83[1]	1.5-3.5	0.1
March 2006	-	10,500	10,500	82[1]	1.8-3.8	0.0
April 2007	10,000	46,250	56,250	60[2]	2.9-4.9	0.7
	40,000	115,250	155,250			2.1

[1] Exercise price at the time of granting plus 6% p.a. inclusive of distributed dividend.
[2] Exercise price at the time of granting plus 4% p.a. exclusive of distributed dividend.

Notes

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

1 June - 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
Audit:				
KPMG	1,576	1,646	743	700
Other services:				
KPMG	331	516	261	336

7. Amortisation, depreciation and impairment losses

1 June - 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent Company 2005/06 DKK '000
Amortisation, intangible assets	8,693	6,912	9,525	6,903
Impairment, intangible assets	0	645	0	645
Depreciation, property, plant and equipment	11,945	11,256	8,264	8,034
	20,638	18,813	17,789	15,582
Amortisation, depreciation and impairment losses are recognised in the income statement in the following way:				
Production costs	7,681	7,259	5,530	4,829
Sales and distribution costs	1,264	1,425	820	947
Product development costs	10,687	9,028	10,667	9,006
Administrative expenses	1,006	1,101	772	800
	20,638	18,813	17,789	15,582

Amortisation of intangible assets is recognised under product development costs.

Impairment of intangible assets in 2005/06 concern activated development projects that no longer generate income.

8. Other operating income and expenses

1 June - 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
Other operating income				
Proceeds on sale of non-current assets	192	1,699	154	1,679
Rental income etc.	273	421	223	193
	465	2,120	377	1,872
Other operating expenses				
Loss on sale of non-current assets	26	-	-	-

9. Special items

1 June - 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
Redundancy payments in connection with the closing-down of production in England	(4,913)	(15,236)	(846)	(300)
Proceeds on the sale of assets in England	14,903	0	0	0
Other expenses incidental to the relocation of production from England to Slovakia	(4,950)	(2,696)	(966)	(1,108)
	5,040	(17,932)	(1,812)	(1,408)

Special items comprise significant non-recurring income and expenses incidental to the relocation of production from England to Slovakia. The relocation was completed in December 2006.

Notes

10. Financial income and expenses

1 June - 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
Financial income				
Dividends from subsidiaries	-	-	5,511	6,279
Interest income from subsidiaries	-	-	4,949	2,390
Interest, credit institutions and debtors etc.	858	466	207	163
Foreign exchange gains	5,040	681	0	0
Other financial income	519	522	350	473
	6,417	1,669	11,017	9,305
Financial expenses				
Impairment of receivables from subsidiaries	-	-	13,000	-
Interest expenses from subsidiaries	-	-	1,355	357
Interest, credit institutions etc.	4,117	3,053	2,939	2,358
Foreign exchange losses	2,266	627	2,266	627
Other financial expenses	439	296	176	167
	6,822	3,976	19,736	3,509

For impairment of receivables from subsidiaries, see note 15.

11. Tax on profit/(loss) for the year

1 June - 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
Tax on profit/(loss) for the year				
Current tax	2,055	1,994	992	5,766
Adjustment regarding previous years	(340)	(79)	(153)	-
Adjustment of deferred tax	(3,005)	2,441	(154)	2,119
Total	(1,290)	4,356	685	7,885
Tax on profit for the year may be explained in the following way:				
28% tax on profit for the year	411	3,522	(1,160)	8,964
Tax effect of:				
Dividends from subsidiaries	-	-	(5,514)	(4,838)
Non-deductible impairment of investments in subsidiaries	-	-	7,386	3,080
Non-taxable income and non-deductible expenses	(694)	1,091	(10)	376
Non-recognised tax asset	1,082	585	-	-
Variance in foreign tax rates	(2,006)	(1,066)	-	-
Dividend tax on repatriation of dividends from foreign subsidiaries	-	303	-	303
Adjustment of tax regarding previous years	(83)	(79)	(17)	-
	(1,290)	4,356	685	7,885
Effective tax rate	-	34.6%	-	24.6%

12. Earnings per share

1 June - 31 May	Group 2006/07	Group 2005/06
Net profit for the year, DKK '000	2,758	8,222
Average number of shares, 1,000	2,325	2,325
Average number of treasury shares, 1,000	(232)	(232)
Outstanding share options' average dilution effect, 1,000	74	59
Average number of shares, diluted, 1,000	2,167	2,152
Earnings per share in DKK (EPS)	1.3	3.9
Diluted earnings per share in DKK (EPS-D)	1.3	3.8

Notes

13. Intangible assets

	Completed development projects DKK '000	Patents trademarks and rights DKK '000	Goodwill DKK '000	Development projects in progress DKK '000	Total DKK '000
Group					
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
Amortisation 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
Book value 31 May 2006	10,787	365	41,708	11,315	64,175
Acquisition cost 1 June 2006	22,800	635	58,456	11,315	93,206
Translation adjustment	-	9	(650)	(13)	(654)
Additions	-	-	-	7,886	7,886
Transfer	18,932	-	-	(18,932)	0
Disposals	(13,161)	(64)	-	-	(13,225)
Acquisition cost 31 May 2007	28,571	580	57,806	256	87,213
Amortisation and impairment losses 1 June 2006	12,013	270	16,748	-	29,031
Amortisation for the year	8,566	127	-	-	8,693
Amortisation and impairment of fully amortised assets	(13,161)	(64)	-	-	(13,225)
Amortisation and impairment losses 31 May 2007	7,418	333	16,748	-	24,499
Book value 31 May 2007	21,153	247	41,058	256	62,714

	Development projects completed DKK '000	Patents trademarks and rights DKK '000	Development projects in progress DKK '000	Total DKK '000
Parent company				
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
Amortisation 1 June 2005	12,405	248	-	12,653
Amortisation for the year	6,782	121	-	6,903
Impairment losses for the year	645	-	-	645
Amortisation and impairment of fully amortised assets	(7,819)	(108)	-	(7,927)
Amortisation 31 May 2006	12,013	261	-	12,274
Book value 31 May 2006	10,787	290	11,007	22,084
Acquisition cost 1 June 2006	22,800	551	11,007	34,358
Additions during the year	-	2,740	7,886	10,626
Transfer	18,637	-	(18,637)	0
Disposals during the year	(13,161)	(64)	-	(13,225)
Acquisition cost 31 May 2007	28,276	3,227	256	31,759
Amortisation 1 June 2006	12,013	261	-	12,274
Amortisation for the year	8,509	1,016	-	9,525
Amortisation and impairment of fully amortised assets	(13,161)	(64)	-	(13,225)
Amortisation 31 May 2007	7,361	1,213	-	8,574
Book value 31 May 2007	20,915	2,014	256	23,185

13. Intangible assets (continued)

Group and parent company

Impairment of development projects concern products which were phased out in 2005/06, upon which the remaining book value was impaired.

Amortisation and impairment of development projects are recognised in the income statement under product development costs.

In 2006/07, the company incurred product development costs of DKK 44,731k. (2005/06: DKK 42,270k), of which DKK 7,886k (DKK 13,428k in 2005/06) have been recognised in the balance sheet and DKK 36,845k (2005/06: DKK 28,842k) have been recognised in the income statement under product development costs.

In 2006/07, 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 form of expenses incurred and schedules met etc. against approved project plans and sales budgets. Based on this evaluation, it is estimated that the recoverable amount exceeds the book value.

Book value of goodwill 31 May	Group 2006/07 DKK '000	Group 2005/06 DKK '000	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
Processor/plateline	25,743	25,743	-	-
Glunz & Jensen K&F, Inc.	15,315	15,965	-	-
	41,058	41,708	-	-

As at 31 May 2007, 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 could be attributed on 31 May 2007. The impairment test was not based on special preconditions or expectations. Even minor changes in earnings have a considerable influence on the result of the impairment test, and lower than expected growth in earnings could lead to a need for impairment of goodwill.

Based on the impairment test, the discounted values of future cash flows for each of the cash flow-generating units are compared with the book values as at 31 May 2007. Cash flows are estimated on the basis of the budget for 2007/08 and of the strategy plan etc. for the period 2008/09 - 2011/12. The budget and strategy plans are commercial assessments, while projections after 2011/12 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 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, and growth rates are fixed at zero. The discount factor used is 13.5%-15% before tax.

Notes

14. Property, plant and equipment

	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
Group				
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
Book value 31 May 2006	68,528	12,472	-	81,000
Acquisition cost 1 June 2006	111,813	92,656	-	204,469
Translation adjustment	2,203	(338)	-	1,865
Additions during the year	2,544	3.060	-	5,604
Disposals during the year	-	(12,178)	-	(12,178)
Acquisition cost 31 May 2007	116,560	83,200	-	199,760
Depreciation 1 June 2006	43,285	80,184	-	123,469
Translation adjustment	(124)	(293)	-	(417)
Depreciation for the year	6,037	5,947	-	11,984
Depreciation of assets sold	-	(11,819)	-	(11,819)
Depreciation 31 May 2007	49,198	74,019	-	123,217
Book value 31 May 2007	67,362	9,181	-	76,543
Parent company				
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
Book value 31 May 2006	43,484	6,861	-	50,345
Acquisition cost 1 June 2006	80,100	73,454	-	153,554
Additions during the year	-	2,178	-	2,178
Disposals during the year	-	(3,007)	-	(3,007)
Acquisition cost 31 May 2007	80,100	72,625	-	152,725
Depreciation 1 June 2006	36,616	66,593	-	103,209
Depreciation for the year	4,051	4,213	-	8,264
Depreciation of assets sold	-	(2,995)	-	(2,995)
Depreciation 31 May 2007	40,667	67,811	-	108,478
Book value 31 May 2007	39,433	4,814	-	44,247

Notes

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
Group				
Book value 31 May 2006, assets with registered mortgage	3,183	-	-	3,183
Book value May 2007, assets with registered mortgage	2,522	-	-	2,522
Group and parent company				
Book value 31 May 2006, leased assets	-	970	-	970
Cash property assessment value 31 May 2006, Danish properties	56,100	-	-	56,100
Book value 31 May 2006, Danish properties	43,484	-		43,484
Book value 31 May 2007, leased assets	-	429	-	429
Cash property assessment value 31 May 2007, Danish properties	81,000	-	-	81,000
Book value 31 May 2007, Danish properties	39,433	-		39,433

15. Investments in subsidiaries and receivables from subsidiaries

	Ownership share 2007	Ownership share 2006	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
Glunz & Jensen, Inc., Virginia, USA	100%	100%		
Glunz & Jensen Ltd., Thetford, UK (being discontinued)	100%	100%		
Glunz & Jensen s.r.o., Presov, Slovakia	100%	100%		
Glunz & Jensen K&F, Inc, Indiana, USA	100%	100%		
Acquisition cost 1 June			56,138	65,744
Additions during the year			-	1,394
Disposals during the year			(17,366)	(11,000)
Acquisition cost 31 May			38,772	56,138
Impairment losses 1 June			16,722	16,722
Impairment losses for the year			-	-
Impairment losses 31 May			16,722	16,722
Book value 31 May			22,050	39,416

If the parent company's holding of shares in subsidiaries is realised at the book value, no tax shall be payable (2005/06: DKK 0).

Disposals for the year 2006/07 concern dividend received from Glunz & Jensen Inc. of DKK 821k and Glunz & Jensen Ltd. of DKK 16,545k (2005/06: DKK 11,000k) which exceed the accumulated earnings after the acquisition date.

Based on an impairment test, the receivable from Glunz & Jensen K&F Inc. has been impaired by a total of DKK 13,000k in 2006/07 (2005/06: DKK 0.).

16. Deferred tax

	Group 2007 DKK '000	Group 2006 DKK '000	Parent company 2007 DKK '000	Parent company 2006 DKK '000
Deferred tax 1 June	6,718	8,293	(691)	1,724
Translation adjustment	(199)	(214)	-	-
Deferred tax for the year recognised under profit for the year	3,005	(2,441)	154	(2,119)
Deferred tax for the year recognised in equity	-	(296)	-	(296)
Deferred tax 31 May	9,524	6,718	(537)	(691)
Deferred tax is recognised in the balance sheet in the following way:				
Deferred tax (asset)	9,604	7,419	-	-
Deferred tax (liability)	(80)	(701)	(537)	(691)
Net deferred tax 31 May	9,524	6,718	(537)	(691)

Tax assets of DKK 1,664k are not recognised in the balance sheet (2005/06: DKK 585k).

Notes

16. Deferred tax (continued)

	Intangible assets	Property, plant and equipment	Current assets	Liabilities	Tax-loss carry forwards etc.	Total
Group						
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
Deferred tax 1 June 2006	(6,183)	3,143	7,370	1,682	706	6,718
Translation adjustment	-	(92)	(44)	(35)	(28)	(199)
Recognised in profit for the year, net	844	(377)	29	(258)	2,767	3,005
Deferred tax 31 May 2007	(5,339)	2,674	7,355	1,389	3,445	9,524
Parent company						
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)
Deferred tax 1 June 2006	(6,183)	1,476	3,550	466	-	(691)
Recognised in profit for the year, net	387	(345)	(65)	177		154
Deferred tax 31 May 2007	(5,796)	1,131	3,485	643	-	(537)

17. Inventories

31 May	Group 2007 DKK '000	Group 2006 DKK '000	Parent company 2007 DKK '000	Parent Company 2006 DKK '000
Raw materials and consumables	57,472	41,393	15,972	16,066
Finished goods and semi-manufactures	18,661	25,112	6,004	4,439
Total	76,133	66,505	21,976	20,505
The book value of inventories is recognised at the net selling price	1,452	508	920	389

18. Trade receivables

31 May	Group 2007 DKK '000	Group 2006 DKK '000	Parent company 2007 DKK '000	Parent Company 2006 DKK '000
Impairment losses contained in trade receivables	5,934	6,098	4,907	5,234

The book value of receivables is deemed to correspond to the fair value.

Notes

19. Equity

The share capital consists of nominally DKK 46.5 million, distributed onto 2,325,000 shares with a nominal value of DKK 20.

Treasury shares	Number of shares of DKK 20 each	Nominal value DKK '000	Proportion of share capital %
Holding 1 June 2006 and 31 May 2007	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% of the share capital.

The market value of treasury shares was DKK 13,601k as at 31 May 2007 (31 May 2006: DKK 19,670k).

The holding includes 155,250 treasury shares (2005/06: 120,000 shares) to cover share option programmes. The remaining holding was acquired with a view to the continued development of the capital structure, financing of acquisitions or cancellation.

20. Provisions

	Group 2007 DKK '000	Group 2006 DKK '000	Parent company 2007 DKK '000	Parent company 2006 DKK '000
Warranty commitments 1 June	3,816	3,368	2,700	2,530
Translation adjustment	(38)	(181)	-	-
Acquisition of subsidiaries	-	2,036	-	-
Used during the year	(3,022)	(4,930)	(2,153)	(1,639)
Reversed during the year	(229)	(258)	-	(258)
Provisions for the year	4,142	3,781	3,153	2,067
Warranty commitments 31 May	4,669	3,816	3,700	2,700
Provisions for restructurings 1 June	14,908	1,649	350	-
Translation adjustment	108	(18)	-	-
Used during the year	(15,016)	(1,308)	(350)	-
Provisions for the year	346	14,585	346	350
Provisions for restructuring 31 May	346	14,908	346	350
Provisions 31 May	5,015	18,724	4,046	3,050
Expected maturities for provisions:				
Short-term liabilities	4,090	18,049	3,121	2,375
Long-term liabilities	925	675	925	675
Provisions 31 May	5,015	18,724	4,046	3,050

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 August 2005, it was decided to close down production in England and move it to Slovakia. In May 2006, it was also decided to relocate an additional part of production from Denmark to Slovakia. As a result, provisions were made for redundancy payments on 31 May 2006. All redundancy payments were made in 2006/07.

More production activities will be relocated from Denmark to Slovakia during 2007/08. The decision will lead to redundancy payments to employees which are recognised under provisions for restructuring as at 31 May 2007. The provisions are expected to be exhausted in 2007/08.

Notes

21. **Credit institutions**

	Due within 1-5 years DKK '000	Due after 5 years DKK '000	Due after 1 year DKK '000	Due within 1 year DKK '000
Group				
Credit institutions 31 May 2006:				
DKK, floating rate 3%-5%	418	-	418	55,017
USD, floating rate 4%-6%	-	11,012	11,012	7,454
GBP, floating rate 4%-6%	-	-	-	1,472
EUR, floating rate 2%-4%	-	-	-	358
	418	11,012	11,430	64,301
Credit institutions 31 May 2007:				
DKK, floating rate 3%-6%	-	-	-	48,391
USD, floating rate 4%-7%	-	9,966	9,966	2,987
GBP, floating rate 4%-7%	-	-	-	1,214
EUR, floating rate 2%-5%	-	-	-	9,938
	-	9,966	9,966	62,530
Parent company				
Credit institutions 31 May 2006				
DKK, floating rate 3%-5%	418	-	418	55,017
USD, floating rate 4%-6%	-	-	-	6,875
GBP, floating rate 4%-6%	-	-	-	1,472
EUR, floating rate 2%-4%	-	-	-	358
	418	-	418	63,722
Credit institutions 31 May 2007:				
DKK, floating rate 3%-6%	-	-	-	48,391
USD, floating rate 4%-7%	-	-	-	1,193
GBP, floating rate 4%-7%	-	-	-	599
EUR, floating rate 2%-5%	-	-	-	9,938
	-	-	-	60,121
Group and parent company				
Finance leases 31 May 2006:				
Lease payments	421	-	421	561
Interest	(3)	-	(3)	(14)
Book value	418	-	418	547
Finance leases 31 May 2007:				
Lease payments	-	-	-	427
Interest	-	-	-	(2)
Book value	-	-	-	425

Short-term debt is not subject to any repayment terms. The debt is reduced as cash is generated.
There are no payable conditional lease payments in leases entered into.

The fair value of short-term and long-term liabilities corresponds to the book value as the liabilities are floating-rate liabilities.

22. **Operating leases**

	Group 2007 DKK '000	Group 2006 DKK '000	Parent company 2007 DKK '000	Parent company 2006 DKK '000
Lease commitments (operating):				
Due within 1 year	1,086	1,095	445	279
Due between 1-5 years	2,904	3,323	1,213	944
	3,990	4,418	1,658	1,223
Lease costs for the year (operating)	1,185	402	381	160

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

23. **Contingent liabilities**

A declaration of financial support has been granted to the subsidiary Glunz & Jensen s.r.o.
The group is not involved in any legal disputes or arbitration cases which are estimated to have a significant impact on the group's financial standing.

Notes

24. Financial risks and use of derivative financial instruments

Currency risks:
The Glunz & Jensen group mainly invoices its customers in foreign currencies. In 2006/07, approx. two-thirds of revenue was invoiced in EUR and one-third in USD.

Expenses in the Glunz & Jensen group are mainly incurred in DKK, USD and EUR, but also in GBP and SKK. In 2006/07, expenses in DKK, USD and EUR accounted for more than 75% of expenses. In the long term, the proportion of expenses incurred in SKK will increase, while the proportion incurred in GBP will fall.

It is Glunz & Jensen's policy to fully or partly hedge certain commercial transactions by means of forward exchange contracts and interval contracts with a term of up to one year. At present, no hedging takes place of future currency transactions (2005/06: no hedging of future currency transactions). Even with full hedging of the foreign currency transactions, the consolidated financial statements are still affected by foreign exchange fluctuations when translating the foreign subsidiaries' financial statements into DKK. All else being equal, it is estimated that a 10% increase in the USD exchange rate will affect the operating profit positively by approx. DKK 5 million.

Interest rate risks:
The interest rate risk is mainly attributable to interest-bearing liabilities as Glunz & Jensen has no significant interest-bearing assets. The net interest-bearing debt at the end of 2006/07 totalled DKK 68.1 million at a floating interest rate. Financing primarily takes place in DKK.

Debtor risks:
Glunz & Jensen may suffer losses on receivables from customers and other debtors. The group's debtors are monitored on a continuous basis. Most of Glunz & Jensen's production is sold to large, reputable companies with whom Glunz & Jensen enjoys long-standing business relations.

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

25. Information about related parties and related party transactions

Controlling interest:
Following the combination of the class A and class B shares, no shareholders have a controlling interest in the parent company.

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 remuneration.

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.

1 June - 31 May	Parent company 2006/07 DKK '000	Parent company 2005/06 DKK '000
Sale of raw materials to subsidiaries	49,371	34,013
Sale of finished goods to subsidiaries	45,558	63,645
Sale of services to subsidiaries	1,261	2,212
Purchase of raw materials from subsidiaries	13,229	8,772
Purchase of finished goods from subsidiaries	137,821	83,614
Purchase of services from subsidiaries	4,090	419
Payment of royalties to subsidiaries	2,740	110
Interest income from subsidiaries	4,949	2,390
Interest expenses to subsidiaries	1,355	357

26. Assets classified as held for sale

No companies were divested in 2006/07 and 2005/06.

	Group 2006/07 DKK '000	Group 2005/06 DKK '000
Assets classified as held for sale		
Property, plant and equipment	-	8,729
Total assets classified as held for sale	-	8,729

Notes

26. Assets classified as held for sale (continued)

Assets classified as held for sale in 2005/06 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 were recognised as income in 2006/07 under special items.

27. Acquisition of subsidiaries and activities

	Fair value at the time of acquisition 2007 '000	Book value before the acquisition 2007 '000	Fair value at the time of acquisition 2006 '000	Book value before the acquisition 2006 '000
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	
Acquisition cost	-		1,395	
Of which cash and cash equivalents	-		(531)	
Cash acquisition cost	-		864	

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. Following the acquisition, the name of the company was changed to Glunz & Jensen K&F, Inc.
The purchase price was DKK 1,395k. Goodwill amounted to DKK 17,189k at the time of acquisition. Goodwill concerns synergy effects as well as expectations for future earnings.
In connection with the acquisition, identifiable intangible assets were recognised in the pre-acquisition balance sheet at fair value. Only development projects in progress were identified in connection with the acquisition of K&F.
Glunz & Jensen's share of the profit for the year for 2005/06 was DKK (1,855k) comprising the period following the acquisition on 26 January 2006.
Revenue and the consolidated profit for the year for 2005/06 calculated as if Glunz & Jensen K&F Inc. was acquired on 1 June 2005 is estimated at DKK 518 million and DKK 4 million, respectively.

No subsidiaries or activities were acquired in 2006/07.

28. Subsequent events

On 6 August 2007, a prospectus was published in connection with the combination of class A and class B shares and the listing of the former class A shares.

The listing of the former class A shares on the OMX Nordic Exchange Copenhagen took place on 13 August 2007.

No other significant events have occurred after 31 May 2007.

29. New accounting legislation

IASB has issued the following new IFRSs which are not mandatory for the Glunz & Jensen group when preparing the annual report for 2006/07.

IFRS 7 Financial instruments, which comes into effect for financial years starting on 1 January 2007 or later. Implementation of the standard will have no effect on recognition and measurement of financial instruments. IFRS 7 has been adopted by the EU.

IFRS 8 Segments concerning segment information applies to financial years starting on 1 January 2009 or later. The standard will have no effect on recognition and measurement in the annual report. IFRS 8 has not been adopted by the EU.

IASB has issued a number of interpretations (IFRIC 7-9), which have also been adopted by the EU, and (IFRIC 10-14), which have not yet been adopted by the EU, which are not mandatory when preparing the annual report for 2006/07. None of the IFRICs issued are expected to have any influence on the presentation of Glunz & Jensen's consolidated financial statements.

The Glunz & Jensen group expects to implement these IFRSs and IFRICs as of the mandatory commencement date.

Notes

30. Quarterly financial highlights (unaudited)	1Q 2006/07 DKKm	2Q 2006/07 DKKm	3Q 2006/07 DKKm	4Q 2006/07 DKKm	FY 2006/07 DKKm
Income statement					
Revenue	120.7	123.4	90.3	115.4	449.8
Gross profit	29.8	27.0	14.4	23.7	94.9
Operating profit before special items (EBITA)	5.0	(1.3)	(8.0)	1.1	(3.2)
Special items, net	12.1	(6.9)	0.0	(0.1)	5.1
Operating profit/(loss) (EBIT)	17.1	(8.2)	(8.0)	1.0	1.9
Net financials	(1.8)	1.5	0.1	(0.2)	(0.4)
Profit/(loss) before tax (EBT)	15.3	(6.7)	(7.9)	0.8	1.5
Profit/(loss) for the period	10.4	(4.6)	(5.6)	2.6	2.8
Balance sheet					
Assets					
Goodwill	41.7	41.7	41.7	41.1	41.1
Other non-current assets	108.0	108.8	110.0	107.8	107.8
Current assets	170.0	175.6	162.8	158.8	158.8
Total assets	319.7	326.1	314.5	307.7	307.7
Equity and liabilities					
Equity	171.5	162.6	157.0	158.9	158.9
Liabilities	148.2	163.5	157.5	148.8	148.8
Total equity and liabilities	319.7	326.1	314.5	307.7	307.7
Cash flows					
Cash flows from operating activities	(1.5)	(30.8)	8.5	13.0	(10.8)
Cash flows from investing activities*	20.7	(4.4)	(2.7)	(2.7)	10.9
Cash flows from financing activities	(18.9)	27.1	(5.0)	(10.2)	(7.0)
Changes in cash and cash equivalents	0.3	(8.1)	0.8	0.1	(6.9)
* of which net investment in property, plant and equipment	22.5	(2.4)	(1.5)	0.2	18.8
Ratios					
Operating margin – EBITA (%)	4.1	(1.1)	(8.9)	0.9	(0.7)
Earnings per share – EPS (DKK)	5.0	(2.2)	(2.7)	1.2	1.3
Diluted earnings per share – EPS-D (DKK)	4.8	(2.1)	(2.6)	1.2	1.3
Cash flow per share – CFPS (DKK)	(0.7)	(14.7)	4.0	6.3	(5.1)
Market price per share (DKK)	82	79	67	59	59
Equity value per share – EVPS (DKK)	82.0	77.7	75.0	75.9	75.9
Average number of shares (1,000 shares)	2,093	2,093	2,093	2,093	2,093
Revenue broken down by product					
CtP processors	63.2	68.5	49.1	70.6	251.4
Other prepress equipment	22.1	23.5	14.2	12.4	72.2
Conventional processors	7.7	5.2	5.4	6.4	24.7
Spare parts etc.	27.7	26.2	21.6	26.0	101.5
Total	120.7	123.4	90.3	115.4	449.8

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.

With a few exceptions, Glunz & Jensen's corporate governance is consistent with the recommendations from the OMX Nordic Exchange Copenhagen. Two such exceptions are that the Board of Directors of Glunz & Jensen conducts no annual self-evaluation, and that no age limit has been set for its members.

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 interim reports and other notifications from the company and via meetings with investors, analysts and the press. Interim reports and other notifications are available on the Glunz & Jensen 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 notifications and annual reports are also available in Danish.

Fåmandsforeningen LD and the Glunz & Jensen Foundation are the company's largest shareholders.

The Glunz & Jensen Foundation was established in 1986 in connection with the formation of the current Glunz & Jensen A/S and acquired all the class A shares existing in the company at the time. However, in a transition period, the shareholders (ordinary shareholders) from whom the foundation acquired the shares, reserved the voting rights attaching to the class A shares and any bonus shares that might later be issued on the basis of class A shares. Following the combination of the share classes, the voting rights reserved constitute less than 1% of the votes in Glunz & Jensen.

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 – consider it openly and communicate the offer to the shareholders accompanied by comments from the Board of Directors.

The Glunz & Jensen group has not concluded any important agreements which will be affected, amended or cancelled if the controlling interest in the company changes.

No agreements have been concluded with the members of the Management concerning compensation or any employees in the event of resignation or termination of contracts without cause or in the event that a position is abolished following a takeover of the Glunz & Jensen group.

The annual general meeting is Glunz & Jensen's top decision-making authority, and the Board of Directors attaches importance to the shareholders being thoroughly informed of the matters to be decided at the annual general meeting. Notices to convene the annual 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 attend 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 to the Board of Directors and the Management, just as the shareholders may submit proposals for consideration by the general meeting.

The work of the Board of Directors

In accordance with the provisions of the Danish Companies Act (*Aktieselskabsloven*), the Board of Directors is responsible for the overall management of Glunz & Jensen and determines the company's goals and strategies and approves overall budgets and action plans. In addition, the Board of Directors supervises the activities of the company in a broad sense, checking that the company 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 set out in a set of rules of procedure which is reviewed and adjusted to suit Glunz & Jensen's needs at least once a year. The latest adjustment was made in 2005/06. The rules of procedure include procedures for the Management's reporting, the working method of the Board of Directors and a description of the tasks and responsibilities of the Chairman of the Board of Directors.

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

At least five ordinary board meetings are held every year, and a plan has been prepared for the contents of the meetings. Other than that the Board of Directors meets as and when required. Eight board meetings were held in the 2005/06 financial year, while six board meetings were held in the 2006/07 financial year.

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

Composition of the Board of Directors

According to the company's Articles of Association, the annual general meeting elects four to eight members. The Board of Directors currently counts six members of whom four were elected by the annual general meeting. The board members elected by the annual general meeting are elected for a period of one year at a time and can be re-elected. The term of the employee representatives, which is four years, has been fixed in accordance with the provisions of the Danish Companies Act. The latest election of employee representatives 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 annual general meeting. This has not been deemed necessary, since the individual board members are assessed on the basis of their qualifications and their contributions to the work of the Board of Directors.

The board members elected by the annual 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 sends out a description of each candidate's background, relevant qualifications and any managerial offices held in advance, and the Board of Directors will also state the reason for their recommendation.

Corporate governance

Information about the individual board members can be found on page 44.

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 its 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.

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. The Chairman of the Board regularly evaluates the work of the Management and the individual board members, the collaboration within the Board of Directors, its working method and the collaboration between the Board of Directors and the Management. The work of the Board of Directors is adjusted on a regular basis to reflect the results of these evaluations.

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 annual general meeting in connection with the approval of the annual report. In the 2006/07 financial year, the remuneration for the Board of Directors amounted to DKK 800,000, of which DKK 250,000 was paid to the Chairman, DKK 150,000 to the Deputy Chairman and DKK 100,000 per person to the other board members. The Board of Directors is not covered by any bonus or share option programmes.

Remuneration for the Management, which currently consists of the CEO, is determined by the Board of Directors. In 2006/07, remuneration for 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 8 and in note 5 on page 29). Remuneration for the Management totalled DKK 2,218k in 2006/07. 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 entail any particular obligations for the company.

Risk management

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

The Board of Directors lays down the policy and framework for the company's central risks and ensures that these risks are managed effectively. Reporting on key risks is part of the regular reporting to the Board of Directors.

For a more detailed description of Glunz & Jensen's risk factors, see the "Risk factors" section.

As part of the company's risk management, internal control systems have been established. The Board of Directors assesses the internal control systems at least once a year to ensure that they are expedient and adequate and consistent with best practice in the area.

Audit

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

Board of Directors

Peter Falkenham (1958)
President and CEO, TrygVesta
Chairman of the Board of Directors
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 subsidiaries affiliated with TrygVesta Forsikring A/S.

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 Højgaard Holding A/S, MT Højgaard A/S, Det Danske Klasselotteri A/S, Atrium Partners A/S, the Glunz & Jensen Foundation and subsidiaries affiliated with Højgaard Holding A/S.
Member of the Boards of Directors of Biomar Holding A/S and RTX Telecom A/S.

Steen Andreasen (1958)
Marketing Manager
Member of the Board of Directors of Glunz & Jensen A/S since 1999.*

Ulrik Gammelgaard (1958)
Managing Director, KJ Industries A/S
Member of the Board of Directors of Glunz & Jensen A/S since 2006.

Chairman of the Board of Directors of a subsidiary of KJ Industries A/S.

Member of the Boards of Directors of the Confederation of Danish Industries, EFB Ishockey A/S and subsidiaries affiliated with KJ Industries A/S.

William Schulin-Zeuthen (1958)
Managing Director, Vester Kopi A/S and Vester Kopi Vest A/S and Manager of SZ Holding ApS
Member of the Board of Directors of Glunz & Jensen A/S since 2002.

Member of the Board of Directors of Northmann A/S.

Klaus Øhrgaard (1954)
Production staff
Member of the Board of Directors of Glunz & Jensen A/S since 1993.*

Management

René Barington (1959)
CEO

Management of Glunz & Jensen A/S

René Barington
CEO

Steen Andreasen
Marketing Manager

Ole Biering
CFO**

John Hytting
Vice President, R&D

Peter Jensen
Sales Manager

Thomas Jørgensen***
Manager, Supply Chain

*Elected by the employees

**Until 15 August 2007, position to be refilled.

***From 15 August 2007

Shareholdings of the Board of Directors and the Management	As 31 at May 2007	Sold in 2006/07	Purchased in 2006/07
Peter Falkenham	0	0	0
Per Møller	3,100	0	0
Steen Andreasen	450	0	0
Ulrik Gammelgaard	0	0	0
William Schulin-Zeuthen	0	0	0
Klaus Øhrgaard	640	0	0
René Barington	1,000	0	0

Group companies

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Brief on Glunz & Jensen

Glunz & Jensen develops, manufactures and markets equipment for the prepress industry.

Glunz & Jensen’s product range covers almost all equipment used in prepress for offset printing in modern printing houses. The largest product area is CtP plate processors, but Glunz & Jensen also supply plate depositories, CtP setter equipment, prebake and postbake ovens, “punch & bend” equipment, conveyors and stackers as well as software for monitoring and managing the complete prepress processes. Glunz & Jensen have achieved a leading position and a high market share within our core areas, and our products are known for setting the technological standard on the global market.

Glunz & Jensen markets its products through an extensive network of distributors and dealers, and a large part of the distribution also takes place through our OEM customers which include Agfa, Fuji, Heidelberg and Kodak. Glunz & Jensen enjoys close partnerships with several of its OEM customers – partnerships which also include developing new and innovative solutions for the prepress industry.

At the end of May 2007, Glunz & Jensen had a total of 340 employees. One hundred and forty-one of them are employed in Denmark, while the remaining are employed in our subsidiaries in Slovakia and the USA.

Glunz & Jensen A/S is listed on the OMX Nordic Exchange Copenhagen A/S and is included in the SmallCap+ index.

GLUNZ & JENSEN

THINK NEW - GO FURTHER

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