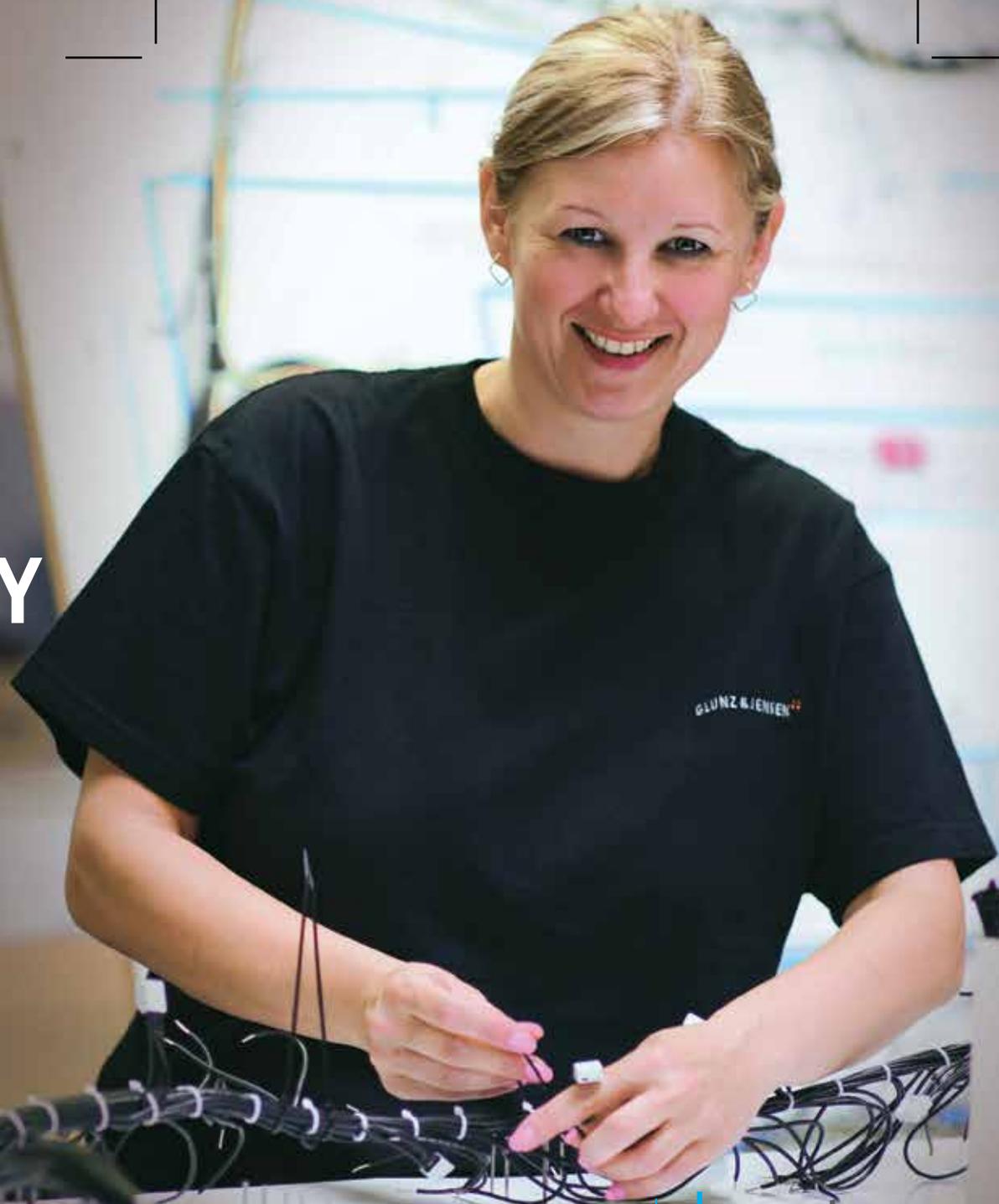




CVR: 10239680

# ANNUAL SUMMARY 2012/13



GLUNZ & JENSEN 

work positive

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## POSITIVELY GLOBAL ▼

### A good start for our new factory in China

The new factory in Suzhou, approx. 80 km west of Shanghai in China, is up and running and can now deliver products to customers quickly. But things take time, so the expansion of activities and sales growth is happening at a controlled pace.

Currently, the assembly and finishing of three models of offset processors and two stackers are underway in Suzhou. In addition, an inventory of spare parts for flexo products, locally produced offset products and iCtP consumables are available. The factory is, in other words, gradually increasing activities and driving Glunz & Jensen's effort to build a stronger market position, not only in China, but throughout the Asia Pacific region.

The products produced in Suzhou are adapted to the Chinese customers' requirements and wishes,

and since a large proportion of the world's total demand for offset printing equipment comes from this market, the prospect of increased revenue is positive.

"We now have one year of experience at the factory, and we have come a long way. We are currently working on a sourcing project, so that we can increasingly use Chinese subcontractors. Our prices are now quite competitive, as we don't need to pay the 17% import duty on products produced in China," says CFO Jens Christian Nielsen.

In particular, the establishment of a more efficient sales and service organization are expected to prove beneficial, by bringing Glunz & Jensen closer to customers, and through a closer dialogue, enhance the ability to adapt to the market.



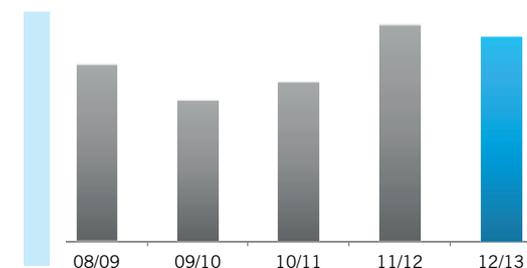
# FINANCIAL HIGHLIGHTS

DKKm	2008/09	2009/10	2010/11	2011/12	2012/13	EURm <sup>1)</sup> 2012/13
<b>Income statement</b>						
Revenue	326.1	258.7	292.6	398.0	376.6	50.5
Gross profit	68.9	67.1	82.0	126.2	98.9	13.3
Operating profit/(loss) before special items (EBITA)	(19.3)	9.0	16.3	45.8	26.1	3.5
Operating profit/(loss) (EBIT)	(45.1)	9.0	16.3	45.8	26.1	3.5
Net profit/(loss) for the year	(44.8)	5.5	9.4	24.8	22.2	3.0
<b>Balance Sheet</b>						
<b>Assets</b>						
<b>Total assests</b>	218.5	204.4	289.0	353.7	383.3	51.4
<b>Equity and liabilities</b>						
Equity	103.5	111.8	118.8	132.9	148.8	20.0
<b>Total equity and liabilities</b>	218.5	204.4	289.0	353.7	383.3	51.4
<b>Cash flows</b>						
Cash flows from operating activities	33.5	27.5	22.1	36.1	34.0	4.6
Cash flows from investing activities <sup>2)</sup>	(10.1)	(11.1)	(36.7)	(54.1)	(57.3)	(7.7)
Cash flows from financing activities	(20.9)	(11.1)	22.6	12.6	15.6	2.1
<b>Changes in cash and cash equivalents</b>	2.5	5.3	8.0	(5.4)	(7.7)	(1.1)
<sup>2)</sup> of which net investment in property, plant and equipment	(6.5)	(6.9)	(15.7)	(34.0)	(54.4)	(7.3)
<b>Ratios (%)</b>						
Profit margin (EBITA)	(5.9)	3.5	5.6	11.5	6.9	6.9
Return on assets	(8.0)	4.5	7.1	15.2	7.4	7.4
Return on equity after tax	(35.7)	5.1	8.2	19.7	15.8	15.8
Equity ratio	47.4	55.0	41.1	37.6	38.8	38.8
<b>Other information</b>						
Net interest-bearing debt	39.6	23.9	42.6	73.4	108.8	14.6
Earnings per share (EPS)	(21.4)	2.6	4.5	12.5	12.1	1.6
Cash flow per share (CFPS)	16.0	13.1	10.6	18.2	18.6	2.4
Equity value per share (EVPS)	49.4	53.4	56.8	66.8	82.8	11.1
Market price per share	20	30	36	59	64	9
Average number of outstanding shares (1,000 shares)	2,094	2,093	2,093	1,988	1,829	1,829
Average number of employees	325	238	236	261	258	258

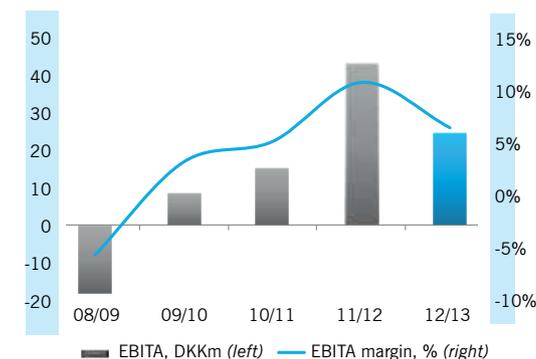
Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33. Other ratios have been calculated in accordance with 'Recommendations and Ratios 2010' issued by the Danish Society of Financial Analysts. Reference is made to definitions under accounting policies in note 31 of the full Annual Report, which can be found on Glunz & Jensen's website: [www.glunz-jensen.com](http://www.glunz-jensen.com). Under financial highlights and in the management's review, 'Operating profit/(loss) before special items' is referred to as EBITA.

1) Converted from DKK to EUR at a rate of 745.57.

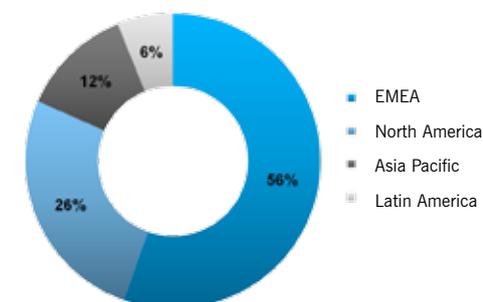
Revenue, DKKm



Operating profit/loss (EBITA), DKKm - Margin %



Geographical distribution of revenue



12%

increase in equity

24%

increased equity value  
per share

5%

increased revenue in  
North America

12%

increase in sales of  
flexographic equipment

34

million DKK cash flow  
from operating activities

Our CEO has the word

## FOCUS ON PRODUCT DEVELOPMENT AND EVEN BETTER SERVICE

In Glunz & Jensen, we focus on creating the best possible solutions for our customers. So even though the world around us continues to be uneasy, we continue to innovate and strive to provide continually better service. Our financial figures for 2012/13 show that we have the necessary financial robustness, so customers and partners can count on Glunz & Jensen's continued development.

Our growth area is flexo business, where we are a leading supplier of prepress equipment to expanding global industries, such as the food packaging industry. Our flexo division includes our two companies, Microflex and Degraf, which are now well integrated in our overall business. As such, our flexo division can now take advantage of Glunz & Jensen's position as a global company, which is able to serve customers anywhere in the world. Our flexo activities will also grow in the coming years, in line with the increased standard of living and urbanization of populations in the big emerging markets, as the demand for packaged foods and other consumer goods increases. Our goal is to maintain our focus on customer needs. We do this by expanding our global position through the newest technology, reliable products, competitive unit costs and responsive service.

Our traditional business division, prepress equipment for print production in the graphic offset industry, is declining. The media industry is moving towards electronic platforms, putting pressure on the economy

in many parts of the printing industry. Therefore, it is important for Glunz & Jensen to continue to innovate and offer our customers more efficient products. We will continue to be a leading provider of products and total solutions for the graphic offset industry.

*"We help create high quality graphics solutions for the packaging and print media industries."*

In Glunz & Jensen, we are not afraid to take a new path, in our quest to develop and provide our customers with tomorrow's technology and optimum service solutions. A good example of this is our participation in the development company Othonia, who are experts in LED technology, which can improve both the prepress process and drying of inks in the flexo industry. Recently, we have invested more in the expansion of our after sales and service business. In June 2013, we acquired Graphic Quick Service (GKS). GKS will be part of Glunz & Jensen and be the platform for our future service/support unit that will initially cover Europe and North America. In future, we can offer our OEM customers the full suite of products, from installation to service and maintenance, throughout the life of the product.

With our global presence, proven products, complete solutions and focus on continued product development, Glunz & Jensen will continue to provide the best and latest solutions for our customers and exciting challenges and opportunities for our employees.

Finally, let me say a big thank you to all our customers all over the world because you show confidence in Glunz & Jensen and our solutions every day. We truly appreciate your loyalty and trust.



Kind regards,  
Keld Thorsen, CEO



### ▲ POSITIVELY TRUSTED

#### Delivering 24-hour service for newspaper printers

It was a powerful affirmation of Glunz & Jensen's competitiveness when they received the order of 20 High Speed CtP processors for Agfa's customer Newsprinters, part of Britain's largest media group, which publishes, amongst other things, The Sun, The Times and The Sunday Times.

Product quality, combined with the ability to offer 24-hour support, 365 days a year, to ensure that the system is operational, was an important factor in the decision to choose Glunz & Jensen as a partner.

"For a newspaper group like Newsprinters, it is vital that the equipment functions, so the papers can be printed without interruption or delay. Agfa Graphics is a leading provider, but it was also important for us to have the backup of Glunz & Jensen's worldwide service organization," explains Agfa Graphics' Newspaper Sales Manager, Roy Cowley.

As in the rest of the world, the media industry in the UK is affected by digitalisation, but newspapers are still the most profitable distribution channel for publishers. In England alone, 5.5 million square meters of offset printing plates are used annually.

# GLUNZ & JENSEN - YOUR INNOVATIVE PARTNER

## 1. We listen to the markets and develop the solutions they need

Offset printing is still the most widely used technology in the production of newspapers, flyers, magazines and books. But this is also a mature market around the world, as consumers make the transition from using printed information to gathering it digitally.

To encourage the consolidation of the market, we meet the market needs with innovative new products. As the newspaper industry continues to consolidate and adapt to new and faster technologies, there is a greater need for speed and environmentally conscious solutions in plate production.

To meet these changes in the market, Glunz & Jensen has developed the world's fastest low chemistry processor for the newspaper industry, HDX NewsSpeed, which can process up to 400 plates per hour. This processor can be configured to process low chemistry plates from all of the major offset plate manufacturers. The HDX NewsSpeed will be introduced at IFRA 2013 in Berlin.

Another new product is Tiger, a robust processor which is specially designed for the Asian market, where price point and quality are equally important driving factors. With Tiger, we are striving to meet the needs of the lower end of the market, while maintaining the high quality which is associated with the Glunz & Jensen brand.

## 2. We drive the innovative design of automation for flexo plate/sleeve processing

With the acquisition and integration of Microflex and Degraf, we have created a unique global position in the flexo market. Today we are a leading industrial flexographic prepress equipment supplier with global reach who works in innovative and confidential partnerships with our customers.

New exciting products will be introduced at Label Expo in September 2013. Glunz & Jensen Degraf will unveil the enhanced all-in-one 205 C for the narrow web flexo market, which accommodates plate exposure, processing, drying and light finishing in a compact footprint.

Parallel to new product development, our technology centre in Milan is working on further enhancements of our processor series, which is one of the fastest in the world.

We continue to develop our flexo business. Take, for example, the acquisition of a 17% stake in the research and development venture, Othonia, who is developing applications for leading-edge LED technology. It is our clear expectation that this technology will be advantageously used in flexo exposure processes. In addition, the investment in Othonia has given us the opportunity to collaborate with leading educational and research centers.

With so many exciting, new projects underway, it has been necessary to expand and strengthen the research and development team in Milan, pooling international resources from various divisions of the company and recruiting vital new talents. This offers us a competitiveness and flexibility that is not available to smaller companies.

One example of these innovative partnerships has resulted in an improved InLiner system, which automates the processes of plate processing, exposure, drying and finishing, in one high speed process.



### 3. We build a global after sales service business with our OEM customers

Glunz & Jensen has long worked on improving and expanding our after sales service offerings to our OEM customers and their dealers. It is our goal to be involved with our equipment throughout its lifetime, offering the best service, maintenance and support through every stage.

Working towards making this goal a reality, Glunz & Jensen acquired GKS on September 1st, 2013. GKS is a highly respected service company in Scandinavia, specializing in the repair and maintenance of graphic equipment, including CtP systems, plate and film developing machines and post-print equipment.

This strategic alliance will see GKS using their experience and expertise to help build a professional service and support unit of Glunz & Jensen, and eventually expand their services to cover Europe, North America and eventually Asia.

### 4. We provide affordable, environmentally friendly solutions for smaller printers

iCtP uses a simple and environmentally friendly process to create press-ready offset plates with no chemicals and very low energy consumption. It is a self-contained CtP solution for smaller newspapers and commercial offset printers – local newspapers, in-plants and quick printers – who need an affordable platemaking solution with a small footprint.

With our distribution centres in Europe, North America and Asia, we have secured an efficient global distribution of plates and ink for iCtP. With more than 1000 installations worldwide, we have solid experience and a good flow of consumables, ensuring efficient delivery to the end user.

iCtP has had particular success in North and South America, where we are well positioned to participate in the conversion from analog to digital plate production within the newspaper industry. There is a well established network of dealers around the world, who is ready to serve you.

### 5. We continue to be competitive

A key area of our strategic plan is focused on reducing fixed costs, increasing flexibility in production and focus on profit margins to stay competitive.

On the production side, we have taken the opportunity to implement modular production, providing economies of scale. Likewise, we are dedicated to reducing the number of stock items.

As we already have a modern and competitive production setup at our main production facility in Presov, Slovakia, we have been able to transfer the production of selected flexo products from Milan to Presov during the year. Furthermore, we have begun assembling products at our plant in Suzhou, China.



## ◀ POSITIVELY CONNECTED

### WebConnect: Monitor – Analyse – Optimise

With the launch of WebConnect for Glunz & Jensen offset processors, customers have been given an online tool that ensures that the equipment can be monitored, analysed and potentially even announce when it needs to be serviced or repaired.

WebConnect is the first software of its kind in prepress, a “cloud” solution, which constantly collects data from the equipment and presents it in a simple report, providing an overview of the equipment’s performance and behavior. An e-mail feature automatically informs about emerging needs, enabling proactive action to be taken.

"Today, all of our new offset processors are WebConnect-enabled and over the coming years, this will also be true for our flexo products. The initial reaction from the market has been very positive and we have come closer to the end user. Whilst creating greater confidence among customers, WebConnect is also a good platform to generate additional business in after sales service," explains Business Director Simon Jensen. "In short, we create peace of mind for the customer, as it allows them to focus on other important tasks."

# OUTLOOK 2013/14

The coming financial year is shaping up to be one full of exciting new projects.

One project which will bring us in closer dialogue with our customers is WebConnect. Though still in its infancy, it now monitors over 100 active offset plate processors and the usership is growing rapidly. During the next year, WebConnect will be further developed to accommodate the needs in flexographic production, so we can offer this service to our customers in the flexo market, helping them to also come in closer contact with their customers.

Product development will continue to be a main focus for Glunz & Jensen – particularly the development of “green” processing technologies and the automation and integration of flexographic processes.

Globally, we have now accomplished our goal of creating an optimised and fine-tuned production and sourcing infrastructure, to be able to flexibly accommodate the necessary capacity, while maintaining short delivery times. Our goal for the coming year is to make it easier and more efficient for our customers to purchase consumables and spare parts from us with the introduction of an online webshop. In addition, the sales and support of flexo equipment will be set in focus at Glunz & Jensen Americas, with the establishment of a spare parts stock and the in-depth training of our support staff in Glunz & Jensen Degraf and Microflex equipment.

The establishment of a viable and professional service business will be a main focus in the coming year. The acquisition of GKS is just the first step – we are already working with GKS on expanding their business model into other markets, starting with countries in Europe and North America. The strategy is to sell Preventive Maintenance Programs and Service Contracts to our customers with our products, allowing us to maintain our products throughout their lifetime for the benefit of our customers.

The total sales in 2013/14 are expected to be in the region of €46-50 million. The EBITDA is expected to be €6-7 million.



## ▲ POSITIVELY VISIONARY

### The future of LED technology

High-power LED technology offers a number of advantages over traditional UV exposure of flexo printing plates, which is central in the prepress process. But only now is UV LED technology advanced and affordable enough compared to traditional UV mercury lamps for it to pay off for customers.

The development of Othonia's LED project is so far advanced that Microflex expects the technology will be ready to be launched in the flexo market within 18-24 months. The concept, which has been tested for over 6 months in close collaboration with local repro centres, shows continuously better results.

"There is no doubt that UV LED technology has great potential and we are quite confident that we are well positioned in comparison to our competitors. In addition, we have secured patents, to protect our products and technologies as they come on the market," explains Microflex's Director, Søren Jørgensen.

Besides the obvious opportunities in the flexo industry, Othonia's UV LED technology has potential applications in the paint and varnish industry, particularly in drying and hardening paints and lacquers utilized by the furniture industry. Here, the potential is significantly larger than in the flexo market.

Glunz & Jensen currently controls 17% of the shares in Othonia, with an option to buy the remaining shares. The co-owners of Othonia are Energi Invest Fyn A/S, Styrelsen for Forskning og Innovation (The Danish Board for Research and Innovation), Syddansk Teknologisk Innovation A/S and Science Ventures Denmark A/S. This close cooperation with leading technological training institutes and development companies, will hopefully contribute to keeping Glunz & Jensen at the forefront of technological development for many years to come.

# BRIEF ON GLUNZ & JENSEN

Glunz & Jensen is the world's leading supplier of innovative solutions for the global prepress industry. Our main product areas are processors for the offset and flexo printing industry, and iCTP platesetters. We also provide exposure units, dryers, light finishers, mounting tables, plate stackers and software for monitoring and controlling complete prepress processes.

As the recognized leader in prepress technology for 40 years, Glunz & Jensen has recently expanded its capabilities through the acquisition of Degraf and Microflex. We have long-standing relationships with prominent OEM customers, including Agfa, Asahi, DuPont, Flint, Fuji, Heidelberg, Kodak and MacDermid. We also market our products through an extensive worldwide network of distributors and dealers.

Based in Denmark, Glunz & Jensen has approximately 220 employees in subsidiaries and production facilities in Denmark, Slovakia, USA, Italy and China. Our global sales, service and support presence includes local employees in South America.

The full Annual Report can be found in Danish on Glunz & Jensen's website:  
[www.glunz-jensen.com](http://www.glunz-jensen.com).

Front page photo: Svetlana Vraňuchová, Production employee at Glunz & Jensen Slovakia.

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