



ANNUAL SUMMARY 2011/12

GLUNZ & JENSEN 

 work positive

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POSITIVELY AUTOMATED ▼

Increased profitability – with less work!

Over the years, Degraf has developed new and innovative flexo equipment in close cooperation with Flint. Degraf continues to improve its products by automating processes – or workflows – and increasing the efficiency in production processes. An example is the nyloflex@APP (Automated Plate Processor).

Most recently, in April 2012, Glunz & Jensen Degraf installed a prototype of the new "In-liner" APP in Cyber Graphics' Memphis facility.

"We're always looking ahead to find the latest in technological developments," states Rick Parker, director, operations and technology, Cyper Graphics. "Our customers expect us to create value through innovation. That sometimes means finding a better workflow and also investing in new production infrastructure."

The "In-liner" product is a combination of two traditionally separate processes and is the first step towards a more complete process integration within flexo-prepress, creating increased profitability for the customer – with less work!

The "In-liner" techonolgy offers great potential for increasing production efficiency by automating workflows, especially with the high volumes of throughput in the food packaging industry.

"There's no doubt that Degraf's technologies and prepress solutions for the flexo industry are best developed in collaboration with our customers," says Jacques Dutard, General Manager of Glunz & Jensen Degraf.



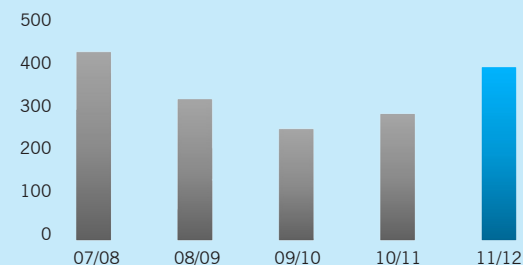
FINANCIAL HIGHLIGHTS

DKKm	2007/08	2008/09	2009/10	2010/11	2011/12	EURm ¹⁾ 2011/12
Income statement						
Revenue	433.4	326.1	258.7	292.6	398.0	53.6
Gross profit	93.7	68.9	67.1	82.0	126.2	17.0
Operating profit/(loss) before special items (EBITA)	3.5	(19.3)	9.0	16.3	45.8	6.2
Operating profit/(loss) (EBIT)	(10.0)	(45.1)	9.0	16.3	45.8	6.2
Net profit/(loss) for the year	(12.7)	(44.8)	5.5	9.4	24.8	3.3
Balance Sheet						
Assets						
Total assests	282.5	218.5	204.4	289.0	353.7	47.6
Equity and liabilities						
Equity	147.1	103.5	111.8	118.8	132.9	17.9
Total equity and liabilities	282.5	218.5	204.4	289.0	353.7	47.6
Cash flows						
Cash flows from operating activities	15.1	33.5	27.5	22.1	36.1	4.9
Cash flows from investing activities ²⁾	(10.9)	(10.1)	(11.1)	(36.7)	(59.9)	(8.1)
Cash flows from financing activities	(2.0)	(20.9)	(11.1)	22.6	18.4	2.5
Changes in cash and cash equivalents	(2.2)	2.5	5.3	8.0	(5.4)	(0.7)
²⁾ of which net investment in property, plant and equipment	(4.7)	(6.5)	(6.9)	(15.7)	(34.0)	(4.6)
Ratios (%)						
Profit margin (EBITA)	0.8	(5.9)	3.5	5.6	11.5	11.5
Return on assets	1.2	(8.0)	4.5	7.1	15.2	15.2
Return on equity after tax	(8.3)	(35.7)	5.1	8.2	19.7	19.7
Equity ratio	52.1	47.4	55.0	41.1	37.6	37.6
Other information						
Net interest-bearing debt	62.4	39.6	23.9	42.6	73.4	9.9
Earnings per share (EPS)	(6.0)	(21.4)	2.6	4.5	12.5	1.7
Cash flow per share (CFPS)	7.2	16.0	13.1	10.6	18.2	2.4
Equity value per share (EVPS)	70.1	49.4	53.4	56.8	66.8	9.0
Market price per share	40	20	30	36	59	8
Average number of outstanding shares (1,000 shares)	2,100	2,094	2,093	2,093	1,988	1,988
Average number of employees	360	325	238	236	261	261

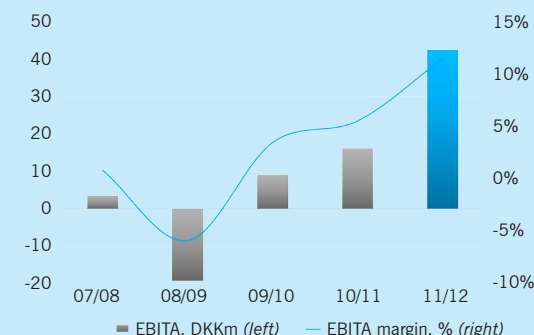
Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33. Other ratios have been calculated in accordance with 'Recommendations and Ratios 2010' issued by the Danish Society of Financial Analysts. Reference is made to definitions under accounting policies in note 31 of the full Annual Report, which can be found on Glunz & Jensen's website: www.glunz-jensen.com. Under financial highlights 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 743.19.

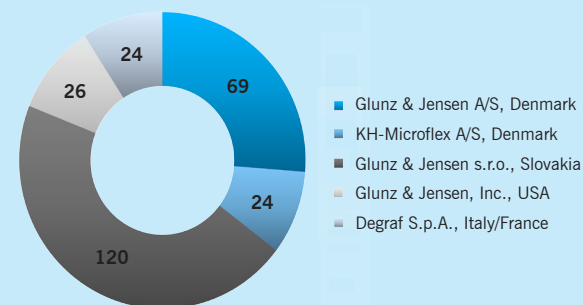
Revenue, DKKm



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



Number of employees per company



33%

increase in sales in
the EMEA region

29%

increase in sales in
North America

48%

increase in sales in
Asia and the Pacific region

110%

increase in sales in
Central and Latin America

Our CEO has the word

A POSITIVE OUTLOOK WITH A CUSTOMER FOCUS

Looking strategically, we have achieved important results – completely in line with our strategy plan for 2011-14, which we continue to roll out step by step. We constantly aim to increase sales, improve our customer service and identify cost savings. Only in this way we can maintain and expand our global market position and long-term earnings capacity to the benefit of our customers, employees and shareholders.

The two most important steps during the financial year were the introduction of KH-Microflex A/S as a new member of the Glunz & Jensen family and the decision to establish a domestic production and expanding the service function in China. We can now start building up production and, at the same time, be closer to our customers – not just in China, but in the entire Asia Pacific region.

The acquisition of the high-tech company, KH-Microflex A/S, in September 2011, supplements our flexo activities in Degraf, acquired in the previous financial year. Together, the two companies have ensured the Group a leading global market position within the flexo industry.



The third important step is actually not just one, but many small steps which combined have pushed Glunz & Jensen forward. Throughout the value chain – product development, procurement, production, customer service, sales and marketing – we have been improving quality and efficiency – and that pays off. We have introduced several, very strong new iCTP products. We have made market-oriented adjustments and updated existing products.

We perform "benchmarking" of procurements in order to exploit Glunz & Jensen's size and purchasing power in the best possible way. We have developed new after sales solutions, meaning that automatic emails or text messages are sent from the products if service or replacement of wearing parts is required. At Drupa, we introduced many new products for the graphic arts industry, as well as reinforcing the new relationship between Glunz & Jensen, KH-Microflex and Degraf by introducing our strong joint group identity. As for the support functions, we have also been able to create more coherence, thereby increasing integration and exploiting the many synergy effects.

Positive outlook in an uncertain environment

Unfortunately, there is no indication that the global market conditions will improve in the remainder of 2012 or even in 2013. In Europe, the situation might become even worse. In the USA, there is a small, but stable growth, while the Asia Pacific region will continue to see reasonable growth. It goes without saying that such market conditions are out of Glunz & Jensen's control.

In the end, it is a very skilled and adaptable organisation with approx. 260 employees which creates the results. I would like to thank all colleagues and collaboration partners for their great efforts and for the results achieved in the 2011/12 financial year.

A new financial year has begun, and we are optimistic. Glunz & Jensen has a strong market position within both the offset and flexo industries, we have strong products and concept solutions, we have a skilled organisation and a solid capital base, which means that our outlook is positive.

It will be an exciting year, but also a challenging year.



Kind regards,
Keld Thorsen, CEO



▲ POSITIVELY TRUSTED

High quality ensures US order

This year, Glunz & Jensen obtained a large order when the American company Quad/Graphics concluded a contract with Fujifilm North America for the delivery of high-end Fujifilm FLH-Z plate processors produced by Glunz & Jensen.

Quad/Graphics is one of North America's largest suppliers of printing and communications solutions with approx. 40 production units in North and South America and approx. 22,000 employees. This is a unique opportunity and proof of Glunz & Jensen's leading market position.

Fujifilm in the USA is also very satisfied with the result. "The FLH-Z plate processor supports the most demanding print productions. The technology improves quality and reduces the consumption of chemicals leading to reduced costs and environmental advantages," says Jim Crawford, Consumable Sales Manager at Fujifilm North America.

GLUNZ & JENSEN FOCUS AREAS

1. We want to continue to be a market leader within offset processors

The core of our offset prepress program is offset processors, which are used to process and prepare the offset plates for printing. This type of printing technology is relatively traditional, and it is still the most widespread technology used when printing newspapers, sales material, magazines, books, information and promotion material. But this is also a mature and stagnating market in which we may increase our value growth through, among other things, consolidation. Globally, we have identified several potential candidates for acquisition. However, Glunz & Jensen have not carried out any concrete acquisitions, as the potential candidates have not offered attractive terms. Indirectly, however, we have managed to consolidate our business through stable revenue in the offset market and consequently an increased market share.

2. We want to maintain and expand our leading position in the flexo area

With Degraf and KH-Microflex, we also have a good opportunity to create synergy benefits, especially in product development, which may in the coming years strengthen our market position and earnings capacity further.

3. We want to drive developments in the Inkjet CtP (iCtP) market

The Inkjet CtP jets ink directly onto an offset plate and prepares it for printing without the use of a processor. This technology is primarily used by small printing houses and regional newspapers where speed requirements are lower. Based on constant product development, e.g. the recent introduction of PlateWriter 8000, Glunz & Jensen has managed to maintain its position as a global market leader. This business area is particularly interesting as the customers' use of the iCtP equipment creates consumables in the form of ink, offset plates and cleaners. The sale of consumables thus constitutes

a growth area, within which sales will increase in step with the installed iCtP equipment base.

4. We are fully focused on the development of our global distribution network

Today Glunz & Jensen has its own global vendor and distribution network. Sales under the name of Glunz & Jensen are supplemented by sales to large global suppliers such as Agfa,

Asahi, DuPont, Flint, Fuji, Heidelberg, Kodak and MacDermid, which all resell Glunz & Jensen's products under their own name (OEM).

During the financial year, we have expanded our geographical coverage and concluded new vendor agreements in connection with the expansion of our distribution network for iCtP products. Amongst others, we have expanded our business with vendor agreements in the Middle East and Latin America.



◀ POSITIVELY GLOBAL

New design and image presented at Drupa

More than 300,000 people from the printing industry met in May 2012 at the German Drupa exhibition, which is held every fourth year. Drupa is the world's largest exhibition within the graphics arts industry. The exhibition was a great success for Glunz & Jensen and the company's new image and design were presented for the first time, promoting Degraf and KH-Microflex as two integrated Glunz & Jensen companies.

"People from 76 different countries visited our stand, and we received signed orders from customers in 44 countries. The result exceeded our expectations with in both offset and flexo," explains Steen Andreasen, Vice President for Technology, Business & Marketing.

The decision to establish a domestic production in China was good news for many Asian customers who look forward to expanding their collaboration with Glunz & Jensen.

"To sum up, our meetings at Drupa confirmed that we are on the right track and that we have a strong, long-term product strategy which provides security for our customers in choosing our solutions," says Steen Andreasen.

The decision to start up production in China means that we are able to further strengthen our after sales service in Asia and the Pacific in the coming years.

5. We will continue to develop new innovative products

Product development will always be one of Glunz & Jensen's most important focus areas in our efforts to obtain the greatest possible customer satisfaction.

The development of completely new offset and flexo products and the further development of existing products are to ensure that we continue to be competitive in the long term. Our focus is, in particular, on the development of products for our customers that are even more automated, cost-effective and environmentally friendly.

Glunz & Jensen is well on its way from being a 'box supplier' of individual products to being a total solutions supplier. The total solutions concept creates increased efficiency throughout the value chain and pushes the technological development towards a production flow without human interference.

This means that we can offer a number of advantages to our customers, e.g. increased reliability of operation, fewer suppliers, reduction of manual labour and more efficient logistics and transport between the individual processes in the process chain.

Development within flexo products

The introduction during the financial year of the In-liner concept within flexo equipment is a good example of a step in this direction. The concept was developed in close collaboration with one of our OEM customers and was positively received by the market. The In-liner product is a combination of two traditionally separate processes in the prepress process and is the first step towards a more complete process integration within flexo-prepress, from exposure and processing to post exposure, drying and sorting. The In-liner concept thus replaces manual processes for the customer, ensures greater consistency and quality in production and saves time and money.

Development within iCtP products

The Inkjet technology generally entails lower costs, greater flexibility, as well as faster and more simple workflows for the customer.

At the end of the previous financial year, we developed and introduced two important new products within the iCtP area, PlateWriter 3000 and NewsWriter, which were both well received by the market. In 2011/12, we developed PlateWriter 8000 and NewsWriter XL for large broadsheet newspapers and book production. Glunz & Jensen is the first and only manufacturer in the world to develop inkjet CtP products for formats this large. These two new large-format printers have been positively received by the market, especially in North America.

Furthermore, we have continued the development of a new and better ink for the PlateWriter 3000. The ink is now water-based instead of solvent-based. In addition to being more environmentally friendly, the iCtP products are up to 90% more energy-saving than traditional CtP systems.

Finally, we have improved the design of the newest iCtP products to make them appear more streamlined and futuristic.

WebConnect

As a completely new feature, we have developed products including web connectivity in the form of built-in sensors



◀ POSITIVELY VISIONARY

New environmentally friendly packaging printing technology

Using a thermal process, KH-Microflex and DuPont have managed to develop a much more environmentally friendly machine – and up to five times faster – for large packaging manufacturers.

"For manufacturers of convenience goods and other consumables, it is crucial that the product packaging looks appealing to the consumer. The packaging plays an important role when consumers decide which product to buy," says Søren Jørgensen, CEO of KH-Microflex.

"The development of the machine design and process technology has taken almost 10 years, during which KH-Microflex has been responsible for the design, software development and documentation. The plan is to initiate the commercial phase in autumn 2012, and expectations are positive," says Søren Jørgensen.

KH-Microflex has thus again proved that they are able to develop new products for streamlining and improving the customers' manufacturing processes while at the same time considering the environment.

capable of sending data and information to us or our distributors. In this way, we – or our distributors – can help our customers monitor and increase productivity to increase uptime and improve customer service. Products having WebConnect send an email or a text message automatically when service inspection or cleaning is required or if an alarm occurs in the machine.

Preventive maintenance kits

As an additional service to our customers, we have developed specific maintenance kits for our products. There are three

kits for each product type, which enable the customer to carry out preventive maintenance on the equipment. This ensures high product quality and minimises the risk of production standstills. The result is fewer additional costs and a reduced risk of dissatisfied customers. The software in our products has been updated to identify the need for preventive maintenance and notify the user via the control panel.

OUTLOOK 2012/13

Glunz & Jensen expects general market developments to be positive in FY 2012/13.

We expect a satisfactory growth in revenue within the flexo area, while sales within offset products are expected to be slightly decreasing.

In the EMEA region, we expect a continued low macroeconomic growth and considerable uncertainty characterised by the instability of the EURO cooperation, which combined will affect demand negatively. In the rest of the EMEA region, we expect demand to be satisfactory.

We have seen slightly increasing growth in North America, but, due to the upcoming presidential election and the contin-

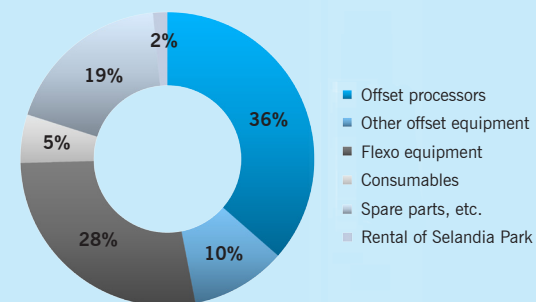
ued economic uncertainty, it is unclear whether this trend will continue. In Central and Latin America, sales are expected to increase moderately.

Asia and the Pacific continues to see satisfactory economic growth, and we expect a positive development in sales, partly due to our establishment in China

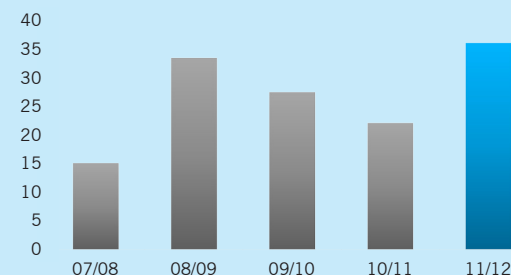
Total sales are expected to be in the region of DKK 370-400m.

The operating profit, EBITA, is expected to be in the region of DKK 37-40m.

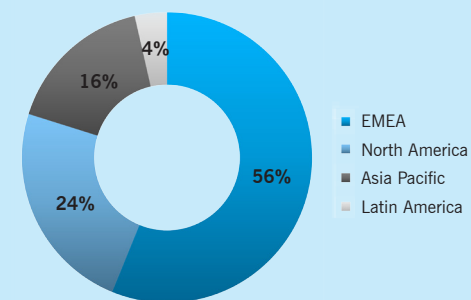
Revenue by product area



Cash flows from operating activities, DKKm



Geographical distribution of revenue



4%

increase in gross margin (in percentage point)

7%

increase in sales of offset equipment units

17%

increase in sales of offset equipment in the Asia Pacific region

46%

increase in sales of iCtP consumables

12

new products and services released

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, iCTP plate setters and automation equipment. We also provide exposure units, dryers, light finishers, mounting tables, conveyor equipment, stackers and software for monitoring and controlling complete prepress processes.

As the recognized leader in prepress technology for almost 40 years, Glunz & Jensen has recently expanded its capabilities through the acquisition of Degraf and KH-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 260 employees in subsidiaries and production facilities in Denmark, Slovakia, USA, Italy and China. Our global sales, service and support presence includes local employees in China and South America.

Note 1: The full Annual Report can be found in Danish on Glunz & Jensen's website: www.glunz-jensen.com. In the event of any discrepancy the Danish version as stated in the Annual Report shall prevail.

Note 2: This publication is printed using plates produced on a Glunz & Jensen PlateWriter™ 8000.

Front page photo: Jacques Dutard, General Manager in Degraf S.p.A. in Italy.



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