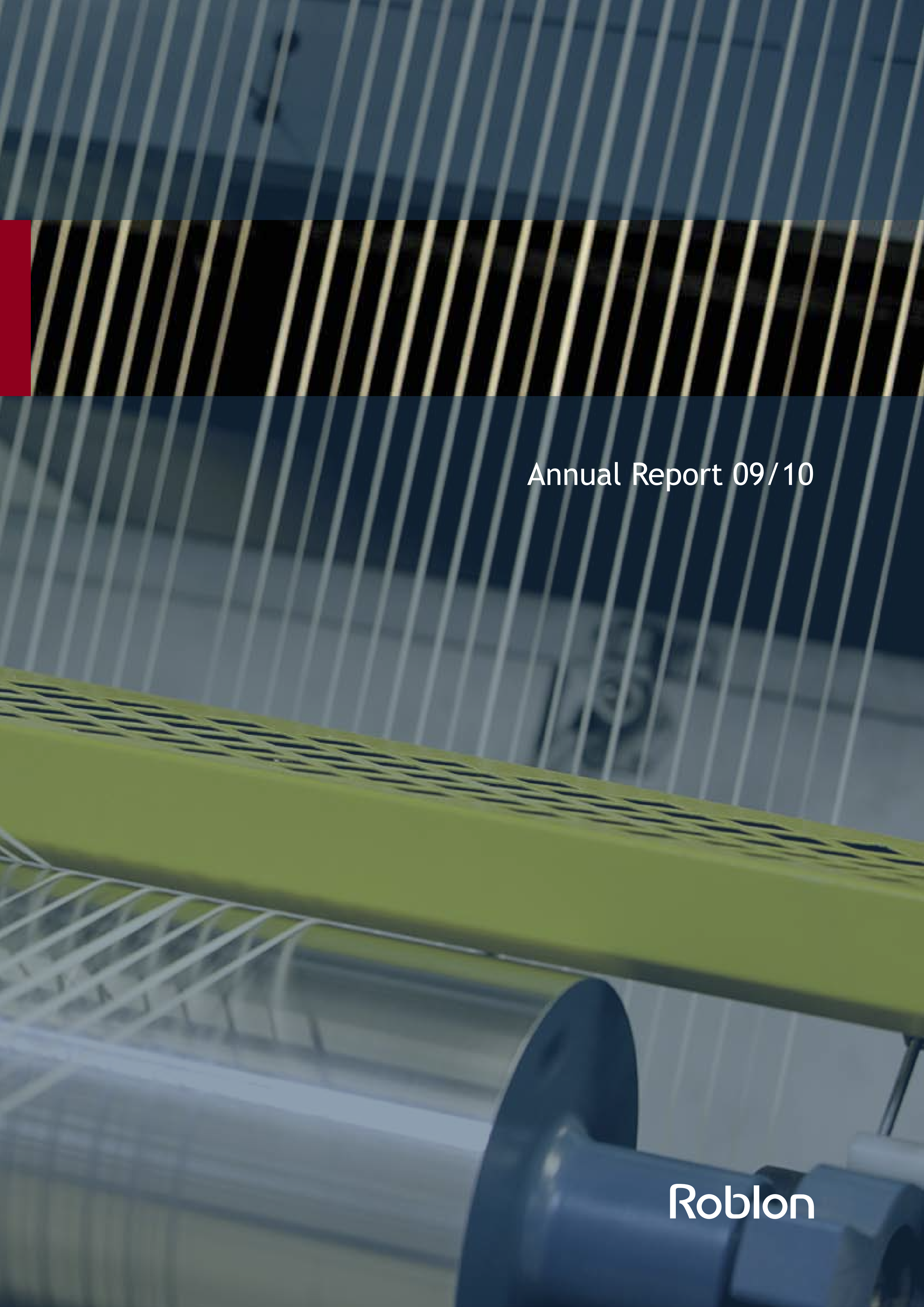

Annual Report 09/10

Roblon

Contents

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The Annual Report 2009/10 has been prepared in a Danish-language and an English-language version. The English-language version is a translation of the Danish-language version. In the event of any inconsistency between the Danish version and the English version, the Danish version shall prevail.

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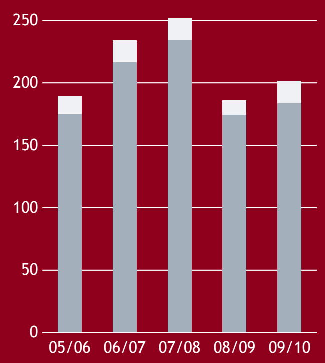
Summary:

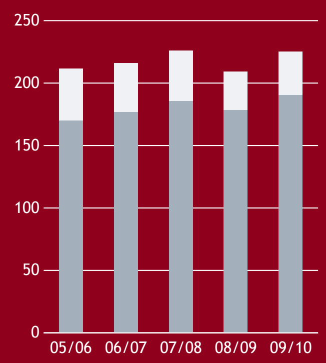
- Roblon A/S has achieved a profit before tax of DKK 31.2 million for the financial year 2009/10, which is an increase of 126.7% compared with the DKK 13.8 million for the previous year.
- Profit after tax was DKK 23.5 million compared to DKK 10.2 million the previous year.
- Profit on primary activities is DKK 27.8 million compared to DKK 12.0 million the previous year.
- Revenue amounted to DKK 201.7 million, an 8.5% increase on DKK 185.9 million in the previous year.
- The three divisions achieved satisfactory profit and revenue levels that were better than expected for all divisions at the start of the year.
- Roblon Industrial Fiber achieved positive growth in the cable area compared to the previous year. Growth in the offshore area improved substantially, and had a positive impact on the division’s total profit margin.
- The global financial and economic crisis and its consequences still have a significant impact on the Lighting and Engineering divisions.
- Given the impact of the current market situation and seen in the light of the expectations at the beginning of the year, the Board considers the results of the year for Roblon A/S to be fully acceptable.
- There is a proposed dividend of 50%, which amounts to DKK 17.9 million.
- During the year Roblon A/S has developed and implemented a new strategy process, which a.o. has resulted in a major restructuring programme that will dissolve the three divisions and replace them by a more flexible matrix organisation. This means that there will no longer be reporting for three separate divisions.
- A new development and technology centre has been established in the building in Sæby, where Roblon’s development resources are now gathered in a common development function.
- In the financial year 2010/11, revenue is expected to be in the region of DKK 210 million and profit before tax in the range DKK 23-27 million.

Turnover (DKK mill.)



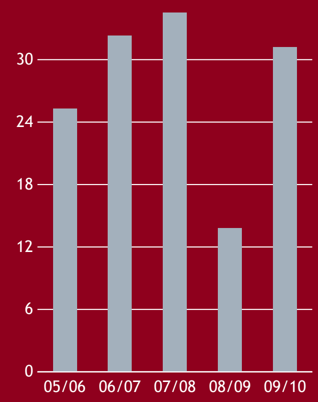
Domestic market
Export

Liabilities (DKK mill.)



Creditors and provisions
Capital and reserves

Profit before tax (DKK mill.)



Profit before tax

Setting the course for 2015

2009/10 was a very challenging year with the effects of the global financial and economic crisis, which caught up with Roblon A/S in the last six months of the previous year, continuing on our primary markets.

Our two business areas Lighting and Engineering have been affected the most by the crisis and its consequences.

Projects and investments in machinery are still affected by financing terms that are critical, stringent and demanding in terms of the documentation required and with the prospects of an early and significant upturn in the world economy to be stalling, decisions on new investments are being delayed, if not dropped completely.

In contrast, the Industrial Fiber business area has not been exposed to the same influences, and has experienced positive growth in the cable segment as well as a very satisfactory development in the offshore segment.

During the year we have maintained a strict focus on not only streamlining and adapting our business processes and activities to the general economic conditions but also on market opportunities and challenges.

We have also concentrated on strict management of the development in capacity costs and operating capital, as well as on priorities and profitability with regard to investments.

An important sales and marketing initiative in our key markets has been adopted at the same time as there has been a focused initiative targeting new markets and segments with good growth potential.

With a customer-focused approach, new products have been developed, and measures have been implemented to safeguard and strengthen the entire innovative product development process.

The organisation has been ready to change, demonstrated a great willingness to do so and has adapted to the new situation and new challenges it faces. These initiatives resulted in an acceptable performance of the year, and we are now setting the course for 2015.

At the end of the year, Roblon implemented a new strategy process and redefined the strategy basis, which includes organisational and structural changes, in order to further streamline the organisation and make it more customer-oriented. As a result, we are well equipped to meet the challenges of a globalised world that undergoes changes at an ever increasing speed, and where the ability to make rapid adjustments and changes is crucial.

We want to focus strongly on activities and measures which highlight the customer, global business development and developing and launching trendsetting products and system solutions.

The goals of the strategy plan are for revenue in 2015 to be at least DKK 300 million and average annual profit for the period that, before tax, amounts to at least 10% of revenue.

It is difficult to find clear signs that the global financial and economic downturn is over and that a major and more long-term upturn in economic growth is close at hand.

We do not expect the global economy to change substantially in the short term.

However, some exciting and challenging years lie ahead of us, and if we maintain a prioritised and strategic focus there will still be considerable business development opportunities for Roblon.

We believe that the foundations have been laid and the course for 2015 has been set in our new strategic structure.

We would like to extend a warm thank you to our employees for all their efforts over the past year, and look forward to the coming challenges of 2010/11. We would also like to thank everyone for their interest in Roblon A/S.

Klaus Kalstrup
Chairman of the Board

Jens-Ole Sørensen
Managing Director

Roblon in figures

Financial highlights (mill.DKK) *)	2005/06	2006/07	2007/08	2008/09	2009/10
Income statement					
Total revenue	189.4	234.0	251.9	185.9	201.7
Of which for export	174.9	216.5	234.3	174.4	183.7
Profit on primary activities	24.5	32.1	32.8	12.0	27.8
Net financing, etc. **)	0.8	0.2	1.7	1.8	3.4
Profit before tax **)	25.3	32.3	34.5	13.8	31.2
Profit for the year	18.2	24.6	26.5	10.2	23.5
Balance sheet:					
Total assets	211.8	216.1	226.2	209.2	224.9
Share capital	35.4	35.4	35.7	35.7	35.8
Capital and reserves	169.8	176.8	185.5	178.3	190.5
Shareholder value	302.5	350.0	282.1	213.6	221.4
Cash flow:					
Cash flow from operating activities	24.0	26.1	27.4	33.6	24.9
Cash flow from investment activities	-2.9	-8.2	-6.7	-17.7	-36.6
Of which investment in tangible assets (gross)	-1.7	-5.5	-6.3	-4.3	-2.2
Cash flow from financing activities	1.0	-17.7	-17.6	-17.8	-10.7
Change in cash and cash equivalents	22.1	0.1	3.1	-1.9	-22.4
Key figures					
Profit ratio (%)	12.9	13.7	13.0	6.4	13.8
ROIC/return on average invested capital (%)	19.2	24.6	24.3	9.4	22.8
Equity ratio (%)	80.2	81.8	82.0	85.2	84.7
Return on equity (%)	11.3	14.2	14.6	5.6	12.7
Earnings per share of DKK 100 (EPS)	51.9	68.9	74.5	28.6	65.8
Price/Earnings ratio (PE)	16.7	14.2	10.6	20.9	9.4
Payout ratio (%)	97	72	67	105	76
Cashflow per share of DKK 100	67.2	72.9	76.6	94.1	69.6
Dividend (%)	50	50	50	30	50
Intrinsic value of shares	475	494	519	499	533
Stock-exchange listing, end of period	847	981	790	598	619
Number of employees (average)	138	147	158	143	123

*) The main/key ratios for 2008/09 and 2009/10 were prepared on the basis of the figures in the annual report calculated in accordance with IFRS, whereas the previous years were calculated in accordance with the regulations in the Danish Financial Statements Act. Equity for the years 2005/06 and 2006/07 has thus not been adjusted to take account of the fair value adjustment of financial instruments concluded for the hedging of future cash flows. This adjustment was carried out in 2007/08.

**) The IFRS accounting affects the financing etc. (net) and profit before tax positively by DKK 0.7 million in 2009/10 and negatively by DKK 0.1 million in 2008/09.

The key figures have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2010". Please see accounting policies for definitions and terms.

Management's review

Revenue for the year 2009/10 increased by DKK 15.8 million from 185.9 million in the previous year to DKK 201.7 million. This is considerably better than expected at the beginning of the year and means an increase of 8.5%.

At DKK 31.2 million, the profit before tax was substantially higher than expected at the start of the financial year, and constitutes an increase of 126.7% in relation to the previous year's profit of DKK 13.8 million before tax.

The global financial crisis and its consequences are still being felt by the Lighting and Engineering business areas. Revenue for Lighting fell by 10.2% compared to last year's figures, while revenue for Engineering fell by 3.6%. Industrial Fiber has not been affected by the crisis to the same extent and achieved a 27.8% increase in revenue.

Revenue and profit on primary activities for all three areas were considerably better than expected at the start of the year.

Roblon Industrial Fiber achieved an increase in revenue amounting to DKK 22.8 million and doubled its profit.

Sales to the cable industry showed a satisfactory and positive trend compared to last year. Revenue and profit within the offshore area were substantially better than last year, and thus had a positive effect on the business area's overall performance.

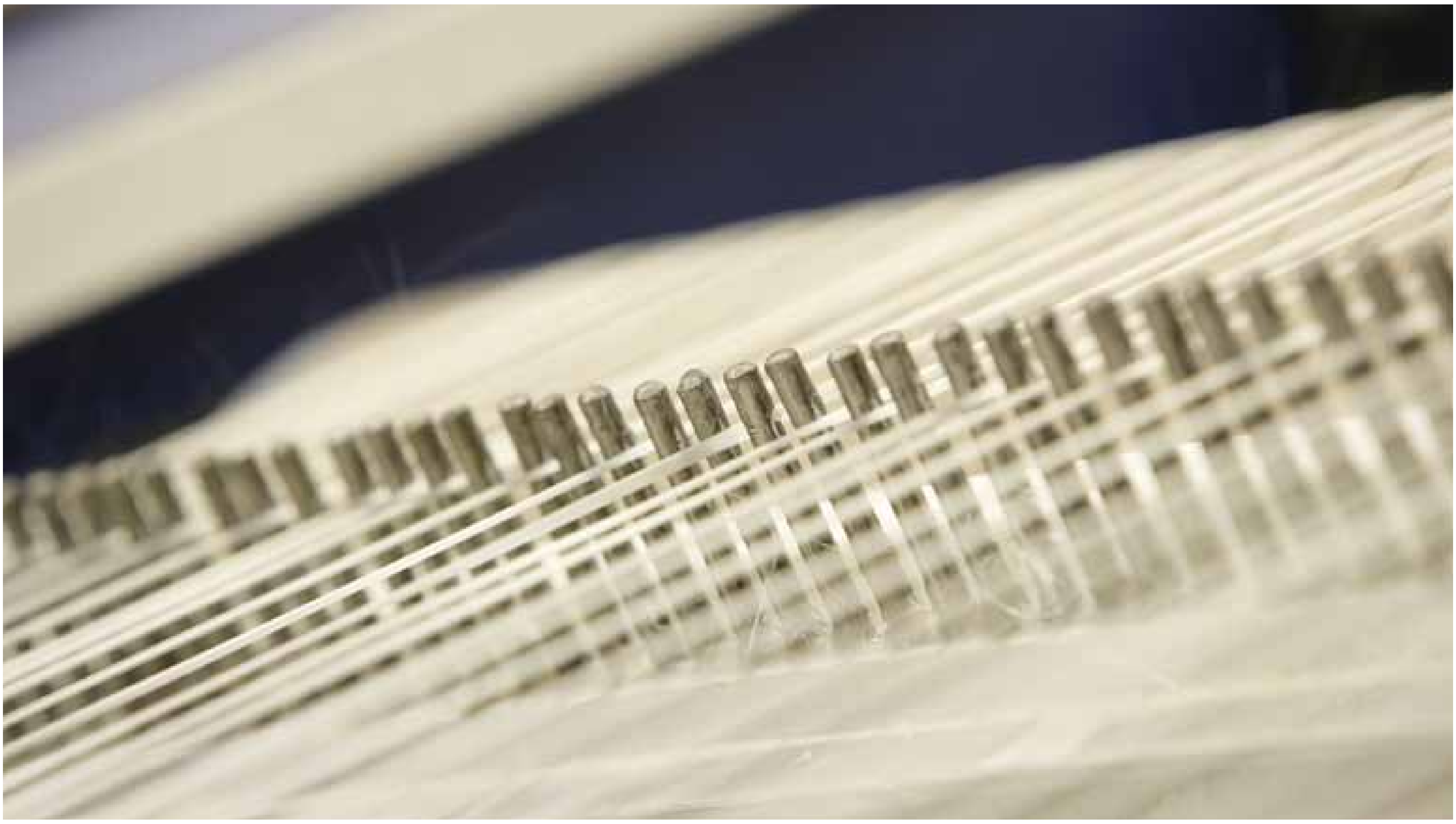
Roblon Engineering saw a small decline in revenue of DKK 2 million and it must be noted that many of its customers in the primary markets continue to be uncertain of future developments in the world economy, leading to delays in new investments.

The profit level recovered from a deficit last year to show a surplus for the year of DKK 2.8 million, which is a total increase of DKK 3.5 million.

Roblon Lighting also experienced a fall in revenue, reporting a figure DKK 4.9 million lower than last year, while profit remains at about the same level. The area has been affected by the fact that considerably fewer projects are being commissioned in the building industry.

As a globally oriented company, Roblon's export ratio for the year was 91.1% compared to 93.8% for last year.

As a consequence of the general state of the market economy, over the year Roblon A/S has maintained strict management of and focus on the development in capacity costs and



operating capital. Vital measures have also been introduced together with growth-promoting activities on the markets that have shown the greatest potential for development.

The effect of further rationalisation and improvement measures has materialised much quicker and deeper than anticipated. These measures and higher revenue than expected have resulted in Roblon making an upward adjustment to its expectations for the annual profit half-way through the year.

The profit for the year was as stated in the latest interim report dated 25 November 2010, in which Roblon adjusted its expectations upwards to a figure of around DKK 30 million before tax compared to the previously stated figure of DKK 21-24 million before tax.

In the light of the global slowdown's impact on Roblon A/S and the fact that the return on equity amounted to 12.7%, the Board considers the result of the year for Roblon A/S to be fully acceptable.

For the first time the financial statements have been prepared in accordance with IFRS, and no significant events with a material effect on the company's financial position have occurred since the close of the financial year.

FUTURE EXPECTATIONS

At the end of the year Roblon A/S has developed and implemented a new strategy process and strategy basis for the company, based on a rolling 5-year perspective. The goal of the strategy plan is to generate revenue of at least DKK 300 million no later than the financial year 2014/2015, as well as achieving an EBT percentage of at least 10% of the revenue.

The object of the plan is to develop strongly focused global growth scenarios balanced between short-term and long-term strategies.

In order to prepare the organisation for the future challenges, and make it even more efficient and customer-oriented, Roblon has introduced a major structural change to the organisation as of the start of the new budget year.

In a change from the previous three divisions, we are now focusing the business into two new business units. One for Industry and one for Lighting having the overall global responsibility for business development, sales and marketing within their area.

Industry covers the cable and cable machinery, offshore and TWM (twisters, winders and rope machines) product

segments, while Lighting includes the fibre optic and LED product segments.

The two business units will act as central business pivots and to ensure their more focused approaches to marketing and business development, they will from now on be supported by a common central production function, a common central development function and a common central procurement function that work together in a matrix across the organisation to create more dynamics and synergy.

In terms of premises, we are merging the sales and business development organisation with procurement in Frederikshavn, while the entire development function is being given a new physical setting in a "development and technology centre" in Sæby.

The financial year 2009/10 is the last year that we will present an annual report containing information on earnings and revenue for the three divisions Roblon Industrial Fiber, Roblon Engineering and Roblon Lighting. With the introduction of the new business structure, from now on we intend to present the financial figures and other information as one entity, both internally and when preparing the annual report.

The new year will include a continued focus on activities to promote efficiency and the fine-tuning of our business according to the actual economic conditions and challenges that await us. At the same time, we will be dedicated to our strategy plans and to establishing an expansive strategy with regard to investments in business development areas where the expectations for growth and profitability are highest.

The restrained development in the world economy will also affect Roblon in the forthcoming year, but we anticipate a rise in revenue for the two new business units. There will be invested significantly more in business development than last year.

Roblon A/S expects total revenue to be in the region of DKK 210 million and profit before tax in the range DKK 23-27 million.

Roblon Industrial Fiber

GROWTH WITHIN THE BUSINESS AREA FOR THE CABLE AND OFFSHORE INDUSTRIES. REVENUE IN THE BUSINESS AREA ROSE BY 27.8%, WITH EARNINGS INCREASING BY 100.8%.

In 2009/10 Roblon Industrial Fiber achieved revenue and profit that were considerably higher than in the previous year, and higher than expected at the beginning of the year.

After experiencing a fall in revenue and profit in 2008/09, Roblon Industrial Fiber has returned to the level of 2007/08 — before the global economic recession changed the market conditions fundamentally.

The increase in revenue relates to products for both the cable and offshore industries.

The Cable Industry
Roblon's cable products are based on synthetic fibres and are primarily aimed at the fibre optic cable industry. The products are mainly used in fibre optic communications cables as a strength element or for other applications.

After experiencing a fall in revenue as a result of the global financial crisis, which led to short order horizons and a large reduction in the customers' stock levels, Roblon Industrial Fiber is now seeing increased market activity once more.

Roblon Industrial Fiber holds a good market position in the industry and has developed this in strategic markets over the year.

The Offshore Industry
Roblon's offshore products are based on synthetic fibres and currently consist of tapes and straps etc. with different applications in the offshore industry.

The offshore industry has not suffered a slowdown in the same degree and during the last years, Roblon has experienced a positive development in sales to this industry.

During the year, we experienced a major increase in sales of our offshore products, which resulted in a healthy growth in profit.

In recent years Roblon Industrial Fiber has developed new products and today boasts a relatively broad range of products that provide for many different applications within the offshore industry.

Roblon Industrial Fiber holds a good market position in the industry for the products that Roblon markets.

The future
Within the cable industry, Roblon expects revenue for 2010/11 to be at the same level as in 2009/10, although with slightly lower profit.

Customer-retention measures will be implemented while a long-term project to expand the business in future strategic markets will be run on a continuous basis.

There will be a continued focus on optimising the range of products so that it always reflects the market's current and future demands, as well as on optimising production.

Within the offshore industry, Roblon expects a rise in revenue and profit in 2010/11 in relation to 2009/10. The industry is still showing a lot of activity and, in conjunction with the increased sales activities, this will support the growth even further.

We will concentrate on the familiar key markets but also on new strategic growth markets as well as on making Roblon even more known in the industry.

(tDKK)	2009/10	2008/09
Revenue	104,528	81,777
Profit on primary activities before joint expenditure	27,251	13,573
Profit ratio (%)	26.1	16.6
Investments	1,197	3,058
No. of employees (average)	46	45

Roblon Engineering

REVENUE FOR THE ROBLON ENGINEERING BUSINESS AREA FELL BY 3.6%. THE PROFIT RATIO SHOWS AN INCREASE, FROM -1.2% TO 5.2%.

In 2009/10 Roblon Engineering, which develops, manufactures and sells machines to producers within the carbon fibre industry and the rope-making industry and for the production of installation and fibre optic cables, achieved revenue that was slightly down on last year although better than expected, and posted a profit, which is considerably better than last year and better than expected at the start of the year.

Over the year the global financial crisis and its consequences have continued to substantially affect the business area's markets, which have seen a slowdown and considerable inertia in the western world in particular.

The financing terms for machine acquisitions are still stringent and critical and require extensive documentation, a factor which, together with the continued general uncertainty regarding the future economic development, means many customers are delaying their decisions about new fixed asset investments.

This is reflected clearly in the revenue for the carbon fibre industry, which has declined compared to last year. This has led to a significant reduction in sales of our winder range. Sales of cable machines are similarly lower than last year.

Individual markets, for example the Asian and South American markets, have seen a positive trend. Thanks to a focused sales and marketing initiative these have shown a satisfactory growth in revenue from our twister and rope-making machine ranges, including from sales of our largest rope-making machines used to manufacture 44 mm rope.

With regard to marketing during the year, we have taken part in two international trade fairs where there were large numbers of visitors and a great deal of interest in twisters, winders and cable machines, something which gives cause for optimism about the sales trend for the coming year.

Adjustments plus activities and projects to promote efficiency at Roblon Engineering have been carried out over the course of the year and have made a contribution to the growth in profit.

The future

For the business area covering machines, the financial year 2010/11 is expected to produce greater profit and stable, positive growth in revenue compared to 2009/10.

In the coming year there will be additional focus on business development activities with a special priority given to the growth markets in Asia and the BRIC countries.

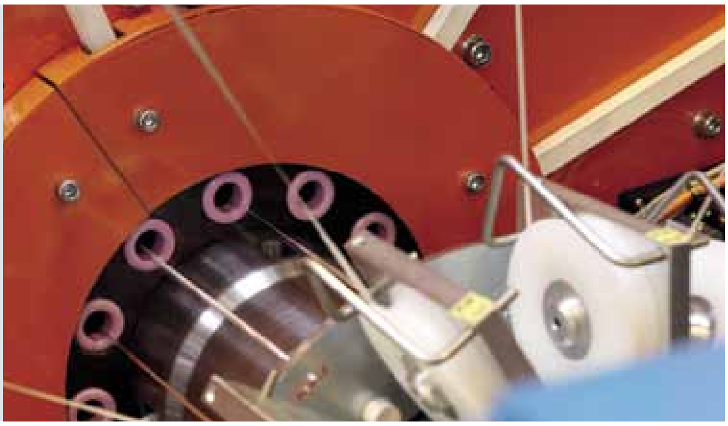
We anticipate overall positive growth in revenue from rope-making machines and twisters.

A further focus on the cable machine product range is expected to lead to significant growth in revenue compared to last year.

The expansion of our strategic business partnerships, in addition to the seeds of a positive trend within the global carbon fibre industry, means that we expect a substantial increase in orders for our winder range of products when compared to last year.

With regard to product development in the next year, we will be focusing on activities to strengthen our position as a leader and trendsetter in our business area and product segments.

(tDKK)	2009/10	2008/09
Revenue	54,028	56,052
Profit on primary activities before joint expenditure	2,789	-678
Profit ratio (%)	5.2	-1.2
Investments	442	1,351
No. of employees (average)	37	48



Roblon Lighting

REVENUE FELL BY 10.2%.
DROP IN EARNINGS OF 7.9%

Roblon Lighting's products are aimed at the professional lighting industry. The products are based on fibre optic and LED technology.

In 2009/10 Roblon Lighting achieved revenue and profit that were lower than in the previous year, but better than expected at the beginning of the year.

The level of activity was still affected throughout the financial year by the international slowdown holding sway on certain markets. Some segments and areas did, however, still demonstrate a high level of activity and good demand for Roblon Lighting's products.

There was a great deal of emphasis on presence in these markets in order to expand awareness of the products and generate extra revenue for new customers.

Despite a relatively low level of activity in the market, a high level of product development activities has been maintained. The planned products were completed and launched during the year.

During the year products which combine fibre and LED technology were developed and sold. The combination of fibre and LED technology will mean renewed interest in fibre technology.

Communication with the markets has become more intensive, partly due to the direct communication with Roblon's business partners on the individual markets and partly due to the expansion of general communications which are mainly aimed at lighting designers and architects. The latter form of communication has been expanded using methods which include setting up an image gallery and sending out newsletters via the website.

The future

An increase in revenue and profit is expected in 2010/11. It is expected that the market position will be further strengthened thanks to the newly completed broader portfolio of pure LED products and combination products.

Sales and marketing activities will be intensified. There will be a focus on existing and new markets and segments which are making progress.

The rapid development within LED technology means that the requirements for product development activities will become more stringent if we are to maintain and develop our market position in that market. The financial year will see a continued high level of activity within product development, with the focus being on developing products that can complement and generate greater interest in the complete product portfolio for the market.

LED technology is increasingly occupying a central position in the lighting industry.

There still remains some uncertainty as to the correct use of the technology and the customers' ability to assess the factors which are important for the quality of a lighting fitting. This is an area where Roblon's product documentation is of a very high standard. In combination with intelligent design, this will in future also provide good opportunities for achieving the long-term goals.

(tDKK)	2009/10	2008/09
Revenue	43,170	48,079
Profit on primary activities before joint expenditure	3,164	3,434
Profit ratio (%)	7.3	7.1
Investments	2,641	5,459
No. of employees (average)	35	46

What the best-dressed jewellery is wearing

Good-looking. Well-dressed. Elegant. Eye-catching. Slim. Shapely. Athletic. Hard-working. High-achieving.

If you'd been to school with Libra, you'd have hated her.

In the real world, though, Libra — one of the first Roblon products to be based on LED technology — only provokes admiration and inspiration.

The fitting with the rather cheeky shape inspires customers to think of creative new ways to light their merchandise.

Which in turn inspires the Roblon R&D team to think of creative new ways to customise Libra fittings so that they precisely fulfil individual customer requirements.

One of the most imaginative customisations to date has been for one of Roblon's most inherently creative customers.

And given the fact that Lighting has customers from the Arctic to Australia, a pinch of provincial patriotism will surely be permitted because it is a local customer in Roblon's home town of Frederikshavn.

Creativity and graceful craftwork are natural elements of goldsmith Birgitte Munch's own concept.

When she sought a new way to light the displays at her jewellery store, one of her core requirements was 'simple elegance'.

'I value simple décor,' she says. 'If there is too much visual fuss, the jewellery itself gets overshadowed.'

'It is exactly the same as with clothes and jewellery. It is more elegant to have too little than too much.

Wearing a single piece of simple, beautiful jewellery can achieve a much greater effect than wearing lots of jewellery at once.'

Not a tall order

For her showcases, Libra's simple elegance and high-quality light made it the right solution. But paradoxically, to achieve the desired 'less is more' effect, the fitting itself needed 'more'.

Standard Libra fittings come with one, two or three light heads and the stem can be up to 700 mm tall. The showcases at Birgitte Munch Jewellers are very tall themselves. So the ideal solution was deemed to be Libra fittings that are 1.2 metres high and have nine light heads. So René Larsen of Roblon R&D duly designed them that way.

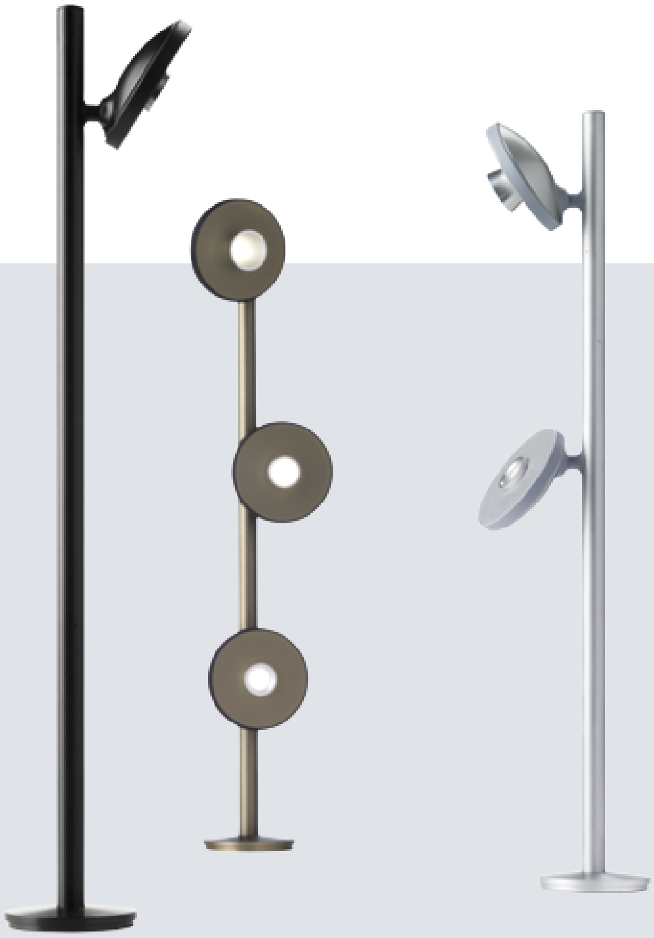
'The fundamental concept for Libra is 'design freedom',' he says. 'Both the form and the design hold true when you customise it. You can adapt Libra in different ways, visually and technically, and it will always retain its arching swing and sleek lines.'

His nine-headed Libras blend seamlessly in with the showcases and the store, reports Birgitte Munch.

'The fitting is slightly hidden, yet at the same time it is very beautiful to look at. Its form is simple, and yet it can really do a lot. It can be twirled and twisted around in every direction. That's important because it is not enough that it looks good. It has to be functional.'

The functional worth of the light it emits also proved itself quickly. 'There were some pieces of jewellery that had been on display for a long time,' recalls Ms. Munch.

'When the new lighting was installed, customers came in, noticed them immediately and went straight over to them. I have no doubt at all that this was entirely due to the new way the jewellery was lit.'



”There is an electrical limit to customisation. It is reached when there are 12 light heads. But in reality, we like a challenge. So the day somebody comes and asks for a Libra fitting with 13 heads, I have no doubt that they’ll get it. We’ll just design a slightly different technical solution that makes it possible. That’s what we’re here for. And actually, for us, the highly customised solutions are the fun ones.”

René Larsen, Technical Sales Support, Roblon

”After the new lighting had been installed, a lot of customers thought that we had redecorated or redesigned the store. But we hadn’t. It was only the lighting that was new. One regular customer said: ’That’s a lovely new workbench you’ve got.’ The workbench had been standing there in that same place for 15 years.”

Birgitte Munch, goldsmith and jeweller

PRODUCT DEVELOPMENT AT ROBLON

In order to maintain and strengthen the market perception that Roblon is a market leader and technological innovator within the business areas with regard to our products and product ranges, it is crucial for us to constantly be innovative and to develop and launch trendsetting quality products.

The aim of product development is to constantly offer the markets system solutions and products with the most efficient energy and environmentally optimised solutions and content that also create added value for the customers.

Products that form part of our different existing product ranges are being developed, as are brand new product ranges and special customised products and system solutions.

Roblon possesses the necessary technological readiness and skills to sustain our competitive edge and status as a technological leader, as well as enabling us to expand and further develop the processes needed to boost innovativeness and customer-focused product development.

We invest regularly in activities that provide skills in order to safeguard and expand both our existing and future key competencies within the product and business areas.

An investment has also been made in a new development and technology centre located in our building in Sæby. Our development resources are now gathered and centralised here to create a strong, focused and creative technology and development environment together with the specialist staff at Sæby.

EMPLOYEES AND ORGANISATION

The organisation at Roblon A/S consists of dedicated, motivated and competent employees where the very high level of expertise is regularly maintained and expanded by means of various activities providing skills, supported by courses, seminars and refresher training.

The globalised world and the market conditions are changing at an ever increasing rate and the ability and readiness to change are a decisive competitive factor.

The people who work at Roblon have great understanding of these factors and conditions and are both committed and prepared to meet them. This has been demonstrated over the course of the year by resources being moved across departments and functions, not least in connection with the major restructuring of our business.

We are going from working in three independent divisions to working across the company, where we now have a common management group, a common development function and a common procurement function.

We want to move our focus from being function-oriented to being and working like a single unit.

From now on there will be a focus on training activities in order to maintain and develop the employees so as to ensure that we are well equipped to face the very big challenges that await us in the coming period.

Roblon A/S had an average of 123 employees in 2009/10, compared to 143 in 2008/09.

The number of employees was 121 at the start of the year, compared to 137 last year.

Statutory statement of corporate social responsibility
The company has not prepared a policy in this area.

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. 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.

Such diversification has no effect in the event of a general international economic downturn affecting all divisions.

Environment
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.

Roblon Engineering does not use any production processes that have a particular impact on the environment, which means that the external environmental impact is very limited and can be attributed primarily to energy consumption for illumination, heating and the painting process.

Roblon Lightings' 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 bundles.

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 consequential losses. 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 31.10.10 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.

CORPORATE GOVERNANCE

NASDAQ OMX Copenhagen A/S has adopted a set of recommendations for good corporate governance. Companies must keep to these recommendations and explain why their policies deviate from the recommendations. The Board of Directors and the Management have considered the recommendations and Roblon A/S complies materially with the recommendations. The Board has chosen a different policy in the following areas:

1. Reporting
The Board has decided to also submit interim statements in the future, since quarterly reports are not deemed to contribute towards a better understanding of the company's activities.

2. Board of Directors
The company does not publish recruitment criteria or the board profile, and no formalised annual evaluation is carried out. The Board is composed in such a manner as to guarantee that there is a broad base of professional experience. There is ongoing evaluation of whether the Board's expertise corresponds to the company's needs and activities. On these grounds there is no age limit set for Board members.

The Board functions as an audit committee.

3. Remuneration paid to the Board of Directors and the Management
In its annual report the company provides information on the total remuneration paid to the Board and the Management respectively. The information is provided for the Board and the Management as a whole and not individually on the grounds that this is information of a personal nature that will also only be of limited relevance to shareholders. The company does not offer incentive schemes or special retirement schemes to Management.

On Roblon A/S's website (www.roblon.com), there is a detailed description of good corporate governance.

REPORTING ON INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Board and the Management bear overall responsibility for the company's control and risk management in connection with the presentation of financial statements, including compliance with relevant legislation and other regulation in relation to the preparation of financial statements. The company's control and risk management systems may create reasonable, but not absolute, certainty that the misuse of assets, loss and/or the presence of material errors and defects in conjunction with the preparation of financial statements can be avoided.

Control environment
At least once a year the Board evaluates the company's organisational structure, the risk of fraud and the existence of internal rules and guidelines.

The Board and the Management lay down and approve overall policies, procedures and controls for important areas in connection with the process of preparing financial statements. The Board has adopted policies, manuals, procedures, etc. within important areas relating to the preparation of financial statements, and the policies, manuals and procedures are available on the company's intranet. Compliance is regularly emphasised and random compliance monitoring and tests are performed regularly.

The Management regularly monitors compliance with relevant legislation and other regulations and provisions in connection with the preparation of financial statements, and reports on this are submitted to the Board on an ongoing basis.

Risk assessment
At least once a year the Board carries out a general risk assessment as part of the process of preparing financial statements. As part of this risk assessment, the Board considers the risk of fraud and what precautions should be taken in order to reduce and/or eliminate these risks. With this mind, any incentives/motives of the Management with regard to manipulating accounts or other fraud must be discussed.

Audit
In order to safeguard the interests of the shareholders and the public, a state-authorised public accountancy firm is appointed at the annual general meeting in accordance with the recommendation of the Board. The auditors present a report to the Board once a year and also immediately after the identification of any circumstances that require the Board to make a decision. The auditors attend board meetings as part of the adoption of the annual report.

Besides making recommendations to the general meeting, the Board assesses the auditors' independence, expertise, etc., in consultation with the Management.

SHAREHOLDERS

Dividend
At the Annual General Meeting on February 10, 2011 the Board of Directors will propose a dividend ratio of 50%, corresponding to DKK 17.9 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 2009/10 of 50% (DKK 50 per B-share of DKK 100 and DKK 500 per A-share of DKK 1,000), against 30% in 2008/09. The distribution amounts to 75.9% of the total income of the year. At a year-end price of DKK 619 per share of DKK 100, this implies a direct return of 8.1%.

Notifications to the stock exchange

January 5, 2010	Preliminary statement 2008/09
February 16, 2010	Interim statement
February 16, 2010	Constitution of the Board
April 21, 2010	Major shareholder announcement
June 22, 2010	Interim report 2009/10
August 26, 2010	Interim statement
August 27, 2010	Financial calendar 2010/11
November 25, 2010	Deviation from earlier announced expectations

Financial calendar

January 4, 2011	Preliminary statement 2009/10
February 10, 2011	Annual General Meeting and interim statement
June 23, 2011	Interim report 2010/11
August 25, 2011	Interim statement
January 9, 2012	Preliminary statement 2010/11
February 28, 2012	Annual General Meeting & interim statement

Ownership

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

(%)	Ownership interest	Voting share
— ES Holding Frederikshavn ApS, Bøgevej 11, DK-8370 Hadsten	25.2	68.8
— The Danish Labour Market Supplementary Pension Fund (ATP) Kongens Vænge 8, DK-3400 Hillerød	12.0	5.0
— Danske Bank Group Holmens Kanal 2-12, DK-1092 Copenhagen K	5.6	2.3

Roblon A/S is included in the consolidated accounts for ES Holding Frederikshavn ApS.

Capital and reserves

At the end of the year the company's capital and reserves total DKK 190.5 million.

Roblon's share capital is divided into A-shares and B-shares. In view of the current ownership structure, the Board of Directors has no immediate plans to merge the two share classes. In the Management's view, the existing ownership structure has helped to create the basis for a long-term, consistent strategy for the company with ambitious, long-term financial goals. By achieving these goals, value will be created for shareholders, customers and employees.

A good capital reserve is considered a key strength with regard to possible future extensions of activity.

Own shares

Under the authority granted by the Annual General Meeting, the company can acquire own shares up to 10% of the share capital. The authority is valid until 30 June 2011. The Board of Directors will request the renewal of this authority at the Annual General Meeting.

Articles of Association

The company's Articles of Association can be changed if two thirds of both the votes cast and the voting shares represented at the Annual General Meeting are in favour of the proposal. The company is run by a Board of Directors consisting of four to seven members elected at the Annual General Meeting for one year at a time.

Board of Directors

Man. Director Klaus Kalstrup (Chairman)
— born 1965, joined the Board in 2004.
Senior Master Ole Krogsgaard (Deputy Chairman)
— born 1947, joined the Board in 2002.
Man. Director Henrik Hougaard
— born 1958, joined the Board in 2007.
Man. Director Flemming K. Bertelsen
— born 1946, joined the Board in 2010.
Machine Operator Eva Lyngen *)
— born 1956, joined the Board in 2007.
Machinist Jeppe Skovgaard Sørensen *)
— born 1961, joined the Board in 2007.
*) Elected by the employees

Management

Managing Director, CEO, Jens-Ole Sørensen,
— born 1958, employed at Roblon in 2009.

Financial Director, Kurt Brink Jensen,
— born 1952, employed at Roblon in 1990

Accountants

Deloitte
State Authorised Public Accountants
Gøteborgvej 18, DK-9200 Aalborg SV

Attorney

Advokatfirmaet Hjulmand & Kaptain
Havnepladsen 7, DK-9900 Frederikshavn

Primary Bank

Danske Bank, Finanscenter Jylland Nord
DK-9000 Aalborg

Managerial posts in other Danish limited liability companies held by the Board of Directors and the Management:

In accordance with Section 107 of the Danish Financial Statements Act concerning managerial posts in Danish limited liability companies held by members of the Board of Directors and Management of Roblon Aktieselskab, the following has been reported:

Klaus Kalstrup:

Managing Director of Stelectric Ejendomme A/S.

Henrik Hougaard:

Managing Director of Skiold Holding A/S and Thoraso ApS. Chairman of the Board of: SKIOLD A/S, Graintec A/S, Engsko A/S, FirstFarms A/S, DK-TEC A/S, United Milling Systems A/S, Fortin Madrejon A/S and Scandinavian Farm Invest A/S. Member of the Board of: DAMAS A/S and Ejendomsselskabet Møllehuset A/S.

Financial review

In continuation of the Management's review, the financial review includes comments on the annual accounts for 2009/10 and the accounting policies.

The financial statements for 2009/10 for Roblon A/S are presented for the first time in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports for accounting class D (listed companies), cf. the IFRS Executive Order issued pursuant to the Danish Financial Statements Act.

The transition to using IFRS only has an impact on recognition or measurement in the annual report whereby the fair value adjustment (and tax thereof) of financial assets available for sale that was previously included in the profit for the year is now included in the income statement under other capital income. In the income statement for 2008/09, tDKK 127 was included in the fair value adjustment, which has been reported under other comprehensive income in the comparative figures. Similarly, the fair value adjustment of financial instruments concluded for the hedging of future cash flows (and tax thereof) is now reported under other comprehensive income, although the adjustment was previously made directly in capital reserves.

Income statement

The revenue for the financial year was DKK 201.7 million against DKK 185.9 million in the previous year, and the revenue for Industrial Fiber increased by 27.8%, while the revenue of Engineering and Lighting decreased by 3.6% and 10.2% respectively.

The export share was 91.1% compared to 93.8% in the previous year.

Costs for raw materials and consumables have increased as a result of higher revenue, while other external costs and staff costs have decreased. We have implemented efficiency measures and cost reductions, which has resulted in a decrease in other external costs and staff costs.

Profit on primary activities for Roblon A/S was DKK 27.8 million against DKK 12.0 million in 2008/09.

Profit on primary activities in Roblon Industrial Fiber was DKK 27.3 million compared to DKK 13.6 million in the previous year; in Roblon Engineering DKK 2.8 million against DKK –0.7 million in the previous year and in Roblon Lighting DKK 3.2 million against DKK 3.4 million in the previous year.

The profit before tax for Roblon A/S was DKK 31.2 million against DKK 13.8 million in 2008/09.

Balance sheet

The company's balance sheet total has increased to DKK 224.9 million from DKK 209.2 million in the previous year.

Intangible assets increased to DKK 9.5 million from DKK 9.2 million one year earlier. Tangible assets decreased to DKK 50.7 million from DKK 56.7 million.

Current assets increased to DKK 164.8 million from DKK 143.3 million. Stocks decreased to DKK 49.1 million from DKK 52.4 million, while the debtors increased to DKK 41.7 million from DKK 26.2 million and cash at bank and in hand and bonds increased to DKK 74.0 million from DKK 64.8 million one year earlier.

The company's capital and reserves amount to DKK 190.5 million and the solvency ratio is 84.7% after dividend.

Cash flow statement

Cash flow from operating activities was DKK 24.9 million in the financial year, compared to DKK 33.6 million in the previous year. The operating profit amounts to DKK 27.8 million against DKK 12.0 million one year earlier. The stocks are lower, while the debtors are considerably higher, and short-term creditors largely unchanged. In total these figures reduces the net liquidity by DKK 12.3 million, while it was increased by DKK 20.2 million one year earlier. Corporate tax amounts to DKK 3.9 million against DKK 9.4 million one year before.

Cash flow from investment activities shows tied-up capital of DKK 36.6 million (of which DKK 32.3 million bonds) against DKK 17.7 million (of which DKK 8.0 million bonds) in 2008/09. Cash flow from financing activities consists of payment of dividend of DKK 10.7 million and net proceeds of tDKK 51 from subscription of employee shares.

Cash at bank and in hand decreased by DKK 22.4 million to DKK 34.2 million.

Statement by Management on the annual report

We have today presented the annual report of Roblon A/S for the financial year 2009/10.

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.

In our opinion, the financial statements provide a true and fair view of the assets, liabilities and financial position at 31 October 2010 and of their financial performance and cash flows for the financial year 1 November 2009 - 31 October 2010.

We also consider Management's Review to give a true and fair view of the development in activities and finances, profit/loss for the year and financial position in general as well as a description of most material risks and uncertainties facing the company.

We recommend the annual report for adoption at the Annual General Meeting.

Frederikshavn, 4 January 2011

Management

Jens-Ole Sørensen
Managing Director, CEO

Kurt Brink Jensen
Financial Director

Board of Directors

Klaus Kalstrup
Chairman

Ole Krogsgaard
Deputy Chairman

Henrik Hougaard

Flemming Bertelsen

Eva Lyngen

Jeppe Skovgaard Sørensen

Independent auditor's report

To the shareholders of Roblon A/S

Report on the financial statements

We have audited the financial statements of Roblon A/S for the financial year 1 November 2009 - 31 October 2010, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies for the company. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for financial statements

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

Auditor's responsibility and basis of opinion

Our responsibility is to express an opinion on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements 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 entity'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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 October 2010 and of their financial performance and their cash flows for the financial year 1 November 2009 - 31 October 2010 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the management commentary

Management is responsible for preparing a management commentary that contains a fair review in accordance with Danish disclosure requirements for listed companies.

Our audit did not include the management commentary, but we have read it pursuant to the Danish Financial Statements Act. We did not perform any procedures other than those performed during the audit of the finan-cial statements.

Based on this, we believe that the disclosures in the management commentary are consistent with the financial statements.

Aalborg, 4 January 2011

Deloitte
Statsautoriseret Revisionsaktieselskab

Poul Erik Wagner	Torben Toft Kristensen
State Authorised	State Authorised
Public Accountant	Public Accountant

CASH FLOW STATEMENT

(tDKK)	2009/10	2008/09
Operating profit	27,777	11,985
Profit on sale of tangible assets	-134	-147
Depreciation and write-downs of tangible and intangible assets	10,068	9,328
Change in other provisions for liabilities	-135	-180
Change in stocks	3,300	6,833
Change in debtors	-15,697	17,183
Change in current liabilities	139	-3,794
Cash flow from primary activities	25,318	41,208
Financial payments received	3,464	2,054
Financial costs paid	-1	-261
Corporate tax paid	-3,886	-9,358
Cash flow from operating activities	**24,895**	**33,643**
Investment in intangible assets	-2,363	-5,552
Investment in tangible assets	-2,225	-4,353
Sales proceeds from tangible assets	305	235
Purchase and sales of financial assets available for sale (net)	-32,326	-8,037
Cash flow from investment activities	**-36,609**	**-17,707**
Payment of dividend	-10,729	-17,849
Capital augmentation as part of the employee share scheme	51	0
Cash flow from financing activities	**-10,678**	**-17,849**
Change in cash at bank and in hand	-22,392	-1,913
Cash at bank and in hand as at 1/11 2009	56,602	58,515
Cash at bank and in hand as at 31/10 2010	**34,210**	**56,602**

STATEMENT OF INCOME AND COMPREHENSIVE INCOME FOR THE PERIOD 1 NOVEMBER 2009 - 31 OCTOBER 2010

	(tDKK)	2009/10	2008/09
	Net revenue	201,726	185,908
	Other operating income	134	515
4	Costs for raw materials and consumables	-88,311	-82,733
5,6	Other external expenses	-23,500	-24,727
6,7	Staff costs	-52,204	-57,650
	Depreciation and write-downs of tangible and intangible assets	-10,068	-9,328
	Operating profit	**27,777**	**11,985**
8	Financial income	3,464	2,054
9	Financial expenses	-1	-261
	Profit before tax	**31,240**	**13,778**
10	Tax on profit for the year	-7,738	-3,548
	Profit for the year	**23,502**	**10,230**
8	Fair value adjustment of financial assets available for sale	-713	127
8	Fair value adjustment of financial instruments concluded for the hedging of future cash flow	-94	371
10	Tax on other comprehensive income	202	-125
	Other comprehensive income	**-605**	**373**
	Total comprehensive income	**22,897**	**10,603**
11	**Earnings per share (EPS)**	**65,8**	**28,6**

BALANCE SHEET AS AT 31 OCTOBER 2010

Note	**Assets** (tDKK)	2009/10	2008/09	2007/08
	Non-current assets			
	Completed development projects	6,764	3,097	1,877
	Acquired patent	1,210	1,815	2,420
4,5,7	Ongoing development projects	1,504	4,248	681
12	Intangible assets	9,478	9,160	4,978
	Land and buildings	38,961	41,600	44,828
4,7	Plant and machinery	9,220	12,368	11,103
	Fixtures and fittings, tools and equipment	2,173	2,389	1,850
	Tangible assets in the course of construction	336	302	2,571
13	Tangible assets	50,690	56,659	60,352
	Total non-current assets	**60,168**	**65,819**	**65,330**
	Current Assets			
14	Stocks	49,066	52,366	59,199
15	Trade debtors	39,765	25,103	40,912
23	Corporate tax balance	0	102	0
16	Other debtors	1,516	872	1,969
	Accruals	431	134	315
	Total debtors	41,712	26,211	43,196
17	Financial assets available for sale	39,778	8,164	0
18	Cash at bank and in hand	34,210	56,602	58,515
	Total Current Assets	**164,766**	**143,343**	**160,910**
	Total Assets	**224,934**	**209,162**	**226,240**

BALANCE SHEET AS AT 31 OCTOBER 2010

Note	**Liabilities** (tDKK)	2009/10	2008/09	2007/08
	Capital and Reserves			
19	Share capital	35,763	35,698	35,698
20	Other reserves	-438	167	-206
	Profit carried forward	155,176	142,417	150,036
	Total capital and reserves	**190,501**	**178,282**	**185,528**
	Non-current liabilities			
21	Deferred tax	4,448	4,852	3,687
22	Other provisions for liabilities	550	685	865
	Total non-current liabilities	**4,998**	**5,537**	**4,552**
	Current liabilities			
	Suppliers of goods and services	12,014	9,720	13,822
23	Corporate tax	3,952	0	6,748
	Other debt	13,469	15,623	15,590
	Total current liabilities	**29,435**	**25,343**	**36,160**
	Total liabilities	**224,934**	**209,162**	**226,240**

24	Financial risks
25	Closely related parties
26	Shareholders
27	Events after the balance sheet date
28	Approval of annual report for publication
29	Accounting policies

CAPITAL AND RESERVES STATEMENT

(tDKK)	Share capital	Other reserves	Profit carried forward	Total
Capital and reserves as at 1/11 2008	35,698	-206	150,036	185,528
Profit for the year			10,230	10,230
Other comprehensive income		373		373
Total comprehensive income for the financial year		373	10,230	10,603
Dividend distributed			-17,849	-17,849
Capital and reserves as at 31/10 2009	35,698	167	142,417	178,282
Profit for the year			23,502	23,502
Other comprehensive income		-605		-605
Total comprehensive income for the financial year		-605	23,502	22,897
Capital augmentation as part of the employee share scheme	65		3	68
Costs on employee shares			-17	-17
Dividend distributed			-10,729	-10,729
Capital and reserves as at 31/10 2010	35,763	-438	155,176	190,501

The share capital of 35,763,000 consists of the following shares:

A-shares: 5,555 of DKK 1,000, in total DKK 5,555,000
B-shares: 302,080 of DKK 100, in total DKK 30,208,000

Each A-share of DKK 1,000 gives 100 votes.
Each B-share of DKK 100 gives 1 vote.

The A-shares are not listed on the stock exchange.
In accordance with the company's Articles of Association B-shares are entitled to dividend of 8% before any other allocation is made.

	31/10 2010		31/10 2009	
(pcs.)	A-shares	B-shares	A-shares	B-shares
Number of shares as at 01/11 2009	5,555	301,425	5,555	301,425
Capital augmentation by cash payment	0	655	0	0
Number of shares as at 31/10 2010	5,555	302,080	5,555	301,425

Dividend

In February 2010, Roblon A/S distributed tDKK 10,729 as an ordinary dividend to the shareholders, equivalent to DKK 30 per DKK 100 share. In February 2009, a tDKK 17,849 dividend was distributed, equivalent to DKK 50 per DKK 100 share.

For the financial year 2009/10, the Board has proposed the distribution of a tDKK 17,882 dividend, equivalent to DKK 50 per DKK 100 share, which will be paid to the shareholders immediately after the Annual General Meeting is held on February 10, 2011, provided that the AGM adopts the Board's proposal.

NOTES

Note	
1	**Changes to accounting policies applied for the financial year 2009/10**

The financial statements for 2009/10 for Roblon A/S are presented in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports for accounting class D (listed company), cf. the IFRS Executive Order issued pursuant to the Danish Financial Statements Act. The financial statements also comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The financial statements for 2009/10 are the first annual accounts to have been presented in accordance with IFRS. The last annual accounts for Roblon A/S for 2008/09 were prepared in accordance with the Danish Financial Statements Act.

For the transition to financial reporting in accordance with IFRS, the provisions laid down in IFRS 1, First-time Adoption of International Financial Reporting Standards (Revised 2008) have been applied. For the transition to financial reporting in accordance with IFRS, an opening balance sheet was prepared on the opening balance sheet date of 1 November 2008, which was calculated in accordance with the IFRSs applicable for the financial year starting 1 November 2009 or later with prior implementation of the following standards:

IAS 1, Presentation of financial statements (Revised 2007)
IFRS 8, Operating Segments (Amended 2009)

The transition to financial reporting in accordance with IFRS has led to the following changes to the accounting policies applied regarding recognition and measurement:

Fair value adjustments of financial assets available for sale are reported in accordance with IFRS in other comprehensive income until they are cancelled and the accumulated fair value adjustments are transferred from equity to the income statement under financial items. In accordance with the existing accounting policies, the fair value adjustments were included directly in the income statement under financial items. This change has not led to changes in the calculated fair value of the financial assets and thus not in the total comprehensive income, balance sheet, equity or cash flows either. The change has only affected the accounting of the profit for the year in the comprehensive income:

(tDKK)	**Profit for the year 2008/09**
Profit for the year pursuant to the annual report for 2008/09	10,325
Reversed fair value adjustments of financial assets available for sale	-127
Tax effect of reversed fair value adjustments	32
Profit for the year calculated pursuant to the new accounting policies	**10,230**

The change has meant that the earnings per share for 2008/09 have changed from DKK 28.90 to 28.60.

The transition to IFRS has also led to individual changes relating to presentation, including introducing the income statement as an element of the statement of comprehensive income and introducing provisions and liabilities together as liabilities in the balance sheet. The transition to financial reporting in accordance with IFRS has also led to substantially more notes to the financial statements.

The accounting policies applied are described in full in Note 29.

NOTES

Note	(tDKK)

1 **Changes to accounting policies applied for the financial year 2009/10 (continued)**

Standards and interpretations that have been adopted but not entered into force

As of 31 October 2010, a number of new and changed standards and interpretations have been adopted by IASB although not yet entered into force for Roblon A/S, including IFRS 9, Financial Instruments: Classification and measurement, as well as a number of smaller changes to several standards as part of IASB's annual improvements.

The Management does not expect that the application of new and amended standards and interpretations will have a significant impact on Roblon A/S' financial statements in future.

2 **Accounting estimates and judgements**

Uncertainty of estimates

Calculating the carrying amounts of certain assets and liabilities requires assumptions, estimates and judgements to be made with regard to future events.

In this connection it is necessary to presume a sequence of events etc. that reflects the Management's evaluation of the most probable sequence of events. The assumptions may be inaccurate or incomplete and unexpected events or circumstances may arise. This has a significant impact on the assets and liabilities recognised and may require corrections in the subsequent financial year if the presumed sequence of events is not as expected.

Accounting judgements

As part of the application of the company's accounting policies, the Management makes judgements that can have a significant impact on the amounts included in the annual report.

Such judgements include whether development projects meet the criteria for activation.

3 **Segmental reporting**

Activities - dividend into business areas

All divisions of the company sell, develop and manufacture products for their business areas.
Industrial Fiber sells fibre products for the areas cable, offshore and other industry.
Engineering supplies machines, primarily to the rope-making, cable and carbon fibre industries.
Lighting sells lighting systems of fibre optic and LED to many different business areas.

	Industrial Fiber		Engineering		Lighting		Not distributed		Total company	
	09/10	08/09	09/10	08/09	09/10	08/09	09/10	08/09	09/10	08/09
Revenue	104,528	81,777	54,028	56,052	43,170	48,079	0	0	201,726	185,908
Profit on primary activities	27,251	13,573	2,789	-678	3,164	3,434	-5,427	-4,344	27,777	11,985
Investments in non-current assets	1,197	3,058	442	1,351	2,641	5,459	308	37	4,588	9,905

Distribution of revenue in relation to the customers location

	Denmark		Rest of the world		Total company	
	09/10	08/09	09/10	08/09	09/10	08/09
Net revenue	18,044	11,477	183,681	174,431	201,725	185,908

NOTES

Note	(tDKK)	2009/10	2008/09
4	**Costs for raw materials and consumables**		
	Consumption of goods	87,595	81,704
	Depreciation on stocks	1,426	1,630
		89,021	83,334
	Materials included under non-current assets — note 12	-710	-601
	Consumption regarding sold goods	88,311	82,733
5	**Product development costs**		
	Product development costs incurred	9,655	14,413
	Product development costs recognised as intangible assets	-2,363	-5,552
	Recognised in the income statement under other external costs and staff costs	7,292	8,861
6	**Fees to auditors elected by the General Meeting**		
	Statutory audit of the accounts	165	165
	Fee for other declarations with assurance	17	5
	Tax counselling	0	0
	Fee for other services	25	16
7	**Staff costs**		
	Fees to the Board of Directors	375	475
	Wages, management	2,588	2,120
	Wages and salaries	46,313	52,016
	Defined contribution pension plan, Management	259	238
	Defined contribution pension plan, other	3,691	3,872
	Other social security expenses	911	949
		54,137	59,670
	Wages and salaries recognised under non-current assets — note 12	-1,933	-2,020
	Staff costs charged to the income statement	52,204	57,650

The Management hold the entitlement to company cars, of which the taxation value amounts to tDKK 204.

28 employees have taken out a total of 655 class B shares at the special rate of DKK 105. The shares are held on trust for 5 years. Apart from this, there is no share-based remuneration in the company.

The company only has defined contribution pension plans and pays regular contributions to an independent pension fund, and is not exposed to any risk regarding future development of interest rates, inflation, mortality, disability , etc. with regard to the amount that is to be paid to the employee in due course.

Average number of full-time employees	123	143

NOTES

Note	(tDKK)	2009/10	2008/09
8	**Financial income**		
	Other interest income	263	1,564
	Interest on debtors	84	77
	Interest on bonds	1,988	361
	Interest income	2,335	2,002
	Exchange rate gains and adjustments (net)	212	0
	Gain on bonds	917	52
	Recognised under the income statement	3,464	2,054
	Fair value adjustment of financial instruments concluded for the hedging of future cash flows	-94	0
	Fair value adjustment of financial assets available for sale	-713	127
	Recognised under other comprehensive income	-807	127
9	**Financial expenses**		
	Financial costs recognised under the income statement	1	25
	Exchange rate losses and adjustments (net)	0	236
	Recognised under the income statement	1	261
	Fair value adjustment of financial instruments concluded for the hedging of future cash flows	0	-371
	Recognised under other comprehensive income	0	-371
10	**Corporate tax for the year**		
	Tax payable	7,940	2,508
	Change in deferred tax	-404	1,165
	Tax in total	7,536	3,673
	Of this tax on comprehensive income	202	-125
	Corporate tax for the year	7,738	3,548
	Reconciliation of corporate tax:		
	25% tax on the profit before tax	7,810	3,444
	Tax effect of non-deductible costs and non-taxable income	-72	104
		7,738	3,548
	Effective tax rate (%)	24,8	25,8
	Tax of income and costs recognised in other comprehensive income refers to:		
	Change in fair value adjustment of financial instruments concluded for the hedging of future cash flows	-24	93
	Change of reserve for fair value adjustment of financial assets available for sale	-178	32
		-202	125

NOTES

Note	(tDKK)	2009/10	2008/09
11	**Earnings per share**		
	Profit for the year after tax	23,502	10,230
	Number of A-shares of DKK 1,000	5,555	5,555
	Number of B-shares of DKK 100	302,080	301,425
	Earnings per A-share	658.0	286.0
	Earnings per B-share	65.8	28.6
	The number of shares is not affected by share options or anything else that affects the diluted earnings per share.		
	Diluted earnings per A-share	658.0	286.0
	Diluted earnings per B-share	65.8	28.6

Note		Completed development projects	Acquired patents	Ongoing development projects
12	**Intangible assets**			
	Purchase price:			
	Balance as at 1/11 2009	5,151	3,025	4,248
	Addition of self-developed assets 2009/10	5,107	0	622
	Disposals 2009/10	0	0	-3,366
	Balance as at 31/10 2010	10,258	3,025	1,504
	Depreciation and write-downs:			
	Balance as at 1/11 2009	2,054	1,210	0
	Concerning expired assets	0	0	0
	Depreciation of the year	1,440	605	0
	Balance as at 31/10 2010	3,494	1,815	0
	Net carrying amount as at 31/10 2010	6,764	1,210	1,504
	Purchase price:			
	Balance as at 1/11 2008	4,638	3,025	681
	Addition of self-developed assets 2008/09	1,985	0	4,248
	Disposals 2008/09	-1,472	0	-681
	Balance as at 31/10 2009	5,151	3,025	4,248
	Depreciation and write-downs:			
	Balance as at 1/11 2008	2,761	605	0
	Concerning assets sold	0	0	0
	Concerning expired assets	-1,472	0	0
	Depreciation of the year	765	605	0
	Balance as at 31/10 2009	2,054	1,210	0
	Net carrying amount as at 31/10 2009	3,097	1,815	4,248
	Net carrying amount as at 01/11 2008	1,877	2,420	681

Apart from the development projects in progress, all other intangible assets are considered to have certain lifetimes which depreciate the value of the assets, cf. description of accounting policies applied in note 29. Development projects in progress are tested for impairment on an annual basis.

NOTES

Note	(tDKK)				
13	**Tangible assets**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Tangible fixed assets in the course of construction
	Purchase price:				
	Balance as at 1/11 2009	81,281	75,142	9,677	302
	Additions 2009/10	57	1,383	751	336
	Disposals 2009/10	-497	-65	-1,893	-302
	Balance as at 31/10 2010	80,841	76,460	8,535	336
	Depreciation and write-downs:				
	Balance as at 1/11 2009	39,681	62,774	7,288	0
	Concerning assets sold	-438	-65	-1,781	0
	Depreciation of the year	2,637	4,531	855	0
	Balance as at 31/10 2010	41,880	67,240	6,362	0
	Net carrying amount as at 31/10 2010	38,961	9,220	2,173	336
	Purchase price:				
	Balance as at 1/11 2008	81,281	77,092	9,233	2,571
	Additions 2008/09	0	5,092	1,530	302
	Disposals 2008/09	0	-7,042	-1,086	-2,571
	Balance as at 31/10 2009	81,281	75,142	9,677	302
	Depreciation and write-downs:				
	Balance as at 1/11 2008	36,453	65,989	7,383	0
	Concerning assets sold	0	-7,042	-998	0
	Depreciation of the year	3,228	3,827	903	0
	Balance as at 31/10 2009	39,681	62,774	7,288	0
	Net carrying amount as at 31/10 2009	41,600	12,368	2,389	302
	Net carrying amount as at 01/11 2008	44,828	11,103	1,850	2,571

The annual profit on the sale of tangible assets amounts to tDKK 134 and is recognised under other operating income (tDKK 147 in 2008/09)

		2009/10	**2008/09**
14	**Stocks**		
	Raw materials and consumables	30,917	27,710
	Work in progress	5,411	4,810
	Manufactured finished goods	12,738	19,846
		49,066	52,366

As of 31/10 2008, stocks amounted to tDKK 59,199 (raw materials and semi-finished products tDKK 33,667, goods in the process of manufacture tDKK 8,865 and finished goods tDKK 16,667).

NOTES

Note	(tDKK)	2009/10	2008/09
15	**Trade debtors**		
	Receivables from sales	39,765	25,103
	Write-downs for the year recognised in the income statement	0	235

As at 31/10 2008, receivables from sales amounted to tDKK 40,912.

Of the total receivables from sales tDKK 11,460 is hedged by documentary credit, other security provided by a third party or credit insured (tDKK 8,555 in 2008/09).

Derivative financial instruments in the form of forward exchange transactions are used for the hedging of foreign currency exchange risks. Forward exchange contracts are valued according to generally recognised valuation methods based on exchange rates and interest rates on the balance sheet date.

Receivables are written down if their value, based on an individual assessment of the individual debtors' ability to pay, has been impaired, e.g. in the event of an administration order, bankruptcy etc. Write-downs are done at the calculated net realisable value. The carrying amount of receivables written down to the net realisable value based on an individual assessment amounts to tDKK 0 (31/10 2009: tDKK 0)

Receivables are written down directly and provisions for loss are regarded as realised when it is no longer considered likely that there will be further payments on the debt.

		2009/10	2008/09
	Provisions 01/11 2009	643	433
	Recorded losses for the year	-378	-25
	Provisions for the year to cover losses	0	235
	Provisions account 31/10 2010	265	643

16 Other receivables

In this item the value of derivative financial instruments concerning forward exchange contracts is recognised concluded for the hedging of future cash flows.
Derivative financial instruments are measured at fair value.
On 31/10 2010 the value amounted to tDKK 2 (31/10 2009 tDKK 95 whereas on 31/10 2008 it amounted to tDKK -271, which is recognised in the Other debt item).

17 Financial assets available for sale

The item consists of listed mortgage bonds that are measured at fair value in the form of the market price on the balance sheet date.

Note		2009/10	2008/09
18	**Cash at bank and in hand**		
	Cash and bank balances	34,210	56,602

As at 31/10 2008, cash and bank balances amounted to tDKK 58,515.

The company has unutilised credit facility of tDKK 18,000 (31/10 2009: tDKK 18,000).

NOTES

Note	(tDKK)	
19	**Share capital**	
	Changes in share capital:	
	Share capital as at 1/11 2005	35,383
	Capital augmentation employee shares 2007/08	315
	Capital augmentation employee shares 2009/10	65
	Share capital as at 31/10 2010	35,763

20 **Other reserves**

		Reserve for hedging transactions	Reserve for fair value adjustments of financial assets available for sale	Total
	Other reserves as at 1/11 2008	-206	0	-206
	Transferred to the income statement for cleared hedging transactions	206	0	206
	Fair value adjustment in 2008/09	72	95	167
	Other reserves as at 31/10 2009	72	95	167
	Transferred to the income statement for cleared transactions	-72	-95	-167
	Fair value adjustment in 2009/10	2	-440	-438
	Other reserves as at 31/10 2010	2	-440	-438

Cleared hedging transactions have been recognised under net revenue in the income statement

The reserve for value adjustment of hedging instruments includes the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and where the hedged transaction has not yet been completed.

The reserve for the value adjustment of financial assets available for sale includes the accumulated net change in the fair value of financial assets that are classified as financial assets available for sale.
The reserve is dissolved as the relevant financial assets are sold or expire.

NOTES

Note	(tDKK)	2009/10	2008/09
21	**Provisions for deferred tax**		
	Deferred tax as at 1/11 2009	4,852	3,687
	Deferred tax included in the profit for the year	-404	1,165
	Deferred tax as at 31/10 2010	4,448	4,852
	The amount allocated for deferred tax relates to:		
	Current assets	325	290
	Intangible assets	2,370	2,290
	Tangible assets	2,023	2,474
	Non-current liabilities	-270	-202
		4,448	4,852

As at 01/11 2008, deferred taxes are distributed as follows: Current assets tDKK 377, intangible assets tDKK 1,244, tangible assets tDKK 2,766 and non-current liabilities tDKK -700, in total tDKK 3,687.

A tax rate of 25% has been used for calculating deferred tax.

Note	(tDKK)	2009/10	2008/09
22	**Other provisions for liabilities**		
	Other provisions for liabilities as at 1/11 2009	685	865
	Additions 2009/10	325	575
	Applied 2009/10	-330	-755
	Charged back in 2009/10	-130	0
	Other provisions for liabilities as at 31/10 2010	550	685

Other provisions for liabilities consist of security liabilities expected to be applied within one year.

Guarantee obligations concern sold goods that are delivered with a guarantee that varies according to the different business areas. The obligations are calculated on the basis of experience from previous years.

Note	(tDKK)	2009/10	2008/09
23	**Corporate tax**		
	Balance as at 1/11 2009	-102	6,748
	Payment of corporate tax concerning previous year	-1,937	-7,466
		-2,039	-718
	Corporate tax payable	7,940	2,508
	Tax paid on account in 2009/10	-1,949	-1,892
	Balance as at 31/10 2010	3,952	-102

NOTES

Note	(tDKK)	2009/10	2008/09
24	**Financial risks**		
	Specification of financial assets and liabilities:		
	Financial assets available for sale (securities) measured at fair value via the income statement (noted prices, level 1)	39,778	8,164
	Financial assets used as hedging instruments (the difference between agreed forward rate and market rate, level 2)	2	96
	Receivables	41,710	26,115
		81,490	34,375
	Financial liabilities measured at amortised cost price	29,435	25,344

As a result of its operation and investments, the company is exposed to a number of financial risks, including market risks (currency and interest rate risks) and credit risks.

The company's liquidity reserve consists of cash and cash equivalents, bond holdings and unutilised credit facilities.

Roblon's policy is to operate with a low risk profile so that currency, interest rate and credit risks only arise in connection with commercial conditions. The company's policy is not to engage in active speculation in financial risks.

The company's use of derivative financial instruments is regulated by a written policy adopted by the Board and also internal business procedures, which provides the frameworks for coverage of risks and investment.

The company's holding of bonds has increased in 2009/10. Apart from this, there are no significant changes to the company's risk exposure or risk management compared to 2008/09.

Foreign currency exchange risks

The company's foreign currency exchange risks are primarily hedged by balancing payments received and made in the same currency. The difference between payments received and made in the same currency reflects a foreign exchange rate risk that is covered by forward exchange transactions in the event of larger outstanding balances. Outstanding balances in EUR are not hedged. Exchange rate fluctuations in single currencies are not considered to have a significant impact on the company's profit and equity.

The company uses hedging instruments such as forward exchange contracts and swaps in order to hedge recognised and unrecognised transactions. Hedged balance sheet items include cash and cash equivalents, receivables and financial liabilities.

On the balance sheet date the fair value of the company's derivative financial instruments concluded for the hedging of recognised financial assets and liabilities amounted to tDKK 2 (tDKK 96 on 31/10/09). The fair value of derivative financial instruments is recognised in the balance sheet under other receivables and in the income statement under other comprehensive income. The cash flows for financial instruments are expected to take place in the financial year 2010/11.

NOTES

Note	(tDKK)

24 **Financial risks (continued)**

The company's foreign exchange positions as at 31 October 2010 are calculated in DKK:

Currency	Receivables/ cash and cash equivalents	Liabilities	Forward exchange contracts	Net position
EUR	34,339	-6,119	0	28,220
USD	2,263	-184	-2,168	-89
GBP	417	-40	0	377
Other	140	0	0	140
	37,159	-6,343	-2,168	28,648

The company's foreign exchange positions as at 31 October 2009 are calculated in DKK:

Currency	Receivables/ cash and cash equivalents	Liabilities	Forward exchange contracts	Net position
EUR	23,800	-5,256	0	18,544
USD	4,155	-351	-3,804	0
GBP	1,003	-62	-941	0
Other	505	-39	0	466
	29,463	-5,708	-4,745	19,010

The company's receivables from sales and debts from suppliers are normally due no later than 3 months after delivery. Forward transactions entered into refer to receivables and orders for delivery in 2010/11. tDKK 2 have been recognised in the statement of comprehensive income for profit on forward transactions, which will be recognised for the first time in the income statement in 2010/11.

Interest rate risks:

Over the years the company has built up a liquidity surplus and has not been dependent on debt financing. The surplus liquidity is kept in banks and Danish mortgage bonds. The bonds are in Danish kroner with a term of 1.2 and 8.0 respectively used as a basis for the below calculation of the interest rate's impact on equity. The item with a long term was sold after the balance sheet date.

An annual fall/rise of one percentage point in the market interest rate compared to the interest level on the balance sheet date would have a negative impact of DKK 2.5 million on the company's equity relating to capital loss on bond holdings (2008/09 tDKK 65).

Liquidity risks:

The company has no significant credit risk as there is a large surplus liquidity, the company's assets are not pledged and there is no debt.

NOTES

Note	(tDKK)

24 **Financial risks (continued)**

Credit risks:

The primary credit risk in the company relates to receivables from the sale of goods and services. The company is not exposed to any significant risks in terms of an individual customer or business partner. The company's policy for assuming credit risks means that all larger customers and business partners undergo a credit rate check. Receivables are partially credit insured and a significant portion of the company's receivables are hedged using another form of security.

Historically speaking, the company has had relatively few losses on debtors and the risk of a significant loss on all receivables is considered to be limited. Please also refer to Note 15, Receivables.

Agreements regarding derivative financial instruments are only entered into with recognised credit institutions.

Overdue but not impaired receivables are distributed as follows:

	31/10 2010	31/10 2009	31/10 2008
Overdue by up to one month	6,046	3,042	4,263
Overdue by between one and three months	3,994	809	811
Overdue by between three and six months	159	522	644
Overdue by more than six months	1,267	1,509	1,580
	11,466	5,882	7,298

The maximum credit risk linked to receivables is equivalent to their carrying amounts.

Optimisation of capital structure:

The Management continuously assesses whether the company's capital structure complies with the interests of the company and its shareholders. The overall goal is to ensure a capital structure that supports long-term financial growth and at the same time maximises the return for the company's stakeholders. The company's overall strategy is unchanged compared to last year.

The company's capital structure consists of financial assets available for sale, liquid funds and equity, including share capital, other reserves and net income brought forward.

The company has a high level of equity and good capital resources, which are considered to be a significant strength with regard to any future activity expansions. With the current ownership structure, the company has no immediate plans to merge the two share classes, which would be considered an obstacle to acquiring capital on the stock exchange. This situation means that there is a need for more capital resources than would normally be the case.

NOTES

Note	(tDKK)

25 **Closely related parties**

Closely related parties with control

ES Holding Frederikshavn ApS, Bøgevej 11, DK-8370 Hadsten, owns the A-shares of Roblon A/S and has the controlling interest of the company.

Transactions with closely related parties

In the financial year, Roblon A/S has purchased raw materials worth tDKK 1,901 from a company owned by a Board member. The purchase was made at market-based prices. As at 31/10 2010, Roblon A/S owes the company in question tDKK 52. In 2008/09, Roblon A/S purchased goods worth tDKK 2,591 from the company in question and the debt amounted to tDKK 24 as at 31/10 2009.

Please refer to note 7 for details on remuneration to members of the Management.

There have been no other transactions with closely related parties.

26 **Relationships with shareholders**

Roblon A/S has registered the following shareholders with more than 5% of the share capital's voting shares or nominal value:

	Ownership interest %		Voting share %	
	2009	2010	2009	2010
ES Holding Frederikshavn ApS, Bøgevej 11, DK-8370 Hadsten	25.2	25.2	68.8	68.8
The Danish Labour Market Supplementary Pension Fund (ATP) Kongens Vænge 8, DK-3400 Hillerød	12.6	12.0	5.3	5.0
Danske Bank Group Holmens Kanal 2-12, DK-1092 Copenhagen K	5.6	5.6	2.3	2.3

Roblon A/S is included in the consolidated accounts for ES Holding Frederikshavn ApS

27 **Events after the balance sheet date**

No significant events with a material effect on the annual report have occurred since the balance sheet date.

28 **Approval of annual report for publication**

At the Board meeting on January 4, 2011, the Board approved the present annual report for publication. The annual report shall be submitted to Roblon A/S' shareholders for adoption at the Annual General Meeting on February 10, 2011.

NOTES

Note

29 Accounting policies

The financial statements for 2009/10 for Roblon A/S are presented in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports for accounting class D (listed company), cf. the IFRS Executive Order issued pursuant to the Danish Financial Statements Act. The financial statements also comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The financial statements are presented in Danish kroner (DKK) rounded to the nearest DKK 1,000.

The financial statements are presented on the basis of historical cost prices except for financial assets and financial liabilities that are measured at fair value when first recognised. cf. below.

Recognition and measurement in general
Assets are recognised on the balance sheet if it is probable that future financial benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet where, as a result of a previous event, the company has a legal or actual liability and it is probable that future economic benefits will be removed from the company, and the value of the liability can be measured reliably.

On initial recognition assets and liabilities are stated at cost price. Subsequently assets and liabilities are measured as described for each individual item below.

Recognition and measurement take into account gains, losses and risks occurring before the presentation of the annual report, which confirm or disprove circumstances existing as at the balance sheet date.

Revenue is recognised on the income statement as it is generated, including value adjustments of financial assets and liabilities, which are stated at fair value or amortised at cost price. Costs incurred in order to achieve the revenue for the year are also recognised, including depreciation, write-downs and provisions for liabilities, as well as reversals as a result of changes in accounting estimates of amounts previously recognised in the income statement.

Translation of foreign currencies
Transactions in foreign currencies are translated when first recognised at the exchange rate applying on the transaction date. Differences between the exchange rate on the transaction date and the payment date are recognised under financial items in the income statement.

Debtors, creditors and other monetary items in foreign currencies are translated at the exchange rate applying on the balance sheet date. The difference between the exchange rate on the balance sheet date and at the time when the debtor or creditor item occurred or was recognised in the latest annual accounts is recognised under financial income and expenses in the income statement.

INCOME STATEMENT

Net revenue
Net revenue from the sale of goods for resale and manufactured goods is recognised in the income statement when delivery and the transfer of risk to the buyer have taken place.

Cost of raw materials and consumables
The costs consist of raw materials and consumables that are used in the manufacturing production process in order to achieve revenue.

Other external costs
Other external costs consist of expenses in connection with production, sales, procurement and development as well as costs in connection with company administration.

Staff costs
Staff costs consist of costs for production personnel as well as sales, procurement, development and administration.

Financial income and costs
Financial income and costs include interest income and costs, realised and unrealised capital gains and losses on securities and transactions in foreign currency, as well as extra payments and refunds under the Danish Tax Prepayment Scheme.

The interest accrued on purchases and sales is recognised as interest rates.

Tax
The tax for the year, which consists of current taxes and changes in deferred taxes, is reported under profit/loss as the portion attributable to the profit/loss for the year and in other comprehensive income as the portion attributable to items in other comprehensive income.

When calculating the current tax for the year, the applicable tax rates and tax rules in force on the balance sheet date are used.

The company is jointly taxed with the parent company. The current Danish corporate tax is split between the jointly taxed companies on a pro rata basis in relation to their taxable incomes (full split with refund for tax losses).

BALANCE SHEET

Intangible assets
Intangible assets are valued at cost price less accumulated depreciations and write-downs or at recoverable value, whichever is lower.

Development projects comprise costs and wages directly and indirectly attributable to the company's development activities.

Development projects which are clearly defined and identifiable, where the technical degree of utilisation, sufficient resources and a potential future market or development op-

NOTES

Note

29 Accounting policies (continued)

portunity in the company can be demonstrated, and where the intention is to produce, market or utilise the project are recognised as intangible assets, if the cost price can be reliably calculated and there is adequate security that future revenue will cover the development costs and other overheads. The part of the company's development costs, which do not comply with the above mentioned criteria for recognition, are recognised in the income statement as expenses in the year in which they incurred.

After completion of the development activities the capitalised development costs are depreciated on a straight-line basis over their estimated useful lives. The depreciation period for capitalised projects is five years.

Acquired patents are written down throughout their duration.

Development projects in progress are tested annually for impairment.

Tangible assets
Land and buildings, property, plant and equipment as well as other fixtures and fittings, operating equipment and inventories are measured at cost price less accumulated depreciation and write-downs. There is no depreciation in respect of land.

The cost price includes the purchase price and all costs directly linked to the acquisition up until the point where the asset is ready for use. For assets manufactured by the company itself, the cost price covers direct and indirect costs for materials, components, sub-contractors and wages. Any interest expenses on loans for financing the manufacture of tangible assets are included in the cost price if they relate to the period of production.

Tangible assets are written down to the recoverable value if this is lower than the carrying amount.

The basis of depreciation is the asset's cost price less the residual value. Depreciation values are calculated on a straight-line basis over the expected lifetime which is as follows:

Buildings	25 years
Significant modifications to buildings	5 years
Property, plant and equipment	3 to 10 years
Other fixtures and fittings, operating equipment and inventories	3 to 5 years

Profits and losses on the sale of tangible assets are calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale. The profit or loss is recognised in the income statement under other operating income and operating expenses

Impairment of intangible and tangible assets
The carrying amount of non-current intangible and tangible assets is assessed regularly, at least once a year, to determine whether there are indications of impairment. If such an indication is evident, the asset's recoverable value is calculated. The recoverable value is an asset's fair value less the expected costs of disposal or the capital value, whichever is the higher. The capital value is calculated as the current value of expected future cash flows from the asset or the cash flow-generating units of which the asset is part.

A loss from impairment is recognised when the carrying amount of an asset or a cash flow-generating unit exceeds the recoverable value of the asset or of the cash flow-generating unit.

Stocks
Stocks are stated at cost price according to the FIFO method. If the net realisable value is lower than the cost price, the latter is written down to this lower value.

The cost price for raw materials and consumables comprises the purchase price plus landed cost.

The cost price for finished goods and work in progress comprises cost price for raw materials, consumables, direct labour costs and indirect production costs. Indirect production costs comprise indirect materials and labour costs as well as maintenance and depreciation of the machinery, plant and equipment used during the manufacturing process.

The net realisable value of stocks is stated as the sales price less completion costs and costs for effecting sales, and is determined taking into account marketability/unmarketability and the development in the expected sales price.

Receivables
Receivables include receivables from the sale of goods and services as well as other receivables.

Receivables are measured at fair value when they are first recognised and subsequently at amortised cost price, which usually amounts to the nominal value less write-downs to meet the expected loss. Write-down is carried out using a provisions account.

Financial assets available for sale
Financial assets available for sale recognised under current assets cover listed bonds.

Financial assets available for sale are measured at fair value when they are first recognised on the settlement date plus attributable costs upon purchase. The assets are subsequently measured at fair value on the balance sheet date (equivalent to the market price) and changes to the fair value are recognised under other comprehensive income. When assets are sold or disposed of, they are recognised under other comprehensive income on the trade date together with the recognised accumulated fair value adjustments.

Other provisions for liabilities
Allocated obligations/provisions are recognised when the company, due to circumstances occuring before or at the

NOTES

Note

29 Accounting policies (continued)

balance sheet date, has legal or actual obligations, and it is probable that financial benefits must be renounced in order to honour the obligation.

Liabilities
Short-term liabilities comprising debt to suppliers and other debts, are valued at amortised cost price, which normally corresponds to nominal value.

Corporate tax
Tax payable and tax receivable are recognised in the balance sheet as calculated tax on the taxable revenue for the year, adjusted for tax paid on account.

The company is jointly taxed with ES Holding Frederikshavn ApS.

Deferred tax
Deferred tax is valued according to the balance-sheet-oriented debt method on all temporary differences between carrying amount and fiscal value of assets and liabilities.

Deferred tax assets are recognised at the value at which they are expected to be used and balanced in deferred tax liabilities. Deferred tax is valued on basis of the tax rules and tax rates under the legislation applying as at the balance sheet date, when the deferred tax is expected to be payable.

Changes in deferred taxes as a result of changes in tax rates are recognised under profit/loss as the portion attributable to the profit/loss and under other comprehensive income as the portion attributable to items under other comprehensive income.

Cash Flow Statement
The cash flow statement is presented according to the indirect method based on ”Operating profit” in the income statement. The cash flow analysis shows the impact of the following three activities on the liquidity for the year.

Cash flow from operating activities comprises profit for the year adjusted for non-liquid operating items, changes in operating capital during the year and paid corporation tax.

Cash flow from investment activities comprises cash flow from purchase and sale of intangible, tangible and financial assets.

Cash flow from financing activities comprises cash flow from dividend to shareholders, purchase and sale of own capital investments and subscription of employee shares.

Cash at bank and in hand comprises cash at bank and in hand.

Segment reporting
The company’s activities can be divided into the segments Industrial Fiber, Engineering and Lighting. Segment reporting monitors the company’s accounting policies and internal financial controls.

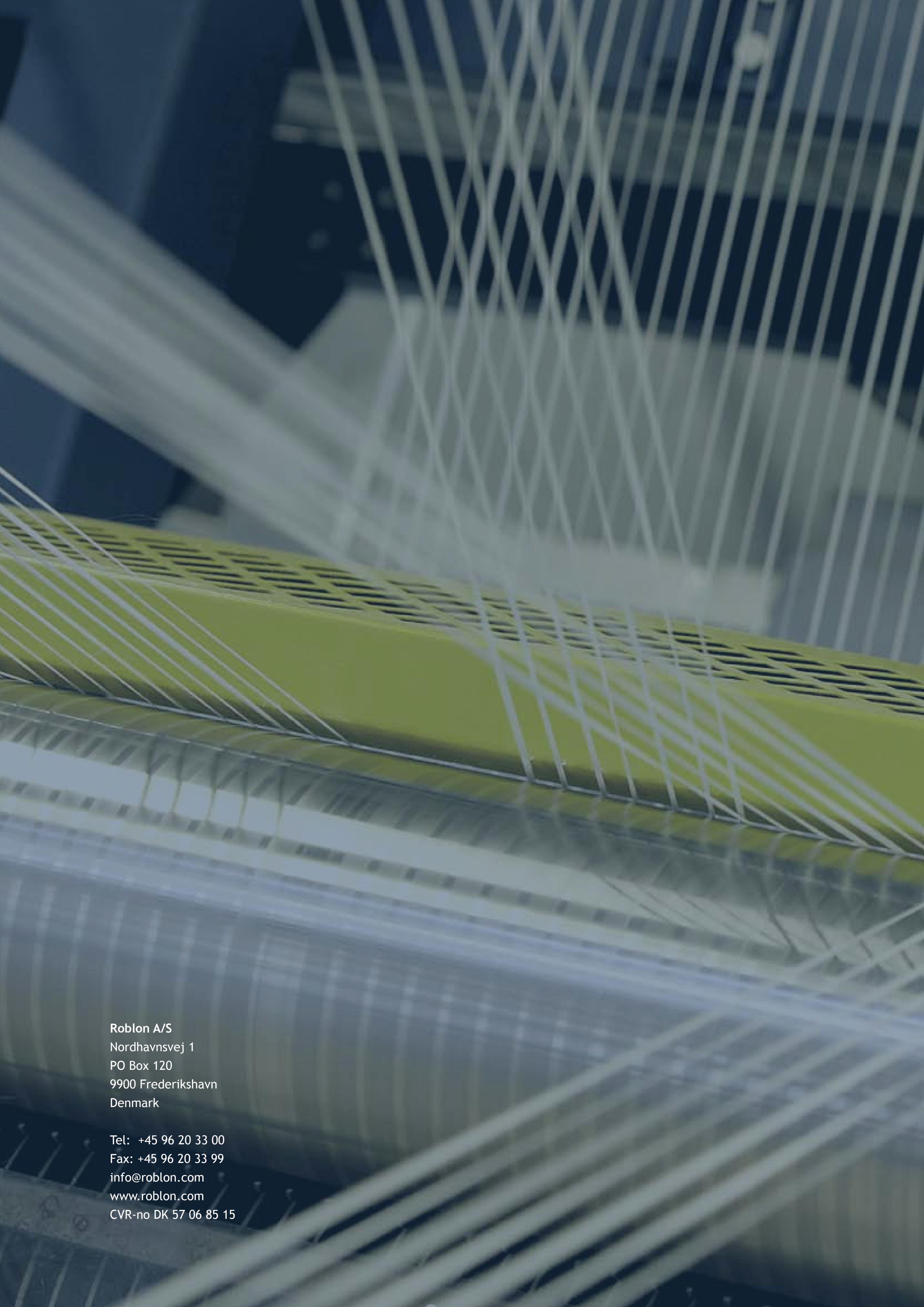
Non-distributed joint expenditure comprises expenditure on Board of Directors, the finance function, auditing, etc.

Key ratios
Key ratios have been calculated in accordance with the ”Recommendations and Financial Ratios 2010” from the Danish Society of Financial Analysts.

Financial highlights and key figures stated in the table are calculated as follows:

Profit ratio	Profit on primary activities as a percentage of revenue
ROIC/return on average invested capital	Operating profit (EBIT) as a ratio of average invested capital. Invested capital includes capital and reserves and corporate tax less liquid items and bonds.
Equity ratio	Capital and reserves as a ratio of total assets, end of period.
Return on equity	Profit after tax as a ratio of average capital and reserves.
Earnings per share of DKK 100 (EPS)	Earnings after tax as a ratio of average number of shares (excluding own shares).
Price/earnings ratio (PE)	Stock exchange listing as a ratio of earnings per share of DKK 100.
Payout ratio	Total payout of dividend as a ratio of profit on ordinary activities after tax.
Cash flow per share of DKK 100	Cash flow from operating activities as a ratio of average number of shares (excluding own shares).
Intrinsic value of shares	Capital and reserves as a ratio of number of shares (excluding own shares), end of period.

The key figures are adjusted for capital augmentations.



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