GLUNZ & JENSEN

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A/S


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# INTERIM REPORT FOR Q2 AND H1 OF FY 2007/08

## Summary


- Sales of CtP plate processors increased in Q2 2007/08, and developments within the iCtP area were positive. The fierce competition within plateline equipment resulted in a fall in revenue in this area.

- Within two product areas special project have been started. Work is going into reduction of the production costs and fixed expenses within the product area punch & bend and work is going into reducing the working capital within the product area CtP.

- Total revenue in Q2 2007/08 was DKK 124.4 million against DKK 123.4 million in Q2 2006/07.

  In H1 2007/08, revenue totalled DKK 220.0 million against DKK 244.1 million in H1 2006/07.

- An operating profit before special items of DKK 2.0 million was posted in Q2 2007/08 against a loss of DKK 1.3 million in Q2 2006/07. The improvement is primarily attributable to 15% savings on total sales and product development costs as well as administrative expenses relative to Q2 2006/07.

  In H1 2007/08, the operating profit before special items totalled DKK 1.2 million against DKK 3.7 million in H2 2006/07.

- The net loss for Q2 2007/08 amounted to DKK 1.7 million against a loss of DKK 4.6 million for Q2 2006/07. The results were negatively affected by the declining USD exchange rate.

  The net loss for H1 2007/08 amounted to DKK 2.8 million against a profit of DKK 5.8 million in H1 2006/07. The results for H1 2006/07 were positively affected by special items of DKK 5.2 million.

- The outlook for the current financial year is maintained – revenue of just over DKK 400 million and EBITA of DKK 0-5 million – excluding possible proceeds from the sale of the building complex in Ringsted.


Peter Falkenham
Chairman

René Barington
CEO


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## FINANCIAL HIGHLIGHTS FOR THE GROUP

| DKKm | 2007/08 H1 | 2006/07 H1 | 2007/08 Q2 | 2006/07 Q2 | 2006/07 FY |
|---|---|---|---|---|---|
| **Income statement** | | | | | |
| Revenue | 220.0 | 244.1 | 124.4 | 123.4 | 449.8 |
| Gross profit | 46.1 | 56.8 | 25.9 | 27.0 | 94.9 |
| Operating profit/(loss) before special items (EBITA) | 1.2 | 3.7 | 2.0 | (1.3) | (3.2) |
| Special items | - | 5.2 | - | (6.9) | 5.1 |
| Operating profit/(loss) (EBIT) | 1.2 | 8.9 | 2.0 | (8.2) | 1.9 |
| Net financials | (5.1) | (0.3) | (4.4) | 1.5 | (0.4) |
| Profit/(loss) before tax (EBT) | (3.9) | 8.6 | (2.4) | (6.7) | 1.5 |
| Net profit/(loss) for the period | (2.8) | 5.8 | (1.7) | (4.6) | 2.8 |
| **Balance sheet** | | | | | |
| **Assets** | | | | | |
| Goodwill | 39.8 | 41.7 | 39.8 | 41.7 | 41.1 |
| Other non-current assets | 65.8 | 108.8 | 65.8 | 108.8 | 107.8 |
| Current assets | 237.6 | 175.6 | 237.6 | 175.6 | 158.8 |
| **Total assets** | 343.2 | 326.1 | 343.2 | 326.1 | 307.7 |
| **Equity and liabilities** | | | | | |
| Equity | 155.9 | 162.6 | 155.9 | 162.6 | 158.9 |
| Non-current liabilities | 9.8 | 12.0 | 9.8 | 12.0 | 11.0 |
| Current liabilities | 177.5 | 151.5 | 177.5 | 151.5 | 137.8 |
| **Total equity and liabilities** | 343.2 | 326.1 | 343.2 | 326.1 | 307.7 |
| **Cash flows** | | | | | |
| Cash flows from operating activities | (39.8) | (32.3) | (26.9) | (30.8) | (10.8) |
| Cash flows from investing activities[1)] | (5.1) | 16.3 | (3.0) | (4.4) | 10.9 |
| Cash flows from financing activities | 45.2 | 8.2 | 29.4 | 27.1 | (7.0) |
| **Changes in cash and cash equivalents** | 0.3 | (7.8) | (0.5) | (8.1) | (6.9) |
| [1)] of which net investment in property, plant and equipment | (2.7) | 20.1 | (1.6) | (2.4) | 18.8 |
| **Ratios** | | | | | |
| Operating margin (EBITA) | 0.4 | 1.5 | 0.9 | (1.1) | (0.7) |
| Return on assets | 0.5 | 1.2 | 1.6 | (0.4) | (0.7) |
| Return on equity after tax | (1.8) | 3.5 | (1.1) | (2.8) | 1.2 |
| Equity ratio | 45.4 | 49.9 | 45.4 | 49.9 | 51.6 |
| **Other information** | | | | | |
| Net interest-bearing debt | 112.1 | 84.5 | 112.1 | 84.5 | 68.1 |
| Interest cover (EBITA) | 0.5 | 2.3 | 0.9 | (1.1) | (0.6) |
| Earnings per share (EPS) | (0.8) | 2.8 | (0.3) | (2.2) | 1.3 |
| Diluted earnings per share (EPS-D) | (0.8) | 2.7 | (0.3 | (2.1) | 1.3 |
| Cash flow per share (CFPS) | (19.0) | (15.4) | (12.8) | (14.7) | (5.1) |
| Book value per share (BVPS) | 74.2 | 77.7 | 74.2 | 77.7 | 75.9 |
| Market price per share | 43 | 79 | 43 | 79 | 59 |
| Average number of shares (1,000 shares) | 2.100 | 2.093 | 2.100 | 2.093 | 2.093 |
| Dividend per share | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Average number of employees | 361 | 369 | 357 | 352 | 362 |

Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33. Other ratios have been calculated in accordance with “Recommendations and Ratios 2005” issued by the Danish Society of Financial Analysts. Reference is made to definitions under accounting policies in Glunz & Jensen’s 2006/07 annual report.

Under financial highlights and in the management’s review, “Operating profit/(loss) before special items” is referred to as EBITA.

# MANAGEMENT'S REVIEW

## COMMENTS ON DEVELOPMENTS IN Q2 AND H1 2007/08

### Revenue and activities

As expected, revenue was higher in Q2 2007/08 than in Q1. Revenue thus amounted to DKK 124.4 million in Q2 2007/08, which is on a par with Q2 2006/07. In H1 2007/08, revenue totalled DKK 220.0 million against DKK 244.1 million in H1 2006/07, down 10%.

Revenue from CtP plate processors increased to DKK 77.3million from DKK 68.5 million in Q2 2006/07, up 13%. The increase was expected due to a high order intake in Q1 2007/08.

Revenue from CtP plate processors in Q2 2007/08 were significantly higher than in Q1 where revenue amounted to DKK 53 million. During Q2, the majority of the problems with prolonged delivery times for CtP processors were solved. In order to ensure adequate production in the quarter, completion of the relocation of the production of CtP plate processors from Denmark to Slovakia has been postponed from the end of 2007 to the end of January 2008. Reference is also made to the section on events occurring after the end of the period.

The order intake in the quarter was significantly lower than revenue. Revenue is thus expected to be somewhat lower in the period up until the large Drupa print media fair at the end of May 2008, i.e. around the end of FY 2007/08.

In H1 2007/08, revenue from CtP plate processors amounted to DKK 130.3 million, which is on a par with H1 2006/07.

Currently, focus is in particular on two areas within CtP plate processors. Firstly, work is going into optimising planning and material allocation with a view to reducing inventories. Thus, it is expected that the working capital may be reduced significantly during the next 6-12 months. Furthermore, a lot of effort has gone into developing new processing solutions, which are expected to be presented for the first time at Drupa.

Revenue from other prepress equipment totalled DKK 17.8 million against DKK 23.5 million in Q2 2006/07, down 24%. This development is attributable to reduced revenue within the underlying product areas, plateline and punch & bend.

In H1 2007/08, revenue from other prepress equipment totalled DKK 30.5 million against DKK 45.6 million in H1 2006/07.

Revenue from punch & bend was significantly higher in Q2 than in Q1, but still lower than expected. Competition within this area is particularly fierce, and average prices are declining quickly. Consequently, it is more difficult than expected to create growth in revenue despite an increased level of activity. As a result work is going into reduction of the production costs and fixed expenses within this product area

Plateline equipment comprises a number of products. The demand for ovens is declining as they are being superseded by newer printing plate technology. Due to their low technology content, plate stackers are being exposed to fierce competition, resulting in heavily declining price levels. It is Glunz & Jensen's strategy to maintain a reasonable margin on these products, and the fall in revenue within this area is thus expected to continue.

In Q2, the iCtP project showed good progress in several ways. The development work regarding the PlateWriter 2000, which is the newest iCtP product, progressed as expected, and after a successful beta test the product was launched after the end of the quarter in December 2007. With the Platewriter 2000, Glunz & Jensen has developed a product targeted for small printing presses, which may now give the smallest printing firms the advantages of the iCtP technology at an even lower price than previously. Further product development has been initiated, and the product is expected to be launched on the Drupa print media fair in May 2008.

Revenue from the iCtP product was slightly lower than expected in Q2 2007/08 due to limited sales in the USA, but considerably higher than in Q1 2007/08. The supply chain for consumables has stabilised and no longer constitutes a limiting factor for sales. The expansion of the European distribution channels has been initiated and is progressing satisfactorily. Expectations are therefore that revenue from iCtP products will be markedly higher in H2 2007/08 than in H1 2007/08.

Revenue from conventional processors decreased to DKK 4.4 million from DKK 5.2 million in Q2 2006/07, down 15%. This development is in line with the trend seen in recent years.

In H1 2007/08, revenue from conventional processors totalled DKK 9.7 million against DKK 12.9 million in H1 2006/07.

Sales of spare parts etc. totalled DKK 24.9 million against DKK 26.2 million in Q2 2006/07. In H1 2007/08, revenue from spare parts totalled DKK 49.5 million against DKK 53.9 million in H1 2006/07, down 8%.

On 29 November 2007, Glunz and Jensen opened an agency in Shenzhen, China. The office has three employees, who will support the company's customers and partners in the region. In the start-up phase, efforts will be focused on the CtP area, but later on the office will also work with the company's other product areas. The graphics market in China is seeing rapid growth, and it is one of the few areas in the world with growth.

**Results and changes in equity**

The operating profit before special items (EBITA) totalled DKK 2.0 million in Q2 2007/08 against a loss of DKK 1.3 million in Q2 2006/07. In H1 2007/08, the operating profit before special items etc. (EBITA) totalled DKK 1.2 million against DKK 3.7 million in H1 2006/07.

The reduction in H1 2007/08 is primarily attributable to lower revenue and a lower gross margin as a result of lower activity levels. Total sales and development costs and administrative expenses make a positive contribution since they, as in Q1 2007/08, were reduced by just over 15% relative to the same period last year.

Special items, an expense of DKK 6.9 million in Q2 2006/07, mainly comprised redundancy payments and costs incidental to the reduction in inventories. In H1 2006/07, special items amounted to income of DKK 5.2 million due to the special items recorded in Q2 2006/07 as well as proceeds from the sale of the production facilities in England. In H1 2007/08, the financial statements are not impacted by special items as the project concerning the closing-down of the factory in England has been completed.

Net financials amounted to an expense of DKK 5.1 million in H1 2007/08 relative to an expense of DKK 0.3 million in H1 2006/07. The negative development is attributable to developments in exchange rates in the period, including primarily the USD, as well as increased interest expenses due to increased net debt and increasing interest rates. The changes in exchange rates affected revenue negatively by DKK 4.8 million relative to H1 2006/07.

In Q2 2007/08, the Glunz & Jensen group posted a net loss of DKK 1.7 million against a net loss of DKK 4.6 million in Q2 2006/07. The net loss for H1 2007/08 amounted to DKK 2.8 million against a profit of DKK 5.8 million in H1 2006/07.

At the end of H1 2007/08, equity amounted to DKK 155.9 million, down DKK 3.0 million from the beginning of the period.

In H1 2007/08, Glunz & Jensen's holding of treasury shares fell from 10.0% to 9.7% as a result of the Board of Directors' exercise of share options in Q2 2007/08.

As in previous years, the group's activities have not been dependent on seasonal fluctuations or cyclical variations during the interim period.

**Assets, equity and liabilities**
The consolidated balance sheet total for Glunz & Jensen amounted to DKK 343.2 million at the end of H1 2007/08 against DKK 307.7 million at the beginning of the period. The most important reason for the increase is increased inventories and debtors. At the end of H1, inventories thus totalled DKK 101.5 million against DKK 76.1 million at the beginning of the period, while debtors totalled DKK 86.1 million against DKK 71.5 million at the beginning of the year. The increased balance sheet total is financed through increased borrowing. Net interest-bearing debt thus totalled DKK 112.1 million at the end of H1 against DKK 68.1 million at the beginning of the period. In order to change the development which in H1 have lead to increased tied-up capital, activities have been launched in preparation for reduction of inventory levels in Denmark and Slovakia.

## EVENTS OCCURRING AFTER THE END OF THE PERIOD

**Slovakia**
The transfer of the production of the last CtP processing platform from Denmark to Slovakia was completed in January 2008. This means that the project which began with the acquisition of an empty factory building in Presov in November 2004 is now completed, and all the company's CtP processors and plateline equipment are now being manufactured in Slovakia. The advantages resulting from of the transfer are largely in line with expectations at the outset; however, the strengthening of the Slovakian currency has reduced the planned savings. Focus, which has so far been on the establishment of the factory and knowledge transfer, is now changing towards the optimisation of operations and streamlining with a view to cutting costs further and reducing funds tied up.

**Sale of properties**
The company's properties in Ringsted have been put up for sale at a price of approx. DKK 90 million. The plan is that the company after the sale will lease part of the building complex on 5- to 10-year leases. If the properties are sold at the offer price, proceeds of approx. DKK 48 million less transaction costs are expected

The subsequent rent costs are expected to correspond to the expenses previously incurred in relation to depreciation and maintenance, and the long-term effect on the operating profit or loss is thus expected to be almost neutral. As current depreciation is replaced by the payment of rent, a negative effect on liquidity of DKK 4-5 million a year is expected.

After the payment of tax on the non-recurring proceeds, a positive effect on liquidity of approx. DKK 70 million is expected.

**Capital structure**
Due to the expected increase in liquidity resulting from the sale of the properties in Ringsted, the Board of Directors are discussing the company's future capital requirements and structure. The Board of Directors expects that part of the expected extra liquidity will be distributed to the shareholders in the form of share buy-backs or dividend.

Otherwise, no significant events have occurred after 30 November 2007.

## OUTLOOK FOR FY 2007/08

Revenue and earnings in H1 2007/08 were line with expectations. There is thus no reason to change the outlook for FY 2007/08 stated in connection with the announcement of the financial statements for 2006/07 on 30 August 2007.

Revenue of just over DKK 400 million is expected for FY 2007/08. The expected fall in revenue compared to 2006/07 is caused by an expected decline in demand for CtP processors and plateline equipment. EBITA is expected to total DKK 0-5 million, still including a loss resulting from investments in the two new product areas, iCtP and punch & bend.

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

To this should be added possible proceeds from the sale of the building complex in Ringsted.

***Statements concerning the future***
*Statements concerning the future, including, in particular, future revenue and operating profit/(loss), are subject to a number of uncertainties and risks, many of which are beyond Glunz & Jensen's control. As a result, the actual results may differ materially from expectations. Such factors include material changes in market conditions, including technological developments, in the customer portfolio, in exchange rates or company acquisitions or divestments etc.*

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The interim report for the period 1 June 2007 – 29 February 2008 is expected to be published on 31 March 2008.

## MANAGEMENT'S STATEMENT

Today, the Board of Directors and the Management have considered and adopted the interim report of Glunz & Jensen A/S for the period 1 June – 30 November 2007.

The interim report, which has not been audited or reviewed by the company's auditor, is presented in accordance with IAS 34 "Interim Financial Reporting" as endorsed by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

In our opinion, the interim report gives a true and fair view of the company's assets, equity and liabilities and financial position as at 30 November 2007 and of the results of the group's activities and cash flows for the period 1 June – 30 November 2007.

In our opinion, the management's review also gives a true and fair view of the development in the group's activities and financial situation, the interim results and the group's overall financial position as well as a description of the most significant risks and uncertainties that the group is facing.

*Ringsted, 31 January 2008*

**Management**

René Barington
*CEO*

**Board of Directors**

| | | |
|---|---|---|
| Peter Falkenham<br>*Chairman* | Henning Skovlund<br>*Deputy Chairman* | Steen Andreasen |
| Ulrik Gammelgaard | William Schulin-Zeuthen | Klaus Øhrgaard |

## CONSOLIDATED INCOME STATEMENT

| Note | DKKm | 2007/08 H1 | 2006/07 H1 | 2007/08 Q2 | 2006/07 Q2 | 2006/07 FY |
|---|---|---|---|---|---|---|
| 3 | **Revenue** | 220.0 | 244.1 | 124.4 | 123.4 | 449.8 |
| | Production costs | (173.9) | (187.3) | (98.5) | (96.4) | (354.9) |
| | **Gross profit** | 46.1 | 56.8 | 25.9 | 27.0 | 94.9 |
| | Other operating income | 0.1 | 0.1 | 0.0 | 0.0 | 0.5 |
| | Sales and distribution costs | (15.9) | (18.3) | (8.8) | (9.7) | (34.4) |
| | Product development costs | (16.3) | (17.7) | (7.9) | (10.1) | (36.9) |
| | Administrative expenses | (12.8) | (17.2) | (7.2) | (8.5) | (27.3) |
| | Other operating expenses | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) |
| | **Operating profit/(loss) before special items** | 1.2 | 3.7 | 2.0 | (1.3) | (3.2) |
| | Special items | - | 5.2 | - | (6.9) | 5.1 |
| | **Operating profit/(loss)** | 1.2 | 8.9 | 2.0 | (8.2) | 1.9 |
| | Financial income | 0.9 | 2.2 | 0.4 | 1.6 | 6.4 |
| | Financial expenses | (6.0) | (2.5) | (4.8) | (0.1) | (6.8) |
| | **Profit/(loss) before tax** | (3.9) | 8.6 | (2.4) | (6.7) | 1.5 |
| | Tax on profit/(loss) for the period | 1.1 | (2.8) | 0.7 | 2.1 | 1.3 |
| | **Net profit/(loss) for the period** | (2.8) | 5.8 | (1.7) | (4.6) | 2.8 |
| | | | | | | |
| | **Earnings per share** | | | | | |
| | Earnings per share (EPS) | (0.8) | 2.8 | (0.3) | (2.2) | 1.3 |
| | Diluted earnings per share (EPS-D) | (0.8) | 2.7 | (0.3) | (2.1) | 1.3 |

GLUNZ & JENSEN

# CONSOLIDATED BALANCE SHEET

| Note | DKKm | 30 November 2007 | 30 November 2006 | 31 May 2007 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| | **Non-current assets** | | | |
| | **Intangible assets** | | | |
| | Goodwill | 39.8 | 41.7 | 41.1 |
| | Other intangible assets | 19.2 | 22.6 | 21.6 |
| | | 59.0 | 64.3 | 62.7 |
| | **Property, plant and equipment** | | | |
| | Land and buildings | 28.2 | 68.2 | 67.4 |
| | Other fixtures and fittings, tools and equipment | 8.1 | 11.4 | 9.2 |
| | | 36.3 | 79.6 | 76.6 |
| | **Other non-current assets** | | | |
| | Deferred tax | 10.3 | 6.6 | 9.6 |
| | | 10.3 | 6.6 | 9.6 |
| | **Total non-current assets** | 105.6 | 150.5 | 148.9 |
| | **Current assets** | | | |
| | Inventories | 101.5 | 71.9 | 76.1 |
| | Trade receivables | 86.1 | 84.9 | 71.5 |
| | Other receivables | 6.7 | 15.4 | 6.8 |
| | Cash | 4.6 | 3.4 | 4.4 |
| 4 | Assets classified as held for sale | 38.7 | - | - |
| | **Total current assets** | 237.6 | 175.6 | 158.8 |
| | **TOTAL ASSETS** | 343.2 | 326.1 | 307.7 |
| | **EQUITY AND LIABILITIES** | | | |
| **6** | **Total equity** | 155.9 | 162.6 | 158.9 |
| | **Non-current liabilities** | | | |
| | Credit institutions | 8.8 | 10.6 | 10.0 |
| | Other non-current liabilities | 1.0 | 1.4 | 1.0 |
| | **Total non-current liabilities** | 9.8 | 12.0 | 11.0 |
| | **Current liabilities** | | | |
| | Credit institutions | 107.9 | 77.3 | 62.5 |
| | Trade payables | 38.9 | 31.7 | 40.1 |
| | Other current liabilities | 30.6 | 42.5 | 35.2 |
| | **Total current liabilities** | 177.4 | 151.5 | 137.8 |
| | **Total liabilities** | 187.2 | 163.5 | 148.8 |
| | **TOTAL EQUITY AND LIABILITIES** | 343.2 | 326.1 | 307.7 |

## CASH FLOW STATEMENT

| Note | DKKm | 2007/08 H1 | 2006/07 H1 | 2007/08 Q2 | 2006/07 Q2 | 2006/07 FY |
|---|---|---|---|---|---|---|
| | **Operations** | | | | | |
| | Operating profit/(loss) before special items | 1.2 | 3.7 | 2.0 | (1.3) | (3.2) |
| | Adjustment for non-cash operating items etc. | 9.0 | 12.9 | 3.7 | 10.9 | 21.3 |
| | Cash flows from operating activities before changes in working capital | 10.2 | 16.6 | 5.7 | 9.6 | 18.1 |
| | Changes in working capital | (42.6) | (24.7) | (28.0) | (18.7) | (6.0) |
| | Special items paid during the period | - | (19.2) | - | (16.8) | (24.6) |
| | Financial payments received and paid | (5.1) | (0.3) | (4.4) | 0.3 | (0.3) |
| | Income tax paid | (2.3) | 4.7 | (0.2) | (5.2) | 2.0 |
| | **Cash flows from operating activities** | (39.8) | (32.3) | (26.9) | (30.8) | (10.8) |
| 5 | Acquisition of intangible assets and property, plant and equipment | (5.1) | (7.1) | (3.0) | (4.6) | (13.4) |
| 5 | Disposal of property, plant and equipment | - | 23.4 | - | 0.2 | 24.3 |
| | **Cash flows from investing activities** | (5.1) | 16.3 | (3.0) | (4.4) | 10.9 |
| | **Cash flows from financing activities** | 45.2 | 8.2 | 29.4 | 27.1 | (7.0) |
| | **Total cash flow for the period** | 0.3 | (7.8) | (0.5) | (8.1) | (6.9) |
| | Cash, beginning of period | 4.4 | 11.2 | 5.2 | 11.5 | 11.2 |
| | Translation adjustment of cash and cash equivalents | (0.1) | 0.0 | (0.1) | 0.0 | 0.1 |
| | **Cash, end of period** | 4.6 | 3.4 | 4.6 | 3.4 | 4.4 |

## NOTES

1. **Accounting policies**

The interim report is presented in accordance with IAS 34 "Interim Financial Reporting" as endorsed by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

The accounting policies have been applied consistently with the 2006/07 annual report. The 2006/07 annual report contains the full description of the accounting policies.

2. **Significant accounting estimates and assessments**

The preparation of interim reports requires that the management makes significant accounting estimates which affect the application of the accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from such estimates.

The most significant estimates made by the management in connection with the application of the group's accounting policies and the significant estimated uncertainty involved are thus the same in connection with the preparation of the summarised interim report as in connection with the preparation of the 2006/07 annual report.

3. **Segment information**

The Glunz & Jensen group consists of one primary segment, the graphics segment. A division of the group's income statement, balance sheet and cash flow statement into primary segments thus corresponds to the consolidated figures.

**Primary segment – products**

| DKKm | 2007/08 H1 | 2006/07 H1 | 2007/08 Q2 | 2006/07 Q2 | 2006/07 FY |
|---|---|---|---|---|---|
| **Group** | | | | | |
| CtP processors | 130.3 | 131.7 | 77.3 | 68.5 | 251.4 |
| Other prepress equipment | 30.5 | 45.6 | 17.8 | 23.5 | 72.2 |
| Conventional processors | 9.7 | 12.9 | 4.4 | 5.2 | 24.7 |
| Spare parts etc. | 49.5 | 53.9 | 24.9 | 26.2 | 101.5 |
| Total | 220.0 | 244.1 | 124.4 | 123.4 | 449.8 |

4. **Assets classified as held for sale**

According to the latest interim report, Glunz & Jensen's properties in Ringsted have been put up for sale.

The building complex in Ringsted comprises a total floor area of 12,589 sq.m. and a site area of 49,431 sq.m. The public land assessment value of the buildings concerned amounts to DKK 81 million, while the book value was DKK 38.7 million as at 30 November 2007. High non-recurring income will be generated if the buildings are sold at a price corresponding to the assessment value. At the same time, interest-bearing debt will be reduced significantly.

As a consequence of the transfer of activities to Slovakia, the space requirements in Denmark have been reduced. The company therefore expects to be able to satisfy its space requirements by leasing part of the Ringsted buildings which are now put on the market.

No assets were classified as held for sale as at 30 November 2006.

5. **Acquisition and sale of property, plant and equipment**

In H1 2007/08, the group acquired assets totalling DKK 2.7 million (H1 2006/07: DKK 3.3 million). The acquisitions in H1 2007/08 are primarily attributable to the maintenance of the production buildings in Slovakia and Denmark.

No assets were sold in H1 2007/08. In H1 2006/07, the group sold production buildings in England with a total book value of DKK 8.7 million. The proceeds generated from the sale totalled DKK 14.7 million. This amount is recognised under special items.

6. **Statement of changes in equity**

| DKKm | Share capital | Translation reserve | Retained earnings | Proposed dividend | Total |
|---|---|---|---|---|---|
| **Equity as at 1 June 2006** | 46.5 | (2.6) | 111.9 | 4.7 | 160.5 |
| **Changes in equity in H1 2006/07** | | | | | |
| Translation adjustment, foreign entities | - | 0.5 | - | - | 0.5 |
| Net gains recognised directly in equity | - | 0.5 | 0.0 | - | 0.5 |
| Net profit for the period | - | - | 5.8 | - | 5.8 |
| **Total income** | - | 0.5 | 5.8 | - | 6.3 |
| Distributed dividend | - | - | - | (4.7) | (4.7) |
| Dividend, treasury shares | - | - | 0.5 | - | 0.5 |
| **Total changes in equity in H1 2006/07** | - | 0.5 | 6.3 | (4.7) | 2.1 |
| **Equity as at 30 November 2006** | 46.5 | (2.1) | 118.2 | 0.0 | 162.6 |
| | | | | | |
| **Equity 1 June 2007** | 46.5 | (2.9) | 115.3 | - | 158.9 |
| **Changes in equity in H1 2007/08** | | | | | |
| Sale of own shares (7.500) | - | - | 0.3 | - | 0.3 |
| Translation adjustment, foreign entities | - | (0.5) | - | - | (0.2) |
| Net gains recognised directly in equity | - | (0.5) | 0.3 | - | (0.2) |
| Net loss for the period | - | - | (2.8) | - | (2.8) |
| **Total income** | - | (0.5) | (2.5) | - | (3.0) |
| **Total changes in equity in H1 2007/08** | - | (0.5) | (2.5) | - | (3.0) |
| **Equity as at 30 November 2007** | 46.5 | (3.4) | 112.8 | - | 155.9 |

7. **Information about related parties and related party transactions**

The group's related parties with a considerable interest include the Board of Directors and the Management of the parent company plus executive employees and related family members. Related parties also include companies in which the above persons have considerable interests.

In Q2 2007/08, the Management partly exercised the share options granted in March 2003. In accordance with the share option programme, the exercise of the 7,500 share options was realised through a transfer of shares from Glunz & Jensen's holding of treasury shares. No share options were exercised in 2006/07. There have been no transactions with the Board of Directors, the Management, executive employees, major shareholders or other related parties except for payment of the usual remuneration.

GLUNZ & JENSEN

## QUARTERLY FINANCIAL HIGHLIGHTS

| DKKm | 2006/07 Q2 | 2006/07 Q3 | 2006/07 Q4 | 2007/08 Q1 | 2007/08 Q2 |
|---|---|---|---|---|---|
| **Income statement** | | | | | |
| Revenue | 123.4 | 90.3 | 115.4 | 95.6 | 124.4 |
| Gross profit | 27.0 | 14.4 | 23.7 | 20.2 | 25.9 |
| Operating profit/(loss) before special items (EBITA) | (1.3) | (8.0) | 1.1 | (0.8) | 2.0 |
| Special items | (6.9) | 0.0 | (0.1) | - | - |
| Operating profit/(loss) (EBIT) | (8.2) | (8.0) | 1.0 | (0.8) | 2.0 |
| Net financials | 1.5 | 0.1 | (0.2) | (0.7) | (4.4) |
| Profit/(loss) before tax (EBT) | (6.7) | (7.9) | 0.8 | (1.5) | (2.4) |
| Net profit/(loss) for the period | (4.6) | (5.6) | 2.6 | (1.1) | (1.7) |
| **Balance sheet** | | | | | |
| **Assets** | | | | | |
| Goodwill | 41.7 | 41.7 | 41.1 | 40.8 | 39.8 |
| Other non-current assets | 108.8 | 110.0 | 107.8 | 105.6 | 65.8 |
| Current assets | 175.6 | 162.8 | 158.8 | 168.1 | 237.6 |
| **Total assets** | 326.1 | 314.5 | 307.7 | 314.5 | 343.2 |
| **Equity and liabilities** | | | | | |
| Equity | 162.6 | 157.0 | 158.9 | 157.7 | 155.9 |
| Non-current liabilities | 12.5 | 11.7 | 11.0 | 10.7 | 9.8 |
| Current liabilities | 151.0 | 145.8 | 137.8 | 146.1 | 177.5 |
| **Total equity and liabilities** | 326.1 | 314.5 | 307.7 | 314.5 | 343.2 |
| **Cash flows** | | | | | |
| Cash flows from operating activities | (30.8) | 8.5 | 13.0 | (12.9) | (26.9) |
| Cash flows from investing activities[1)] | (4.4) | (2.7) | (2.7) | (2.1) | (3.0) |
| Cash flows from financing activities | 27.1 | (5.0) | (10.2) | 15.8 | 29.4 |
| **Changes in cash and cash equivalents** | (8.1) | 0.8 | 0.1 | 0.8 | (0.5) |
| [1)] of which net investment in property, plant and equipment | (2.4) | (1.5) | 0.2 | (1.1) | (1.6) |
| **Ratios** | | | | | |
| Operating margin (EBITA) | (1.1) | (8.9) | 0.9 | (0.8) | 0.9 |
| Return on assets | (0.4) | (1.7) | (0.7) | (0.1) | 1.6 |
| Return on equity after tax | 3.5 | 0.1 | 1.2 | (1.3) | (1.1) |
| Equity ratio | 49.9 | 49.9 | 51.6 | 50.1 | 45.4 |
| **Other information** | | | | | |
| Net interest-bearing debt | 84.5 | 78.8 | 68.1 | 82.8 | 112.1 |
| Interest cover (EBITA) | (1.1) | (5.6) | 1.4 | (0.4) | 0.9 |
| Earnings per share (EPS) | (2.2) | (2.7) | 1.2 | (0.5) | (0.3) |
| Diluted earnings per share (EPS-D) | (2.1) | (2.6) | 1.2 | (0.5) | (0.3 |
| Cash flow per share (CFPS) | (14.7) | 4.0 | 6.3 | (6.2) | (12.8) |
| Book value per share (BVPS) | 77.7 | 75.5 | 75.9 | 75.3 | 74.2 |
| Market price per share | 79 | 67 | 59 | 54 | 43 |
| Average number of shares (1,000 shares) | 2.093 | 2.093 | 2.093 | 2.093 | 2.100 |
| Dividend per share | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Average number of employees | 352 | 348 | 342 | 352 | 361 |