Roblon A/S
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Stock Exchange Notification no. 1-2005

To the Copenhagen Stock Exchange via Stockwise.

Preliminary Statement 2003/04

At their meeting today, the Board of Director´s of Roblon A/S approved the Annual Report for 2003/04 (01.11.2003 – 31.10.2004).

Summary:

- Considerable growth in earnings for Roblon A/S.
- Turnover was DKK 160.6 million compared to DKK 156.9 million in the previous year.
- The profit on primary activities was DKK 10.6 million against DKK 0.8 million in the previous year. Profit for the year before tax was DKK 11.0 million compared to DKK 1.3 million in the previous year.
- Industrial Fiber and Fiber Optics show growth in turnover and earnings.
- The poor performance of Roblon Engineering is the result of the division having been affected by the general downturn in the rope-making industry, without having lost market shares.
- In the financial year sales were affected by the uncertain international trading conditions, and the very low dollar rate had an adverse impact on the company's competitiveness.
- There is a proposed dividend ratio of 20%, which amounts to DKK 7.1 million.
- In the financial year 2004/05 turnover is expected to be in the region of DKK 170 million and profit before tax is expected to be within the range DKK 10-15 million.

Frederikshavn, January 5, 2005.

Niels Bach	Flemming K. Bertelsen
Chairman of the Board	Managing Director

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Roblon in Figures

Financial Highlights (mill./DKK)	1999/00	2000/01	2001/02	2002/03	**2003/04**
Profit and loss account:					
Total turnover	177.3	265.6	174.0	156.9	**160.6**
Of which for export	159.4	244.1	158.4	140.3	**144.1**
Income from primary activities	18.3	41.0	3.9	0.8	**10.6**
Net financing, etc.	1.8	3.6	1.3	0.5	**0.4**
Profit before tax	20.0	44.6	5.2	1.3	**11.0**
Profit for the year	13.3	32.4	4.2	1.8	**7.8**
Balance:					
Total assets	153.8	194.5	171.8	167.3	**170.0**
Share capital	26.2	35.3	35.3	35.3	**35.4**
Capital and reserves	120.4	148.1	142.2	140.4	**144.9**
Shareholder value	166.3	282.5	183.6	141.3	**125.6**
Cash Flow:					
Cash flow from operating activities	25.8	33.3	9.9	14.3	**12.5**
Cash flow from investment activities	(12.3)	(22.3)	(23.7)	(18.0)	**(1.2)**
Of which investment in tangible fixed assets	(12.4)	(22.4)	(23.6)	(21.3)	**(1.4)**
Cash flow from financing activities	(5.2)	(4.7)	(10.1)	(3.6)	**(3.3)**
Change in cash and cash equivalents	8.3	6.3	(23.9)	(7.3)	**8.0**
Key Figures					
Profit ratio (%)	10.3	15.5	2.3	0.5	**6.6**
Rate of return (%)	14.8	28.7	2.4	0.5	**6.6**
Solvency ratio (%)	75.0	70.9	80.7	81.9	**81.1**
Liquidity ratio	3.8	3.3	4.1	3.8	**4.8**
Return on equity (%)	11.5	24.2	2.9	1.3	**5.5**
Result per share of DKK 100 (EPS)	39.5	96.1	12.4	5.5	**23.1**
Dividend (%)	14.8	29.9	10.0	10.0	**20.0**
Intrinsic value of shares (NAV)	357	439	421	417	**429**
Stock-exchange listing, end of period	471	800	520	400	**355**
Number of employees	148	186	185	152	**136**

The key figures have been calculated in accordance with the guidelines of the Danish Financial Analysts Association on the calculation of key figures. Dividend proposed has been deducted from capital and reserve for purposes of analysis. Please see accounting policies for definitions and terms

Roblon A/S Concept
Roblon A/S wishes to be known locally, nationally and internationally as a well-reputed, sound and progressive company which sets credibility and honesty before short-term profits. This value is cherished and supported by employees, customers, suppliers and investors alike.

Objectives
The overall financial objectives of Roblon A/S are:

- Organic growth of 10-15% annually on the turnover and profits of each business area
- A profit ratio of at least 10% in each business area
- A solvency ratio exceeding 50 at all times
- A liquidity ratio exceeding 2.0
- The dividend policy is described in more detail under Shareholders

In the current situation with idle capacity in industry in many regions of the world, Roblon Engineering cannot realistically be expected to achieve a profit ratio of 10%.
We expect that the division will again be able to meet this objective within a 3-year horizon.

Strategies
Roblon A/S updates its strategic plans each year. High priority is given to product and market development that can help to generate organic growth. Any opportunities of e.g. acquisitions, strategic cooperation or acquisition of licence rights within the company's business areas are investigated. Planning the future strategic profile can include related business areas.

The individual business areas'/divisions' development is subject to ongoing evaluation with focus on continued profitability and growth potential.

Report of the Board of Directors and Management
In the financial year 2003/04 Roblon A/S achieved a profit before tax of DKK 11.0 million compared to DKK 1.3 million in the previous year. The profit is better than expected and constitutes a significant improvement on the previous year.

Turnover in 2003/04 was DKK 160.6 million compared to DKK 156.9 million in the previous year, representing an increase by 2.4%.
In 2003/04 Roblon Industrial Fiber and Roblon Fiber Optics achieved higher turnover and profit on primary activities than expected at the beginning of the year and higher than in the previous year.

Roblon Engineering achieved lower turnover and profit on primary activities than expected at the beginning of the year and lower than in the previous year.
Against the background of the development in the markets and our expectations at the beginning of the year the Board of Directors considers the overall profit for the year to be acceptable.

In the interim report of June 17, 2004 the expected profit for the year was adjusted to a profit before tax in the range of DKK 5-10 million from DKK 0-10 million. Thus, the profit for the year exceeds the expectations notified to the Copenhagen Stock Exchange.

The export ratio was 89.7% compared to 89.4% in the previous year.

The profit for the year covers substantial differences between the three divisions. The Roblon Industrial Fiber division, which supplies products for the cable industry, primarily within the fibre optic communication cable segment, has seen satisfactory growth in this business area. The division has implemented significant rationalisation measures adjusting the cost level, and the composition of products was also changed during the year towards products with a higher margin than previously.

The growth of the Fiber Optics division can be attributed to positive development in existing markets and an efficient sales and marketing strategy in new markets.

The poor performance of Roblon Engineering is the result of the division having been affected by the general downturn in the rope industry, without having lost market shares.

Improved productivity at all levels is a common characteristic of all three divisions and has contributed significantly to the overall increase in the profit for the year.

All divisions are still affected by the uncertain international trading conditions. At the same time, in areas where the currency is pegged to the USD rate, the declining dollar rate has led to a considerable weakening of the competitiveness of all three divisions in relation to local competitors. The fall in the USD rate has not generated exchange rate losses, as the relatively small share of turnover from orders in USD is hedged.

Each division operates independently. The divisions are significant in their respective niches and also key suppliers in the global market. They have a good and wide product range, also compared to their competitors, and they are known for flexibility, documentation and rapid follow-up. The day-to-day interaction among the divisions regarding e.g. product development and marketing activities also generates synergies that contribute to future-oriented solutions.

A comprehensive employee development project is being implemented across the divisions, supported by the European Social Fund. The project, which comprises all employees, was launched in August 2001 and runs until August 2005. Special focus areas are personal development and co-operation. The project is now in a phase that is primarily directed at implementation and training of the acquired skills, including establishment of participation groups.

No significant events with a material effect on the company's financial position have occurred since the close of the financial year.

Future expectations

The divisions

Roblon Industrial Fiber expects continued moderate growth in global demand for optic fibre cables. The expectations are of a moderate increase in sales to the cable market and slightly lower profits, primarily due to rising raw material prices and increased price pressures in the next financial year. A moderate upturn in sales to the offshore market and other industries is also expected.

Roblon Fiber Optics expects growth in turnover, but the profit is expected to be in line with the recently ended financial year. Focus areas in 2004/05 will be an intensified marketing effort, improved distributor management and expansion of existing and new markets.

Roblon Engineering expects a slight increase in sales of machines to the rope industry. In the cable machinery market turnover on a par with the current year is expected. In total Roblon Engineering expects a slight increase in turnover and improved profits in the coming financial year. A major development project has been initiated, exploiting the expertise of the division in connection with development of machines for other segments than the existing industries.

Roblon A/S

International trading conditions are expected to entail only a slight improvement in global demand for products for the cable and rope industries in the coming financial year, and the weak USD rate is still expected to have a negative impact on competitiveness.

Furthermore, Roblon A/S' operating profit will to some extent reflect the level of activity among manufacturers of fibre optic communication cables, as this industry is the largest single customer area for Roblon A/S.

On this basis turnover in the financial year 2004/05 is expected to be in the region of DKK 170 million and the profit before tax is expected to be within the range DKK 10-15 million.

Roblon Industrial Fiber

Growth in the telecommunications industry. Growth in turnover by 15.5% in the division.

(DKK ´000)	2003/04	2002/03
Turnover	64,564	55,894
Profit on primary activities before joint expenditure	9,344	-2,285
Profit ratio %	14.5	-4.1
Investments	229	740
No. of employees (average)	40	48

The international slowdown in the telecommunications industry, which commenced in mid-2001, still exerts a certain influence on Roblon Industrial Fiber's turnover. Nevertheless, 2003/04 saw growth in turnover by 15.5% and a significant improvement in the profit on primary activities.
Industrial Fiber has implemented extensive rationalisation measures adjusting the cost level, and the composition of products was also changed during the year towards products with a higher margin than previously.

Concept
Industrial Fiber develops, produces and sells flexible products to transmit or absorb force. The products are based on the use of synthetic fibres – often with impregnation and coatings to improve function. Related products for existing customer areas can be incorporated in the product range.

Expertise
The division has sufficient expertise to undertake the current tasks and any tasks expected to emerge in the new financial year.

Markets
Industrial Fiber's most important role is still as supplier to the cable industry and the oil and gas industry. At the same time, customers in other industries continue to be of interest.
In global terms production of optic fibre and fibre optic communication cables is still at a significantly lower level than 3 years ago. Moderate growth in demand for optic fibre cables is, however, expected in the coming year.

Despite a generally weak market, Roblon Industrial Fiber has managed to retain existing customers, while also cultivating new markets. In USD-related markets the competitive situation deteriorated during the year.

Further work has been done on the introduction of composite tapes for the oil and gas industry. It takes much more time to penetrate the market than initially expected.

Opportunities/risk factors
Most of our products are directed at fibre optic communication cables, making Roblon Industrial Fiber vulnerable to cyclical fluctuations in this industry. With a view to reducing this vulnerability and enhancing competitiveness a number of new products have been developed in order to achieve a broader, more complete product range to service the cable industry in general. The production capacity is in place and increased demand for our products can be accommodated without problems. Generally there is still a significant need for telecommunication cables, and telecom providers are currently increasing their investments.

Furthermore, demand for products for the oil and gas industry is found to be developing positively, whereby sales to this industry are expected to show a moderate increase in the coming year.

The future
Industrial Fiber expects moderate growth in turnover in 2004/05, but slightly lower earnings due to rising raw material prices and an increasing price pressure. The results are to be achieved by continuing the sales and marketing drive, which was initiated in 2004 with selective prioritisation of new markets, and by increasing turnover in relation to existing customers.
The division's ability to manufacture customer-specific products at its flexible, modern production facilities will be a significant strength in the coming year.

Roblon Fiber Optics

Increased activity – turnover rose by 18.8%.

(DKK ´000)	2003/04	2002/03
Turnover	50,401	42,425
Profit on primary activities before joint expenditure	5,439	3,311
Profit ratio (%)	10.8	7.8
Investments	936	21,585
No. of employees (average)	46	47

In 2003/04 Roblon Fiber Optics achieved higher turnover and earnings than expected and higher than in 2002/03.

The growth in turnover was attributable to the realisation of several large-scale projects, including the Copenhagen Opera House, as well as increased sales to existing customers. Future-oriented market activities have resulted in considerable growth in turnover for several major distributors. Cooperation with distributors was established in new countries in both Southern Europe and the Middle East.

In the financial year the low USD rate led to deterioration of competitiveness in the US market. Nevertheless, Roblon Fiber Optics managed to increase sales in the USA.

Concept
Roblon Fiber Optics provides fibre optic illumination concepts to the global illumination market.
The concepts are developed and marketed to match market expectations of how professional illumination solutions should be designed, planned and implemented.
The products are marketed globally by competent, quality-conscious distributors with experience and knowledge in the field of fibre optic illumination.

Expertise
Roblon Fiber Optics has steadily expanded its expertise so that the division is an international leader in the markets for:

- Optical design.
- Design and manufacture of quality fibre components.
- Functional design and quality at an international level.
- Documentation of photometric data.

Markets
The market for fibre optic systems is, and will continue to be, a niche market subject to continuous development.
The markets are characterised by increasing demand for complete illumination solutions.
A new version of our illumination calculation system, LuxCalc, was launched in 2003/04. This system is a great help to our consultants and customers in planning illumination solutions.
The markets need to be developed further. The issue of positioning the Roblon Fiber Optics name in the global illumination market is to be given more attention in the future.

Opportunities/risk factors
LED technology (light diodes) is used in more and more areas and is constantly developing. Roblon Fiber Optics is monitoring this development and regards LED technology as a supplement to fibre optics.

In the US market Roblon Fiber Optics is positioned as a market leader within our product area. The markedly weakening USD rate has an adverse impact on our competitiveness in this important market.

In 2003/04 we endeavoured to strengthen relations with our distributors. This is considered to be an important precondition for growth in the future.

The future
Roblon Fiber Optics expects growth in turnover in 2004/05, but profits are expected to be on a par with the recently ended financial year.
A targeted effort to strengthen the cooperation with our distributors is required in the coming years.
We are in the process of segmenting the individual markets to enhance focus on the segments.
Work is continuing to develop complete illumination concepts. Roblon Fiber Optics will appear as a total supplier of system solutions within defined segments.
Roblon Fiber Optics will continue to stand out as one of the best suppliers in terms of quality to the fibre optic illumination market.

Roblon Engineering

Increased sales to the cable industry - decrease in sales to the rope-making industry. Decline in turnover by 22%.

(DKK `000)	2003/04	2002/03
Turnover	45,641	58,623
Profit on primary activities before joint expenditure	-1,703	2,292
Profit ratio (%)	-3.7	3.9
Investments	377	601
No. of employees (average)	46	53

The general international economic situation with low capacity utilisation in industry has led to lower turnover and earnings than expected within the rope-making industry. The very low USD rate has had a negative impact on our competitiveness in the many countries whose currencies follow the dollar very closely.

Concept
Roblon Engineering supplies solutions that primarily fulfil the need for twisting, cabling, laying, unwinding, winding, rewinding and pulling. The concept is realised through delivery of machinery and equipment, either as line components or as complete lines.

High priority is given to product development and product adaptation. By matching the technology level to individual customer groups, Roblon Engineering wishes to be among the leading suppliers in the market at all times.

Expertise
Over the years Engineering's technicians and sales and marketing personnel have built up considerable expertise in product development and sale of the products that are part of our concept. The products can be divided into four key areas:

- Twisting machines to produce twisted yarns. The machines are used to produce rope, baler twine, etc.
- Rope-making machines sold mainly to manufacturers of rope for industry, the fishing industry, transport and offshore
- Cable machines for production of items such as optic fibre cables and installation cables
- Take-up winders aimed at customers with winding requirements.

Markets
Roblon Engineering exports to just under 100 countries worldwide. In the financial year 2003/04 Europe was the principal market, while the rest of Engineering's turnover was distributed broadly throughout most of the world.
The customer groups are manufacturers of rope, twisted products and cables.
The customers in the fields of rope and twisted products tend to be small and medium-sized businesses, while customers in the cable area are primarily large international manufacturers.
Roblon cooperates in the sales area with several international businesses with a view to achieving better global coverage.

Opportunities/risk factors
Sales of machinery are affected by economic cycles in individual sectors and geographical areas. Sales may vary considerably from year to year and are also affected by structural changes within the business areas.
The rope-making industry is affected by large fluctuations in prices for raw materials for rope production, and several markets are furthermore affected by the falling USD rate. Roblon Engineering still has a large market share in the rope industry.
Quite a few of our customers in the cable industry have carried out major capacity adjustments and structural changes. In the financial year we saw emerging, but weak optimism in the industry.

The future
Expectations of stabilisation of raw material prices generate confidence in moderate growth in the rope-making industry. In view of Roblon Engineering's very large market share, the general situation in the industry continues to have a significant impact on turnover.

Emerging growth is expected in the cable industry. Turnover in 2004/05 is expected to be on a par with the financial year that has just ended.

At the end of 2003/04 a major development project was initiated to develop machinery for other areas than the existing areas in order to reduce the dependency on these. The development project is based on the division's core competences.

Roblon Engineering expects slightly higher turnover and a positive result in the coming year.

Risk factors

Economic trends

Economic fluctuations are considered to have a significant impact on the financial results of the company.

Roblon A/S has generally achieved favourable diversification of products and markets. The downturn in the international economy, which hit the cable industry particularly hard 3 years ago, has shown, however, how global fluctuations can have a strong impact on the company. To counter geographically determined fluctuations in demand, all three divisions of Roblon A/S are working to globalise sales in all product areas. The individual divisions are also seeking to diversify their customer areas.

Roblon A/S' product range is subject to ongoing assessment to determine whether it is up-to-date and future-oriented. Ongoing product development and proximity to customers help us to keep up with and innovate technological development.

The significant fall in the USD rate has led to a weakening of the competitiveness of all divisions since our competitors are mainly located in USD-based areas of the world and customers view fixed prices in EUR as price rises.

Financial risks

Foreign exchange risk:
The company's policy is to hedge all significant commercial exchange rate risks, and forward contracts are concluded on an ongoing basis. 90% of the company's net revenue is invoiced in DKK or EUR. Speculative forward contracts are not concluded.

Interest rate risk:
As of 31.10.04 the company has no interest-bearing debt. We do not expect that changes in the general level of interest rates on their own will have a significant impact on the profit for the coming year.

Credit risk:
The company's overall trade receivables are spread over many customers, countries and markets, representing good risk diversification. Risk is further limited by effective management and coverage of major receivables by credit insurance or alternative collateral. As a result of the above, the risk of significant losses is estimated to be limited.

IT risk:
The company's internal set of rules for IT security, including measures to prevent computer viruses and contingency plans for the restoration of computer systems in the event of any damage, is updated with reference to current IT usage.

Environment

The external environmental impact from Roblon Engineering is very limited and can be attributed primarily to energy consumption for illumination, heating and the painting process.

Roblon Industrial Fiber is environmentally certified to ISO 14001. Industrial Fiber has no emissions from processes that have an impact on the external aquatic environment. Emissions to air are limited and are subject to ongoing control. Green accounts are prepared each year for the production factory in Gærum. In 2003/04 a project was implemented to reduce noise in the production facilities in Gærum.

Roblon Fiber Optics' environmental impact is caused primarily by heating and lighting. Energy is also used to control light sources. There are limited emissions to air in connection with the process of gluing fibre harnesses.

Insurance

The company's policy is to take out insurance against risks which might be a threat to its financial position. In addition to statutory insurance cover, policies have been taken out to cover product liability and loss of profits. Properties, operating equipment and stocks are insured on an all-risk basis at their replacement value. Receivables from customers are insured to a certain degree.

Overall liquidity

The company has financed its activities via its operations, and as at 31.10.04 the company has a liquidity surplus. The company has unutilised ongoing credit facilities, and further financing is available by raising loans against buildings and machinery as collateral.

Development

Each of the three divisions of Roblon A/S works within its own niche area, and each is among the world leaders in the product areas in which it operates.

New products are developed in close cooperation with customers, and in many cases the solving of specific problems at the customer's premises has a major influence on the extent of the development projects.

The divisions market a range of standard products which are often sold with modifications to make the product or machine optimal for its specific use. The development of these standard products constitutes the major projects in the development departments. A very large part of the development capacity is used for adapting and developing varieties of products in cooperation with the customers.

Roblon Engineering has just launched a major development project to develop a new machinery concept for other customer segments than those in which we already operate.

Employees and organisation

In the past year the activities under the skills development project launched in 2001 were directed primarily towards implementation and use of the acquired skills in day-to-day cooperation, including the introduction of participation groups in two divisions.

All divisions have a competent, motivated staff, which enables the individual division to rapidly increase the level of activity if provided for by the trading conditions.

A principal objective of Roblon A/S is to apply the resources necessary for developing and training employees.

The company had 136 full-time employees on average during the year, compared to 152 in the previous year. The reduction can be attributed to the further adjustments made at the beginning of the year and the division of work in Roblon Engineering for a period of time. The number of employees was reduced from 145 at the beginning of the year to 137 at year-end.

Shareholders

Dividend
At the Annual General Meeting on February 22, 2004 the Board of Directors will propose a dividend ratio of 20%, corresponding to DKK 7.1 million.

In the current situation with prospects of a positive cash flow and reduced investments in the coming years, as well as continued large capital and reserves, the company's policy is to distribute the main proportion of the profit for the year as dividend to the shareholders. The final decision on dividend will take into account current investment requirements as well as an evaluation of the future development in liquidity.

The Board of Directors proposes dividend for 2003/04 amounting to 20%, against 10% in 2002/03, corresponding to distribution of 91% of the profit for the year. At a price of DKK 375 per share of DKK 100, this implies a direct return in the region of 5-6%.

Notifications to the stock exchange

January 8, 2004	Preliminary statement 2002/03
March 15, 2004	Announcement regarding the retirement of Director Knud Kurtzmann
June 8, 2004	Announcement regarding Lars Friis Østergaard´s retirement from the Board
June 17, 2004	Interim report 2003/04
November 26, 2004	Financial calendar 2004/05

Future information
Until further notice, interim statements will continue to be issued. A possible transition to quarterly statements will be subject to continuous assessment, and is not currently evaluated to be appropriate.

Financial calendar

February 22, 2005	Annual General Meeting
June 16, 2005	Expected publication of Interim report
January 5, 2006	Expected publication of Preliminary statement
February 9, 2006	Annual General Meeting

Ownership
The following shareholders are subject to the provisions of Section 28a of the Danish Companies Act:

(%)	Owner share	Vote share
The Danish Labour Market Supplementary Pension Fund (ATP) Kongens Vænge 8, 3400 Hillerød	12.0	5.0
The Employees' Capital Pension Fund (LD) Vendersgade 28, 1., 1363 København K	19.3	8.0
Erik Schou, Manufacturer Strandvej 98, 9970 Strandby	20.6	67.1

Capital augmentation
In the course of the year the capital was augmented by tDKK 70 (employee shares) in accordance with the authority given by the annual general meeting. The amount has been paid up. Costs totalled tDKK 14.

Capital and reserves
At the end of the year the company's capital and reserves total DKK 144.9 million.

In view of the current market and economic conditions the solvency ratio and substantial liquidity are a key strength.

Financial Review

In continuation of the Management´s Report, the financial review includes comments on the annual accounts for 2003/04 and the accounting policies.

The accounts are presented in accordance with the same accounting policies as last year.

IAS/ IFRS

Since the Annual Report for Roblon A/S contains no consolidated accounts the rules concerning presentation according to IFRS will not be applicable until from 2009.

Until further notice the accounts will be presented in accordance with the Danish Financial Statements Act. The transition to presentation according to IFRS is not expected to have any significant impact on the profits and capital and reserves.

Profit and Loss Account

The turnover for the financial year totalled DKK 160.6 million, compared to DKK 156.9 million one year before. This represents an increase of 2.4%. Compared to 2002/03 and the expectations at the beginning of the year, the turnover is higher in Industrial Fiber and Fiber Optics and lower in Engineering.

The export ratio was 89.7% compared to 89.4% one year before.

Costs for raw materials and consumables have increased as a result of higher activity. A tight administration of other external costs and staff costs have been maintained, and the costs have been reduced further in connection with adjustment to a lower activity level.

Roblon A/S´ profit on primary activities was DKK 10.6 million compared to DKK 0.8 million in 2002/03.

Profit on primary activities in Industrial Fiber was DKK 9.3 million compared to DKK -2.3 million one year before and in Fiber Optics the profit on primary activities was DKK 5.4 million compared to DKK 3.3 million one year before. Industrial Fiber has implemented significant rationalisation measures adjusting the cost level, and the composition of products was also changed during the year towards products with a higher margin than previously. In Fiber Optics the improved result can be attributed primarily to growth in turnover.

Engineering's profit on primary activities amounts to DKK -1.7 million compared to DKK 2.3 million in the previous year. For this division the decline in turnover is the factor behind the lower profits.

The profit before tax for Roblon A/S was DKK 11.0 million, compared to DKK 1.3 million in 2002/03.

Balance Sheet

Balance sheet total of the company has increased from DKK 167.3 million to DKK 170.0 million.

Tangible fixed assets decreased from DKK 85.8 million to DKK 77.1 million due to the fact that depreciations are considerably larger than the investments.

Debtors increased from DKK 30.5 million to DKK 34.5 million and the cash at bank and in hand increased from DKK 2.7 million to DKK 10.6 million.

The company´s capital and reserves amount to DKK 144.9 million and the solvency ratio is 81.1% after dividend.

Cash flow statement

The cash flows from operating activities were DKK 12.5 million in the financial year, compared to DKK 14.3 million one year before. Profit on primary activities before depreciation amounts to DKK 20.8 million compared to 10.7 million one year before. Stocks have decreased by DKK 0.2 million, while they were reduced by DKK 8.5 million in 2002/03. Debtors increased by DKK 5.4 million, while they were almost unchanged one year before.

The cash flows from investment activities shows a tied-up capital of DKK 1.3 million compared to DKK 18.0 million in 2002/03. DKK 19.5 million of the investments in 2002/03 are costs in connection with the building of a new factory, while DKK 4.5 million concerned sale of property.

The cash flows from the financing activities consist of payment of dividend amounting to DKK 3.4 million and subscription of employee shares.

In the financial year, cash at bank and in hand has been increased by DKK 8.0 million to DKK 10.6 million.

PROFIT AND LOSS ACCOUNT FOR THE PERIOD NOVEMBER 1, 2003 - OCTOBER 31, 2004

	2003/04	2002/03
	tDKK	tDKK
Net turnover	**160,606**	156,942
Change in stocks of finished goods and work in progress	**3,752**	(5,042)
Work performed on own account and stated under assets	**415**	2,059
Other operating income	**0**	0
	164,773	153,959
Costs for raw materials and consumables	**(74,256)**	(70,609)
Other external expenses	**(22,617)**	(23,290)
Staff costs	**(47,056)**	(49,324)
Profit on primary activities before depreciation	**20,846**	10,736
Depreciation and write-downs of fixed tangible and intangible assets	**(10,206)**	(9,918)
Profit on primary activities	**10,640**	818
Interest income	**535**	711
Interest expenditure	**(147)**	(193)
Profit before tax	**11,028**	1,336
Tax of profit for the year	**(3,237)**	503
Profit for the year	**7,791**	1,839

Proposal for distribution of profits

Proposed dividend, 20 % (10 %)	**7,076**	3,531
To profit brought forward	**715**	(1,692)
Profit for the year	**7,791**	1,839

BALANCE SHEET AS AT OCTOBER 31, 2004

Assets	**2003/04**	2002/03
	tDKK	tDKK
Fixed Assets		
Completed development projects	**1,162**	1,629
Ongoing development projects	**273**	0
Total intangible fixed assets	**1,435**	1,629
Land and buildings	**56,960**	59,668
Plant and machinery	**18,891**	24,416
Fixtures and fittings, tools and equipment	**1,208**	1,731
Total tangible fixed assets	**77,059**	**85,815**
Capital investment in associated company	**350**	350
Total financial fixed assets	**350**	350
Total Fixed Assets	**78,844**	87,794
Current Assets		
Raw materials and consumables	**28,183**	32,147
Work in progress	**5,806**	3,609
Manufactured finished goods	**11,998**	10,442
Stocks	**45,987**	46,198
Trade debtors	**31,287**	25,514
Corporate tax receivable	**2,329**	3,719
Other debtors	**505**	1,178
Accruals	**400**	129
Total debtors	**34,521**	30,540
Other securities and capital investments	**35**	65
Cash at bank and in hand	**10,628**	2,662
Total Current Assets	**91,171**	79,465
Total Assets	**170,015**	167,259

BALANCE SHEET AS AT OCTOBER 31, 2004

Liabilities	**2003/04**	2002/03
	tDKK	tDKK
Capital and Reserves		
Share capital	**35,383**	35,313
Profit carried forward	**102,455**	101,590
Proposed dividend	**7,076**	3,531
Total capital and reserves	**144,914**	140,434
Provisions for liabilities		
Provisions for deferred tax	**5,441**	5,343
Other provisions for liabilities	**600**	690
Total provisions for liabilities	**6,041**	6,033
Short-term creditors		
Customer prepayments received	**940**	746
Suppliers of goods and services	**10,794**	11,319
Other debt	**7,326**	8,727
Total short-term creditors	**19,060**	20,792
Total Liabilities	**170,015**	167,259

Cash Flow Statement

	2003/04 tDKK	2002/03 tDKK
Profit on primary activities before depreciation	**20,846**	10,736
Change in provisions for liabilities	**(90)**	(130)
Change in stocks	**211**	8,518
Change in debtors	**(5,371)**	372
Change in short-term creditors	**(1,732)**	(3,031)
Cash flow from operating activities before financial items	**13,864**	16,465
Interest income	**535**	711
Interest expenditure	**(130)**	(193)
Cash flow from ordinary activities	**14,269**	16,983
Corporate tax	**(1,749)**	(2,668)
Cash flow from operating activities	**12,520**	14,315
Investment in intangible fixed assets	**(273)**	(1,645)
Investment in tangible fixed assets	**(1,357)**	(21,281)
Sales proceeds from tangible fixed assets	**374**	4,912
Cash flow from investment activities	**(1,256)**	(18,014)
Procurement of own shares	**0**	(190)
Proceeds from share capital augmentation	**60**	0
Payment of dividend	**(3,371)**	(3,371)
Cash flow from financing activities	**(3,311)**	(3,561)
Change in cash at bank and in hand and bonds	**7,953**	(7,260)
Cash at bank and in hand and bonds as at 1/11 2003	**2,675**	9,935
Cash at bank and in hand and bonds as at 31/10 2004	**10,628**	2,675

Cash at bank and in hand and bonds are specified as follows:

Cash at bank and in hand	**10,628**	2,662
Bonds	**0**	13
	10,628	2,675

Capital and Reserves Statement

	Share capital	Profit carried forward	Proposed dividend	Total
Capital and reserves as at 1/11 2002	35,313	103,312	3,531	140,434
Dividend distributed			(3,371)	(3,371)
Dividend on own shares		160	(160)	0
Procurement af own shares		(190)		(190)
Profit for the year		1,839		1,839
Proposed dividend		(3,531)	3,531	0
Capital and reserves as at 1/11 2003	35,313	101,590	3,531	140,434
Dividend distributed			(3,371)	(3,371)
Dividend on own shares		160	(160)	0
Employee shares	70			70
Premium on employee shares		4		4
Cost of employee shares		(14)		(14)
Profit for the year		7,791		7,791
Proposed dividend		(7,076)	7,076	0
Capital and reserves as at 31/10 2004	35,383	102,455	7,076	144,914

Changes in share capital:	
Share capital as at 1/11 1999	26,148
Capital augmentation employee shares 1999/00	72
Capital augmentation employee shares 2000/01	353
Bonus share issue 2000/01	8,740
Capital augmentation employee shares 2003/04	70
Share capital as at 31/10 2004	35,383