

Annual Report **2011/2012**



Roblon



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INCREASE IN REVENUE

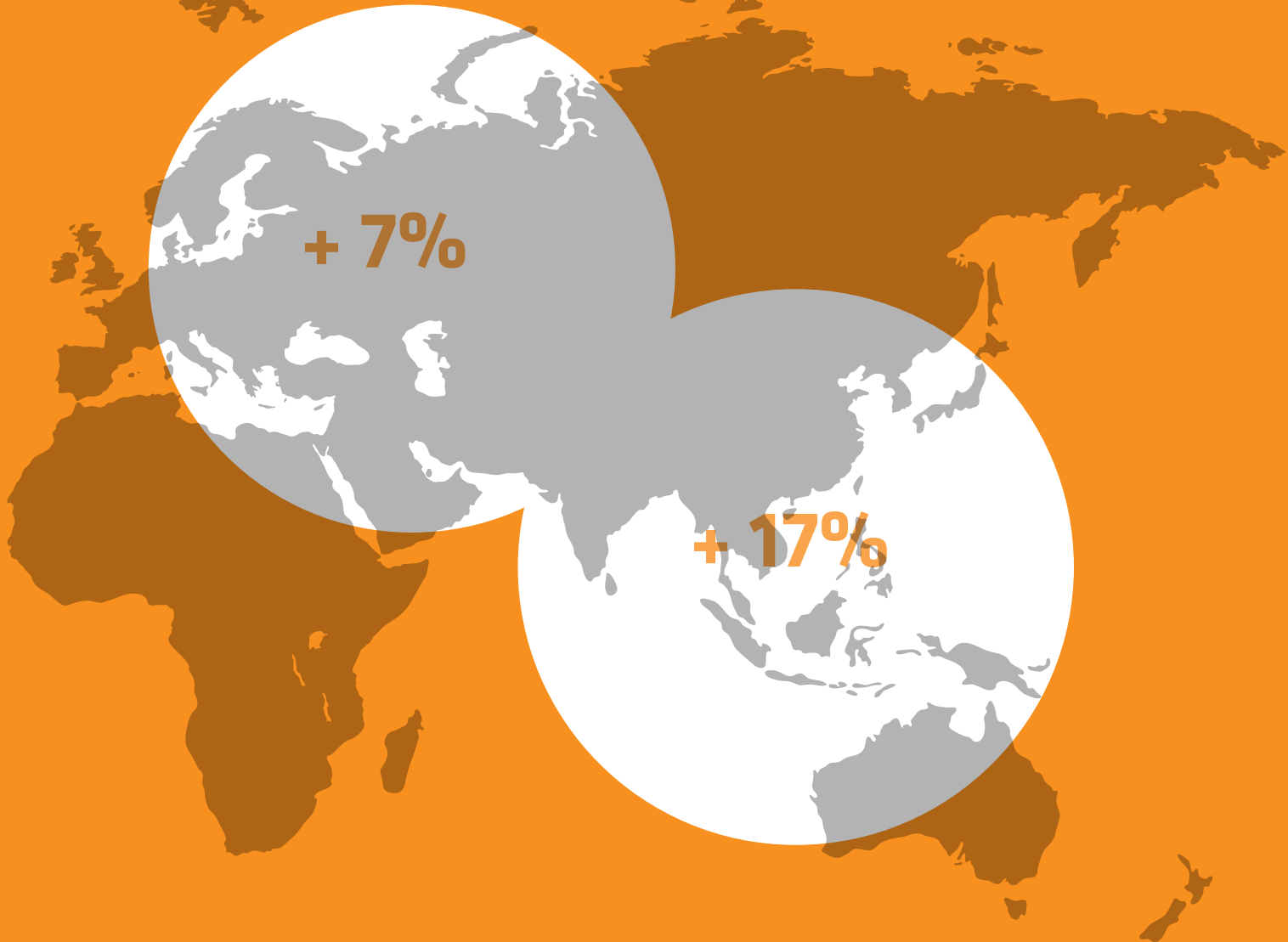
30.0 mill.

PROFIT BEFORE TAX

41.1 mill.

REVENUE

253.8 mill.



Roblon is setting the trend in its product group areas. We continually focus on opportunities, not constraints and is in front with product and technology development in innovative and green products. We find intelligent solutions with a global customer focus. Roblon wishes to be as innovative and strong as its own products. Therefore, we are constantly evolving and on course.

DIVIDEND

50%

PROFIT RATIO

15.5%

EXPORT SHARE

90.7%

Roblon in figures

Financial highlights (mill.DKK) *)	2007/08	2008/09	2009/10	2010/11	2011/12
INCOME STATEMENT					
Total revenue	251.9	185.9	201.7	223.8	253.8
Of which for export	234.3	174.4	183.7	199.4	230.2
Operating profit	32.8	12.0	27.8	36.4	39.3
Net financing, etc.	1.7	1.8	3.4	0.5	1.8
Profit before tax	34.5	13.8	31.2	36.9	41.1
Profit for the year	26.5	10.2	23.5	27.6	30.8
BALANCE SHEET:					
Total assets	226.2	209.2	224.9	242.0	244.0
Share capital	35.7	35.7	35.8	35.8	35.8
Capital and reserves	185.5	178.3	190.5	200.7	207.0
Shareholder value	282.1	213.6	221.4	213.9	298.6
CASH FLOW:					
Cash flow from operating activities	27.4	33.6	24.9	34.8	34.1
Cash flow from investment activities	(6.7)	(17.7)	(36.6)	15.5	6.1
Of which investment in tangible fixed assets (gross)	(6.3)	(4.3)	(2.2)	(1.4)	(3.5)
Cash flow from financing activities	(17.6)	(17.8)	(10.7)	(17.9)	(25.0)
Change in cash and cash equivalents	3.1	(1.9)	(22.4)	32.5	15.2
KEY FIGURES					
Profit ratio (%)	13.0	6.4	13.8	16.3	15.5
ROIC/return on average invested capital (%)	24.3	9.4	22.8	29.3	31.6
Solvency ratio (%)	82.0	85.2	84.7	82.9	84.8
Return on equity (%)	14.6	5.6	12.7	14.1	15.1
Earnings per share of DKK 100 (EPS)	74.5	28.6	65.8	77.3	86.2
Price/Earnings ratio (PE)	10.6	20.9	9.4	7.7	9.7
Payout ratio (%)	67	105	76	91	58
Cashflow per share of DKK 100 from operations	76.6	94.1	69.6	97.4	95.3
Dividend (% of nominal value)	50	30	50	70	50
Intrinsic value of shares	519	499	533	561	579
Stock-exchange listing, end of period	790	598	619	598	835
Number of full-time employees (average)	158	143	123	125	136

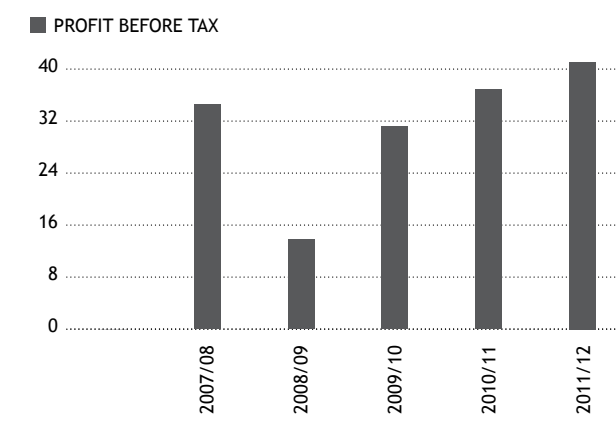
*) The key figures have been calculated in accordance with the Danish Society of Financial Analysts' Recommendations. The stated share-based key figures relates to the B-shares.

Please see accounting policies for definitions and terms.

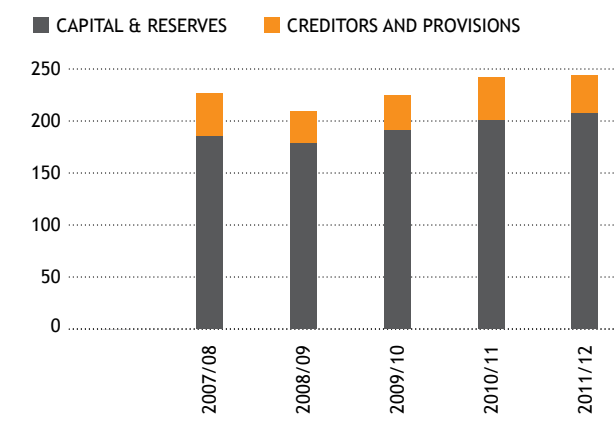
Summary

- Revenue and profit for the financial year 2011/12 were significantly better than expected at the start of the year.
- Revenue amounted to DKK 253.8 million, which is an increase of DKK 30 million and 13.4% on last year's revenue of DKK 223.8 million.
- Profit before tax amounted to DKK 41.1 million, which corresponds to an increase of 11.4% on last year's profit before tax of DKK 36.9 million.
- Profit after tax rose by DKK 3.2 million to DKK 30.8 million compared to DKK 27.6 million last year.
- Operating profit rose by 8.0% to DKK 39.3 million compared to DKK 36.4 million last year.
- Significant investment in the development of the company's strategic platforms was maintained during the year, resulting in a positive revenue trend for all four product groups; there was an especially satisfactory increase in revenue for the TWM product group, which saw growth of just over 50%.
- In light of the European debt crisis and turbulent global market conditions, the Board considers Roblon A/S' profit for the year to be extremely satisfactory.
- There is a proposed dividend of 50%, corresponding to DKK 17.9 million.
- To maintain and intensify our global customer focus, the matrix organisation has been strengthened by the fact that business development, which previously consisted of two business units, now comprises one business development function containing four product groups. The matrix organisation now consists of one business development function and one support function.
- The business structure means that Roblon A/S reports all situations and information in the annual report as one and the same company. The information is provided for one single segment, although with the revenue divided into four product groups.
- In the financial year 2012/13, revenue is expected to be in the region of DKK 235-260 million and profit before tax in the region of DKK 30-40 million.

PROFIT BEFORE TAX (MILLION DKK)



LIABILITIES (MILLION DKK)



On course

The financial year 2011/12 was another very distinctive year which we can add to the increasingly challenging, exceptional and unusual years that have dominated since the financial crisis took hold on a global scale.

The year began with budding optimism for the global market, and macro-economic indicators sent signals of an initial positive trend. Yet these were rapidly superseded by bad news for the global economy due to the continuing effects of the problems caused by the European debt crisis.

A turbulent world with unpredictable market conditions set the agenda and the year presented substantial challenges which were in actual fact much bigger than expected at the start of the year.

Despite the turbulence and European debt crisis, Roblon A/S has still achieved good results, with the targets for 2011/12 revenue and profit being met and even exceeding what was expected at the start of the year by some margin.

Turbulent market conditions and a world in constant flux have become a natural part of our day-to-day operations. With the implementation of the new strategy process and strategy basis, Roblon has adapted strategies and activities and, as a result of this, also the company's business model to the prevailing market conditions. This brings opportunities for business development and progress, even in these times of recession and no tailwind from the markets.

We are opting to exploit and examine these opportunities rather than focusing on and allowing ourselves to be dictated by market turbulence and restrictions. We are hugely dedicated to monitoring our growth strategies and making them successful, and we are moving forward and are on course.

We have a strong and motivated team of employees who are very ready for change and keen to achieve and fulfil the company's overall goals. This basic approach and motivation is crucial for success and, together with management capability, it is one of the essential elements required to realise our ambitious plans. In the past year our management focus has been on: busi-

ness drive, customers, empowerment, morale and energy. Areas which will continue to be in focus in the future.

During the course of the year we have also continued our significant investments designed to secure the development of our strategic platforms within global customer focus, sales, marketing and market development, product development and production.

Among other things, we have established Roblon's presence outside Denmark for the first time, by hiring a Chinese employee based in Shanghai.

Other measures include once again focusing our sales and marketing investments and activities on growth markets such as the BRICS countries. We have expanded this group to include another "I", making it BRIICS, so there are now six primary growth countries. The extra "I" represents Indonesia, a country which we see as possessing a great deal of potential for Roblon, and of which we have high expectations in the near future.

With a view to intensifying our global customer focus and customer orientation, we have strengthened our matrix organisation so that business development, which previously consisted of two business units, now comprises one business development function containing four product groups. From now on the matrix organisation will consist of one business development function and one support function containing common production, development and procurement functions.

A vital focus area for us is to very closely examine customer needs now and in the future. This is why we are now taking the step of setting up a brand new business centre in the Frederikshavn building and utilising, among other things, floor space of 2,500 m² for a working showroom.



The outlook for the next period does not appear to be any more uncertain and unpredictable than is the case right now. The transition to the new year brings the prospect of a global market facing considerable turbulence, as well as a European market with little growth - a situation we may have to be prepared to endure for the next few years. Thanks to the implementation of our strategic measures, we are, however, confident about Roblon's continued development.

We are a company moving forward and we are on course.

Klaus Kalstrup
Chairman of the Board

We would like to extend a warm thank-you to every Roblon employee for all their efforts over the past year, and look forward to the challenges of 2012/13. We would also like to thank everyone for their interest in our company.

Jens-Ole Sørensen
Managing Director

Management's review

Influenced by the European debt crisis and unpredictable global market conditions, Roblon continued its targeted work to implement the new growth strategy and strategy process.

The purpose of executing the strategy plans was to meet our overall targets for revenue and profit, while also balancing the requirements imposed by a turbulent world in constant flux.

We are adapting our business model to the prevailing conditions and the opportunities that the world markets still offer.

Strengthening of the matrix organisation

In order to strengthen customer focus and customer orientation, dynamics and the execution of sales and potential business development opportunities, as well as demonstrating and clarifying the business decision-making expertise to customers and markets, we have organised Roblon's business development function into one single unit containing four product groups:

- Cable fibres/cable machinery
- TWM
- Offshore and other industry
- Lighting

The product groups are responsible for global sales, marketing and business development within their own areas.

Products for the fibre optic industry are manufactured within the *cable fibres/cable machinery* area.

The *TWM* area manufactures twisters and rope-making machinery for the rope-making industry as well as winders for the carbon fibre industry.

The *offshore and other industry* area manufactures products for the offshore industry as well as the high voltage electricity supply industry.

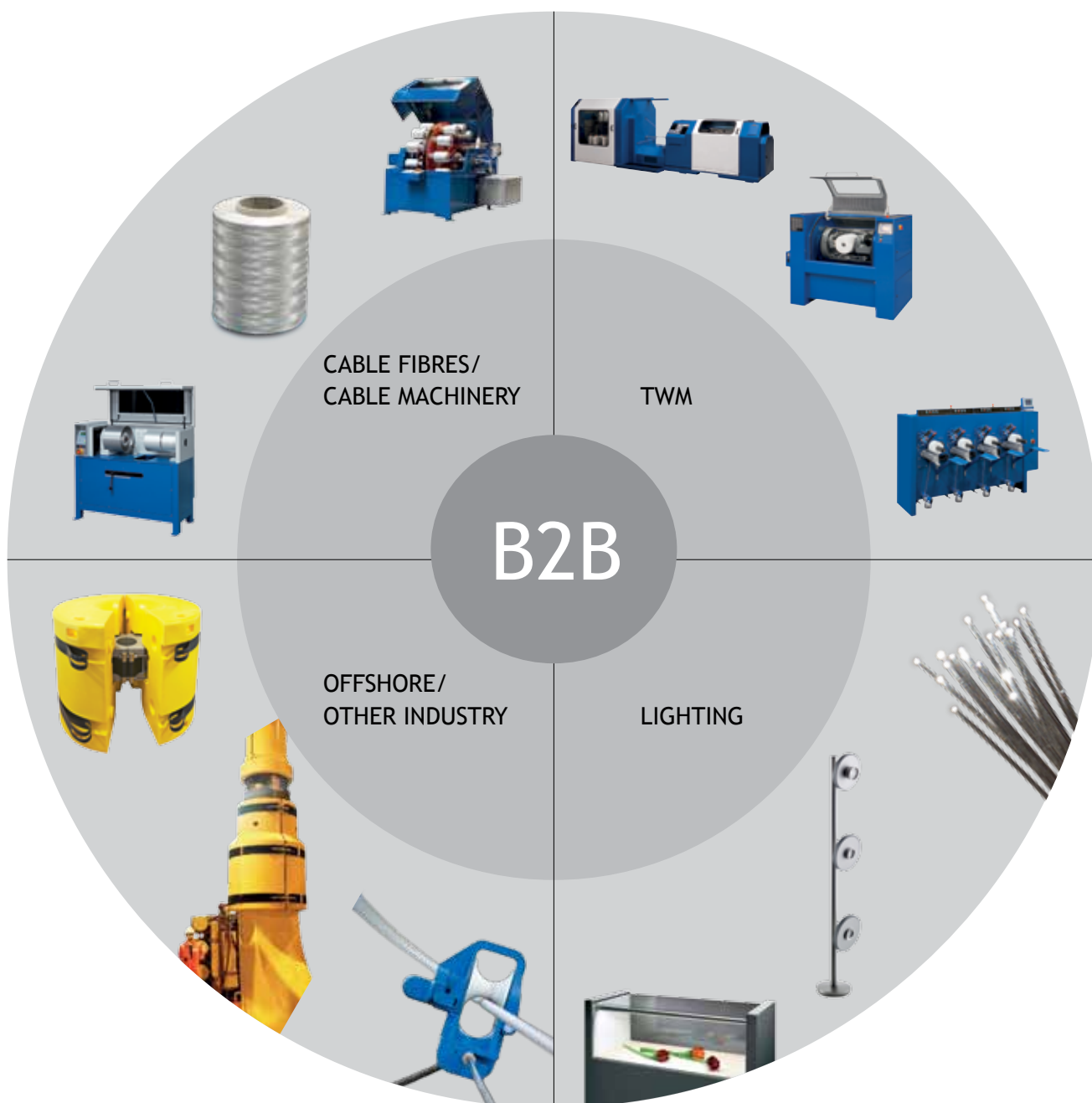
LED lighting products and fibre optic lighting products are manufactured within the *lighting* area.

The matrix consequently consists of one business development unit plus one support unit containing one common production function, one common development function and one common procurement function.

During the financial year we have continued our significant investments designed to secure the development of our strategic platforms within sales, marketing and market development, production and product development.

Focus has, among other approaches, been concentrated on activities within the following strategic areas:

- Globalisation
- Energy and environment
- Safety
- Acquisitions and partnerships



Business development now consists of one business development function containing four product groups.

Focus on globalised business development

One of the most important strategic focus areas is *globalised* business development with special focus on the BRICS growth markets. This means that for the first time Roblon has established a truly independent and permanent presence outside Denmark by hiring a Chinese employee based in Shanghai.

China is investing heavily in the development and expansion of efficient and rapid communication networks for the whole country's professional and private consumers, and the Chinese market represents approximately half of the world market for fibre optic cables. The size and continued rapid development of the market represent attractive opportunities, while also giving a very significant competitive edge.

We have also greatly intensified the sales and marketing efforts in the Indonesian market, and our BRICS focus has been expanded to include another "I", so the most important strategic growth markets for Roblon are now represented by BRIICS.

Indonesia is a market undergoing strong growth and is the fourth most populous nation in the world, with a middle class of some 45 million people that each year grows by another eight million. Areas within infrastructure and telecommunications have substantial commercial potential in the market. At the same time, the fishing industry offers attractive opportunities with more than five million fishermen in the country.

It is absolutely crucial to have a local partner in place that knows the culture and market requirements. Roblon has placed a very high priority on developing strong relationships to ensure an effective partnership, and sales in our TWM product group have more than doubled in the Indonesian market compared to last year.

Energy and environmentally optimised products

It is of crucial strategic importance for Roblon to be at the forefront when it comes to developing and launching innovative, value-creating and *energy and environmentally optimised* products.

We have launched a complete range of "**LED Spotlight**" products, for lighting in areas such as offices, schools and other municipal buildings, car showrooms, hospitals, shops and many more. These products typically provide savings of up to 90% off the electricity bill compared to traditional halogen spot lighting.

While traditional halogen light fittings generally need to be replaced approx. every 6-7,000 hours, Roblon's new LED Spotlights last for more than 50,000 hours before needing to be replaced.

We work continually on optimising the energy consumption of the existing range of machinery so that Roblon always sells and markets the best energy-optimised products on the markets. In this way our standard range of twisters has been developed and optimised in terms of energy consumption, which so far has been reduced by more than 25%.

Further development of the safety market area

We have continued our efforts within business development of the *safety* market area.

For protection and safety in conjunction with operations on oil platforms, we can now, in addition to our FOG net, also offer net solutions to protect submarine oil installations at a depth of several kilometres.

The most important strategic growth markets for Roblon are now the BRIICS.

* BRIICS consist of Brazil, Russia, India, (Indonesia), China and South Africa.

Furthermore, we can offer net solutions to other maritime business areas, such as the protection of large communication/electricity supply cables located on the sea bed. These are often exposed to damage when trawl nets are dragged over the cables, but are also subjected to general wear and erosion of the cable due to the cable's movement against the sand.

Another area that comes under *safe* solutions is the launch of a brand new range of spooling machines for e.g. the cable industry. The machines spool cables of varying thicknesses 100% automatically and very accurately onto flange spools. Within the cable and steel wire industry this task is currently performed by an operator who manually spools onto the drums, which in several cases involves a significant risk of serious accidents for the operators.

With Roblon's new machines, there is no longer any need for manual work as part of the actual spooling process.

Acquisitions and partnerships

The *acquisitions and partnerships* area is an area which has seen targeted and structural work over the year. There are several commercial opportunities within the area that have been selected for further analysis and evaluation.

Financial year 2011/12

The financial year 2011/12 was another year of major challenges, which turned out to be much more substantial than

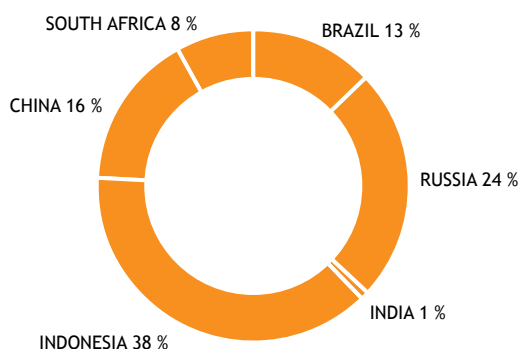
expected at the start of the year. At the turn of the year macro-economic indicators signalled a budding yet weak trend towards an upturn in the world economy. Yet this was rapidly superseded by a poor outlook for the global economy primarily due to the continuing effects of the problems caused by the European debt crisis.

The European market is still very important for Roblon, but we have to expect stagnation and lower market growth on this market for many years to come. The challenges are and remain creating growth with no tailwind from a growing market. We manage this through innovation and by using new solutions.

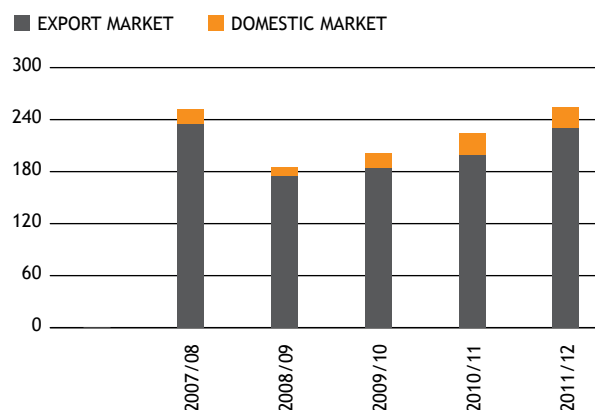
In the past year we have initiated several strategic measures designed to meet our targets and put us in a stronger position to face the intriguing challenges currently offered by a turbulent world. These include intensifying our customer focus and the globalisation of our business, as well as greater focus on and investment in product development. We now have many new products at our disposal which have recently been released onto the market and several more will follow shortly. These will help us in turbulent times, not least in making us even stronger when the economic situation finally turns.

Turbulence, changes and unpredictable market conditions have become part of our day-to-day operations and despite turbulent world markets Roblon continues to generate good profit levels.

SALES DISTRIBUTION FOR BRIICS



NET REVENUE (MILLION DKK)



Profit for the year

Revenue for the year rose by DKK 30 million to DKK 253.8 million, corresponding to an increase of 13.4% on last year, which is significantly better than expected at the start of the year.

Operating profit (EBIT) rose by DKK 3 million, an increase of 8.0% to DKK 39.3 million, compared to DKK 36.4 million last year.

Profit before tax rose 11.4%, which corresponds to DKK 4.2 million, and amounted to DKK 41.1 million compared to last year's profit before tax of DKK 36.9 million.

This means in the three years since the financial crisis hit the company in 2008/09, and in a period of recession, Roblon has improved revenue by 36.5%, which corresponds to an annual increase of approx. 11%. Operating profit has improved by a multiple of 3.3, while profit before tax has trebled.

All four product group areas have demonstrated positive growth for the year compared to last year, although with significant differences.

The **lighting** product area has achieved a modest growth of 1% compared to last year. This result indicates a slowdown in the decline in revenue in this area. It is certainly encouraging given the circumstances that we can record healthy and satisfactory progress in the sales of our important energy-saving LED lighting products.

Within the **cable fibres/cable machinery** product area a particularly difficult Russian market has, among other things, meant that the area has only grown by 1.1%.

Stable growth in offshore

Over the year the **offshore and other industry** area has shown good and stable growth, especially in the last quarter of the year, and reported an increase of 5.2% on last year's figures.

Strong growth for TWM

The **TWM** product area, which includes machinery for rope-making and the carbon fibre industry, has experienced a very satisfactory growth. The major global focus has borne fruit and revenue for the year increased by more than 50% compared to last year.

Profit for the year corresponds to the most recent statement, dated 29 November 2012, in which Roblon adjusted the profit upwards compared to the statement for the third quarter.

Events after the balance sheet date

There have not been any significant events or conditions with a material effect on Roblon's financial position since the end of the financial year.

Future expectations

The new year will undoubtedly be another turbulent and challenging year on a par with the last few years which, ever since the financial crisis, have held substantial challenges. We are looking at a year with a very uncertain global market and there is nothing to suggest a turn in the economic trends - and definitely not for the European market.

On the contrary, things are moving in the wrong direction for a number of European countries, with dwindling business confidence and recession problems as a result.

Revenue for the year rose by DKK 30 million to DKK 253.8 million, corresponding to an increase of 13.4% on last year, which is significantly better than expected at the start of the year.

However, there are still growth areas in the world that constitute attractive business development opportunities, and Roblon will continue with its major investment in and focus on these areas in the coming year.

The European market is and will remain a strategically important market on which Roblon will focus to a great extent, but global growth opportunities will continue to consist of, among other markets, the BRICS countries. It is here that we will be basing many of our future activities.

Our primary focus in the next period will include the following areas:

- Product development/new products
- Customer focus and globalisation
- Marketing and business development
- Acquisitions and strategic partnerships
- Organisation and strategic management

Product development

Being able to keep developing and launching new and trend-setting products is an important strategic area for Roblon. In periods of crisis and recession it is particularly important for us to be in a position to offer attractive products and solutions that create significant values for our customers.

Our ambition is therefore for our product development to be ahead of all other companies' and we will continue with heavy investment in product and technology development.

Customer focus

We have established a strong and efficient *technology centre* to help us achieve our ambitions within product development, and

we are now pushing forward with the customer focus area by setting up a *business centre*.

Establishing a new business centre

In future we will use the building facilities in Frederikshavn for purely commercial purposes, which means that we are moving the lighting production from Frederikshavn to our building in Sæby, which will be enlarged and modernised. By merging production units it will also be possible to achieve efficiencies and major synergy effects.

We will use the new business centre in Frederikshavn for effective "VIP treatments" for both existing and new customers. We will turn the 2,500 m² former production area into a working showroom for all our products, e.g. machinery, cable fibres, offshore and lighting solutions.

Together with the customers we can continually optimise products, identify new solutions, etc. without having to disrupt daily production.

Business development and globalisation will continue with the aim of further strengthening commercial focus and market orientation as well as utilising and optimising synergies and expertise. We expect the new business centre to play a role in strengthening these disciplines.

In addition to this, analyses of permanent representations will also continue in the next period so that we are able to handle the market-related challenges of each region to the best of our ability.

We have established a strong and efficient technology centre to help us achieve our ambitions within product development, and we are now pushing forward with the customer focus area by setting up a business centre.

The financial year 2011/12 has fully lived up to our expectations from the start of the year.

In light of the European debt crisis and very turbulent global market conditions, we consider the profit for the year to be very satisfactory.

Acquisitions and partnerships

It is important to enhance our global position and be able to offer the customers more complete solutions as well as making more of our sales resources, production facilities and support functions. One of the goals here is to enter into strategic partnerships and make acquisitions.

We are continuing the targeted work on identifying suitable partners and candidates for acquisition with product ranges that would naturally extend our existing product portfolios. Dialogue is regularly held with different companies about the potential for such deals.

Employees and management

To achieve our overall goal it is important for our employees to have regular training and be motivated through involvement, and for them to act, focus and function for the purposes of achieving the same goal, which is to create value for the customers.

Management capability is one of the essential elements in realising our ambitious plans and there is a constant focus on developing and training our managerial staff. Focus areas for our management team will concentrate on factors including: customer focus, business drive, empowerment, efficiency and morale.

The financial year 2011/12 has fully lived up to our expectations from the start of the year. In light of the European debt crisis and very turbulent global market conditions, we consider the profit for the year to be very satisfactory.

Expectations for revenue and profit

The outlook for the new year does not appear to be any more uncertain and unpredictable than at the present time, with continued major global market turbulence, the debt crisis and little, if any, growth in the European markets in the next few years. Thanks to the implementation of our strategic measures and continued heavy investment, Roblon expects the positive development to also continue into the next period.

We therefore expect combined revenue for Roblon in 2012/13 to be somewhere between DKK 235 million and DKK 260 million and profit before tax in the region of DKK 30-40 million.

Statutory statement of corporate social responsibility

Roblon considers corporate social responsibility (CSR) to be a completely natural part of the company's business principles. Responsibility towards society helps to define the overall scope for the activities, which are initiated.

In this way Roblon works continually towards maintaining a healthy and safe working environment. Our focus at all times is on reducing the company's environmental impact on our surroundings, using materials efficiently and optimally and also on recycling materials where possible in order to continually reduce waste. At the same time, we are working on reducing our energy consumption. Good business ethics are similarly an inherently natural "must" at Roblon.

Roblon has not come up with a structured approach to explain the relationship between CSR and value-creating business operations, and for this reason has not adopted policies for the area. As a consequence of this, there is no separate statement for the area.

Roblon multi straps mounted on an oil platform.
Photo: Balmoral Group





FOCUS

Russia

FOCUS

China

FOCUS

Indonesia

FOCUS

**South
America**

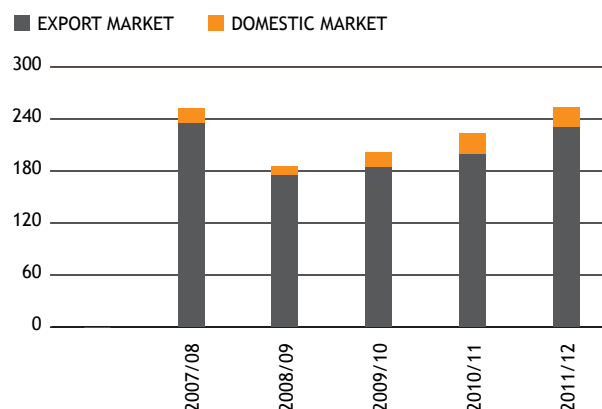
Bigger global footprints

In 2012 Roblon made good progress with globalisation, which is one of the cornerstones of the company's business strategy. Following success in several overseas markets, Roblon made approx. 40% of its revenue for the financial year 2011/12 outside Europe – an increase of 12% compared to last year.

It was some years ago that Roblon made a real breakthrough in the export markets, and export sales have reliably delivered around 90% of company revenue for quite a few years. Yet three years ago, Roblon began to more systematically canvass overseas markets in order to gain access to new growth and reduce reliance on the traditional markets of western Europe. This initiative has received an extra fillip from the economic turbulence in the eurozone countries, especially in southern Europe.

In general, Roblon has been busy with the markets in Asia, North, South and Latin America and also parts of eastern Europe, where the growth is most attractive for Roblon's product groups. Roblon is focusing particularly on the so-called BRICS countries - Brazil, Russia, India, China and South Africa - with the addition of an extra "I" for Indonesia, where Roblon has extensive operations within the rope-making industry.

In these markets Roblon is working to strengthen local sales via agents and distributors, by taking part in trade fairs and implementing other marketing measures and also by regularly visiting actual and potential customers. Roblon sets great store on spending the time required on canvassing work and building strong relationships with the customers because these relationships, together with customer-focused product development and market adaptation, result in the best cooperation in the long-term.



EXPORT SALES HAVE
RELIABLY DELIVERED
AROUND

90 %

OF COMPANY REVENUE
FOR QUITE A FEW YEARS



Roblon multi straps applied to marine drilling risers.
Photo: Aker Solutions

Despite the challenges facing the European markets, Roblon is continuing to invest in a whole host of activities designed to enhance its competitiveness, expand the business and take market shares in Europe. As a consequence, Roblon's sales figures for western and southern Europe for 2011/12 were up 17% on the previous year. The company's growth, however, was delivered primarily by the overseas markets. This is the breakdown of how Roblon generated significant growth outside Europe: revenue rose by 13% in Asia, 103% in China, 38% in South America and 43% in North America.

Dedicated sales representations

Roblon acquired its first permanent presence outside Denmark in March 2012 by hiring a sales representative in Shanghai. The results have been good, and Roblon is continually assessing the need to expand staffing in China.

At the same time, Roblon is analysing the prospects of achieving a lasting foothold by means of dedicated sales representatives in other markets. Brazil and Russia are just two of the countries where this is a focus area.

Brazil, first and foremost because the nation has rapidly turned into a very big market for the oil and gas industry following the discovery of large offshore oil and gas deposits. With the state-owned company Petrobras as the prime mover, rapid oil field expansion is taking place as is infrastructure and harbour development, and many international companies have also arrived to share in the boom.

Roblon already supplies products to offshore companies in Brazil, notably high strength and lightweight belts and straps. However, Roblon is primarily a subcontractor and is keen to work directly with key customers, including Petrobras. But this is a challenging aim; it requires time and perseverance to create sustainable relationships with customers in Brazil and this is why Roblon is analysing the possibility of hiring dedicated sales representatives and possibly combining this approach with local production of for example safety nets and other products for the offshore industry. Industrial fibres for fibre optic cables could also have a future in Brazil.

We are also considering whether to establish a permanent presence in **Russia** because relationships are such an important aspect of the Russian business culture. They are often equally as important as the price or quality of a product. As a consequence, Roblon sees a competitive advantage in having a physical presence in the market so as to create strong, lasting relationships with the customers. Yet the complexity, language and culture of the market also constitute barriers that are best overcome with a permanent presence in the market. It is these advantages which must be weighed up against the costs of maintaining a permanent office.

Roblon already sells a considerable amount of industrial fibres for fibre optic cables to Russian cable manufacturers. But the country holds potential for all of Roblon's four product groups.



High growth in Indonesia

In Indonesia, Roblon is in a way establishing a link to its own past. Roblon was founded in 1957 for the purpose of manufacturing ropes for fishermen in northern Jutland, and in Indonesia in 2012 some five million local fishermen represent a strong base for Roblon's activities within machinery for production of quality ropes, nets, twine, fishing lines, etc.

The financial year 2011/12 also saw Roblon increase the sales of machinery by more than 100% in Indonesia. The company has a strong brand among local rope producers, who already rely on Roblon for many machines, and Roblon also benefits a great deal from the efforts of a dedicated local agent in Jakarta, the country's capital and largest city.

The agent is fully focused on rope-making machines. His industry insight has opened doors for Roblon's sales representatives and engineers from Denmark and paved the way for close dialogue with the customers. The agent is also assisting Roblon with its entry into a market that is attractive but can be difficult too. There is a lot of red tape. Many different things require permits and it takes time to get these. The legislation is also complicated, so an international company has to be particularly thorough when doing its homework and be patient and persistent - and have a good, credible local partner to help the company make a good account of itself.

Withstood the recession

Indonesia is one of the countries which has been best able to withstand the global economic recession. It is true that some of the country's most important raw materials have seen price falls, and exports have been hit by lower demand from Europe, just as the Indonesian rupiah has fallen in value. Yet this has almost been offset by strong domestic consumption driven by high levels of investment in, among other things, infrastructure and by a rapidly growing middle class.

The middle class now consists of some 45 million people, almost one fifth of the population, and with projected growth in both the economy and the middle classes, the country has the potential to become the third largest consumer base after China and India.

The International Monetary Fund (IMF) anticipates a GDP growth in Indonesia of a solid 6% in 2012 and slightly higher growth in 2013, although with reservations for the effect of the global recession.

It is not only Indonesia that is demanding rope-making machinery. Roblon is reporting good sales in countries such as Vietnam, Thailand, Taiwan and China. At the same time, the growth and modernisation of these countries creates new markets for Roblon's other products, especially industrial fibres for fibre optic cables.

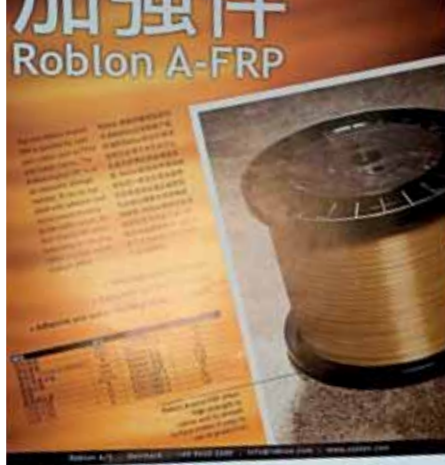


Photo: Roblon



Roblon's Chinese face

On 1 March, Roblon opened a sales office in Shanghai, China – the company's first permanent presence outside Denmark. Things have been going well so far, and we are looking into the possibility of establishing other offices.

The main focus for the office in 2012 has been industrial fibres for fibre optic cables and cable machinery - the largest of Roblon's four product groups. An obvious choice since China is the world's largest market for fibre optic cables. The market is growing, and China on its own represents around half of the world market. This growth is driven by China, like other emerging markets, having a real need to develop communication lines and infrastructure in order to improve the opportunities of both the business world and private individuals to communicate effectively.

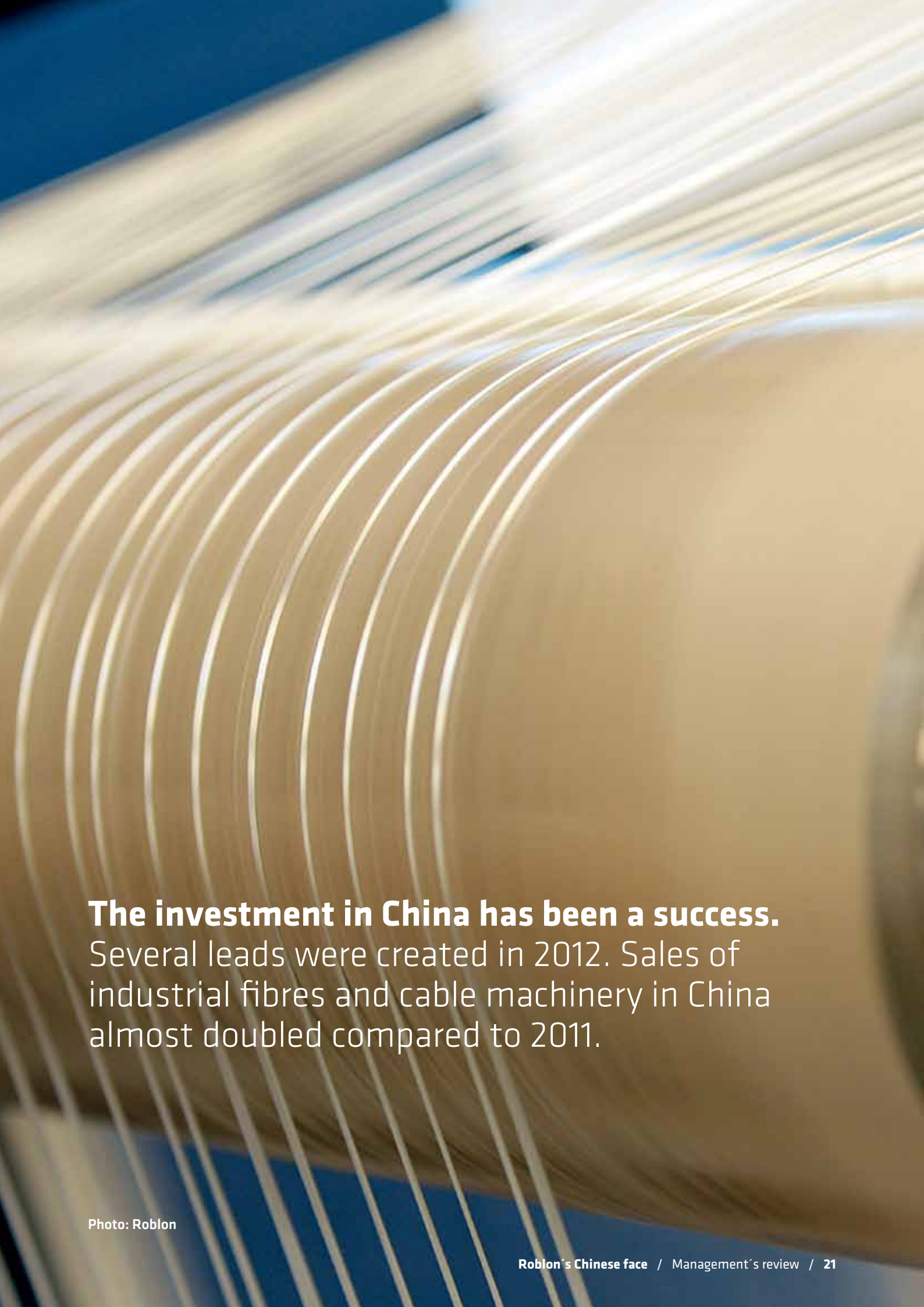
The investment in China has been a success. Several leads were created in 2012 and the year also saw sales of industrial fibres for cables and cable machinery in China almost double compared to 2011.

It is impossible to say how much of this success can be attributed to the new Chinese sales representative and how much is due to Roblon's years of canvassing China via agents and travelling sales representatives from Denmark. Yet what we do know for certain is that, via its dedicated sales representative in China, Roblon has moved closer to its customers and gained a much better insight into the decision-making processes there.

Contribution to efficiency measures

Roblon has sold fibre optic cables and cable machinery in China for several years and has seen the market transform several times. Throughout the 1990s China mainly wanted machinery for cable production, but as a new decade began demand shifted towards fibre products. Now machinery for producing fibre optic cables is once again at a premium. This is due both to the need to update outdated production equipment and to the constantly rising wage levels in China forcing the companies to streamline and modernise their production.

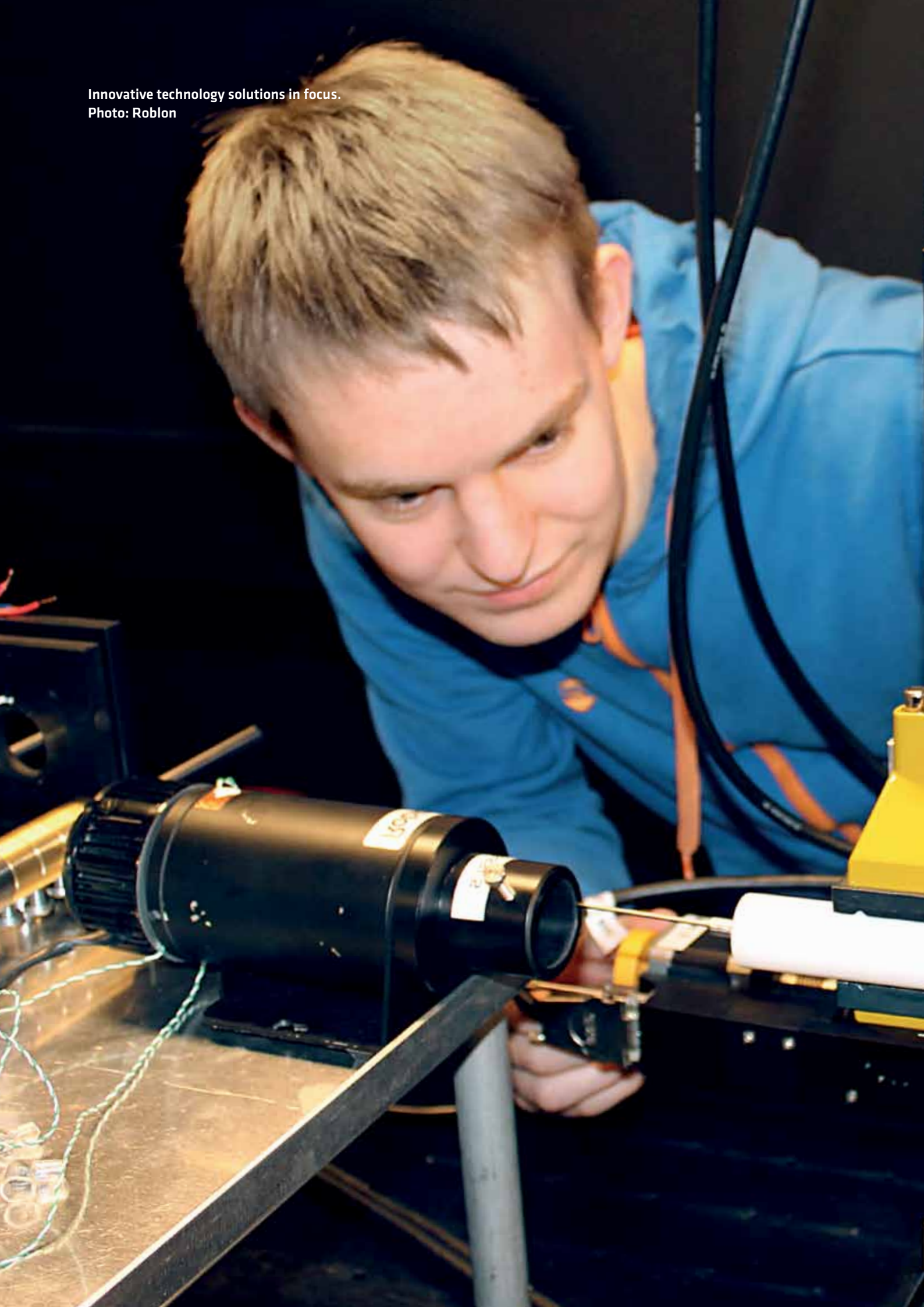
The cable market in China is very fragmented. There are up to 200 potential Roblon customers in the country, while in the mature western European markets there are typically no more than five customers per country. Roblon has decided to focus its efforts on the top 20 in China because the customers are the right size and sufficiently professional as well as attributing as much value to quality and delivery reliability as to price. Roblon's local employee spent 2012 travelling many thousands of kilometres in order to establish a real network with these customers, and he also arranged for Chinese customers to visit Roblon in Denmark.

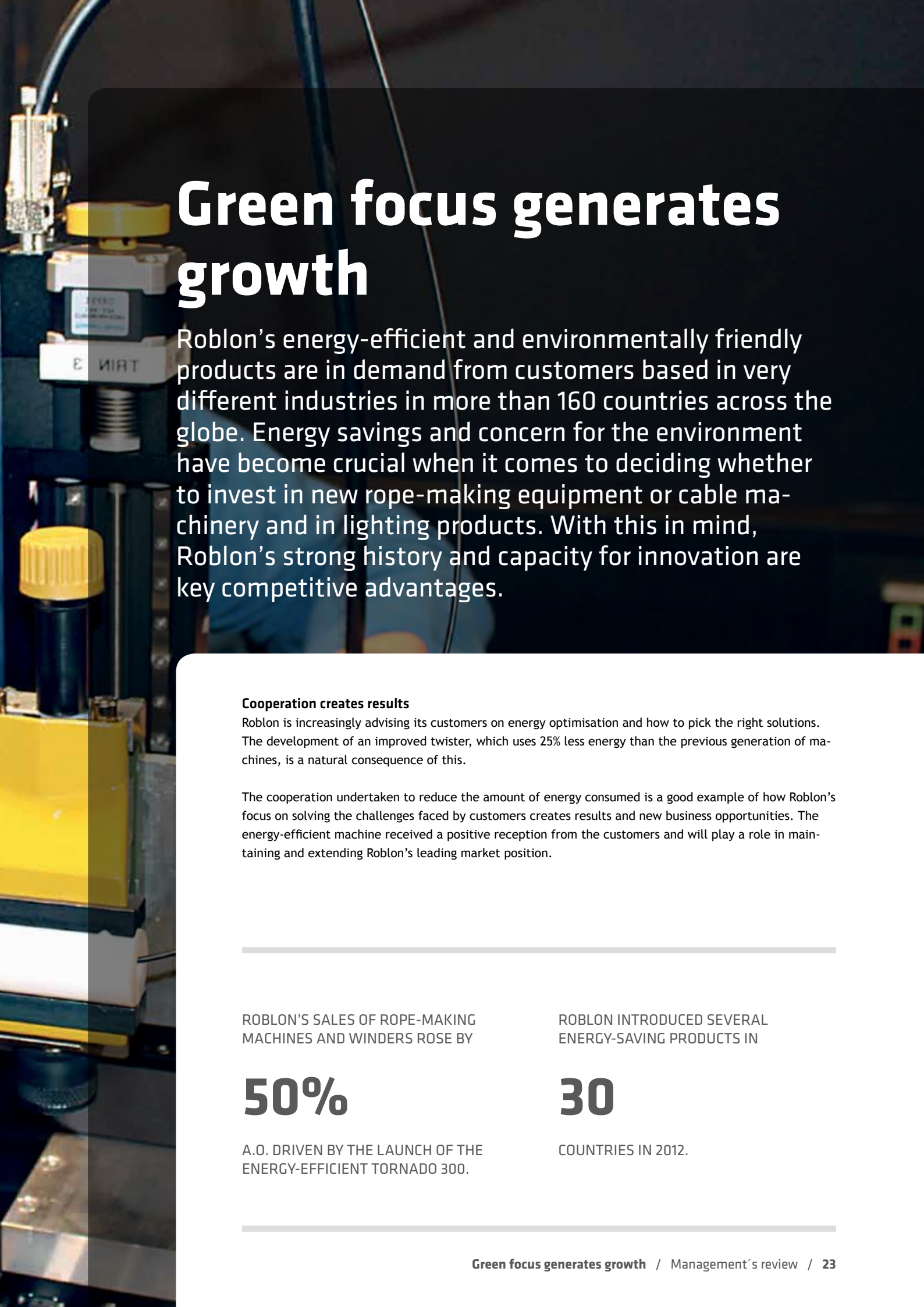


The investment in China has been a success.

Several leads were created in 2012. Sales of industrial fibres and cable machinery in China almost doubled compared to 2011.

Innovative technology solutions in focus.
Photo: Roblon





Green focus generates growth

Roblon's energy-efficient and environmentally friendly products are in demand from customers based in very different industries in more than 160 countries across the globe. Energy savings and concern for the environment have become crucial when it comes to deciding whether to invest in new rope-making equipment or cable machinery and in lighting products. With this in mind, Roblon's strong history and capacity for innovation are key competitive advantages.

Cooperation creates results

Roblon is increasingly advising its customers on energy optimisation and how to pick the right solutions. The development of an improved twister, which uses 25% less energy than the previous generation of machines, is a natural consequence of this.

The cooperation undertaken to reduce the amount of energy consumed is a good example of how Roblon's focus on solving the challenges faced by customers creates results and new business opportunities. The energy-efficient machine received a positive reception from the customers and will play a role in maintaining and extending Roblon's leading market position.

ROBLON'S SALES OF ROPE-MAKING
MACHINES AND WINDERS ROSE BY

50%

A.O. DRIVEN BY THE LAUNCH OF THE
ENERGY-EFFICIENT TORNADO 300.

ROBLON INTRODUCED SEVERAL
ENERGY-SAVING PRODUCTS IN

30

COUNTRIES IN 2012.



Global total supplier of energy-efficient lighting solutions

Roblon occupies a strong position on the lighting market and today Roblon is a global total supplier of lighting solutions. This positive development is first and foremost due to Roblon's continued product development and ongoing expansion of the product range. The enhanced market position is confirmed by the fact that Roblon has worked intensively with a number of renowned architects and engineering firms at a global level.

Last year, Roblon introduced the FL 1000 light source, which combines fibre optics with energy-efficient LED technology and which, in many cases, uses as little as 25% of the energy used by a traditional halogen solution. The launch of the FL 1000 has helped to create renewed interest in fibre optics, and the new technology has received a positive reception from both existing and new customers. In addition to the lower energy consump-

tion, longer life and lower costs for replacing light sources, the customers have set great store by the fact that the FL 1000 enables the right lighting to be achieved without generating noise from cooling systems.

In 2012, Roblon also launched the LED-based high lumen products Single, Track and Cube, which offer flexible spot lighting and reduce energy consumption by up to 90% compared to traditional halogen and metal halogen systems that cannot be dimmed, unlike these new LED products.

Furthermore, the light sources in the LED products have a full functional life of around 50,000 hours, after which the lighting level is typically reduced to 90%. Traditional metal halogen systems have a total life of 7,000 hours and over that time the lighting level will typically have fallen to 70%.

In the reading room of Frederikshavn Library, halogen spots etc. have been replaced by Roblon LED Track (spotlights). This resulted in energy savings of up to 90%.



Frederikshavn Library lit by Roblon light.
Photo: Ejgil Lihn, The Blue Room

The LED products thus ensure that the customers can minimise both the time spent and the costs incurred when replacing light sources. With regard to the Danish market, the new products introduced in 2012 gave Roblon the chance to complete an assignment for a car showroom to show the cars in their best light whatever the time of day. The assignment was solved by installing Single and Cube products and resulted in a documented fall in energy use of 78% as well as a 69% reduction in the overall operating costs. The investment in the modern, flexible lighting system had a payback period of less than four years. These good results make the new products extremely attractive and demand is rising. With Denmark as the starting point for strong sales initiatives, Roblon has sold its products in a number of northern European countries in 2012 and the international sales work will be intensified in the next few years.

The introduction of the FL 1000 and the new LED-based high lumen products (LED spotlights) has opened new markets to Roblon, which over the course of the year has supplied lighting solutions to some very different customers, from museums, airports, car showrooms, jewellers and clothes shops to casinos, hotels, restaurants, hospital, schools and private homes all over the world. The common denominator for the new series of products is high quality, and with the expansion of the product offering Roblon possesses a strong starting point for exploiting the huge amount of potential in the new lighting technologies over the next few years.

THE GLOBAL MARKET FOR LED LIGHTING GREW BY APPROX. 6% IN 2012, AND ROBLON'S GROWTH IN THIS AREA CAME TO

117%

ROBLON'S NEW LED HIGH LUMEN PRODUCTS OFFER FLEXIBLE SPOT LIGHTING AND REDUCE ENERGY CONSUMPTION BY UP TO

90%

COMPARED TO TRADITIONAL METAL HALOGEN SYSTEMS.

Roblon Precision Take-up is a unique solution for winding cables. The winding control is 100% automatic and gives a better winding quality as well as staff safety.
Photo: Roblon



Intelligent solutions are safe solutions

Safety comes first for companies worldwide, and Roblon offers both products and advice to help in creating a safe and secure working environment as well as minimising the risk of damaging valuable equipment. The starting point for Roblon's work and product development is that intelligent solutions to customer challenges are always safe solutions.

Efficiency and safety with new technologies

In 2012, Roblon developed and launched a new technology that increases the efficiency of industrial spooling machines by up to 40% at the same time as offering significant improvements in safety. Roblon is the first company to offer the new technology, which is based on a higher degree of automation than traditional solutions and which can be implemented as an optimisation of existing production lines or through investment in new machinery. Over the course of the year, Roblon has advised customers on how to implement the technology, which among other things offers improved shielding when spooling and a number of automatic safety devices. Until today spooling was carried out manually by an operator and was thus often associated with a significant risk for the operator during the spooling process. The feedback has been positive, and Roblon's tailored advice creates value and strengthens our relationships with the customers. There is a great deal of interest in the new technology, even in growth markets such as Brazil, Russia and Central America; in light of this, Roblon expects to increase total sales of spooling machinery considerably in 2013.

During the year Roblon has been involved in the development of a new type of net designed to protect submarine oil installations at depths of up to several kilometres. The traditional protection is a sturdy steel structure covered by a steel grille that shields the advanced and costly installations against anchors or other objects that may fall overboard from sea surface vessels. The weight of the steel grille and associated installations can exceed 200 tonnes, with both the establishment and servicing made more expensive and complicated by the heavy elements involved. This is why Roblon has developed a strong yet lightweight net that can be installed in the steel structure as partial replacement for the heavy metal grilles and which offers the same protection. Using the new nets can significantly reduce the total weight of the steel structures, as well as making it

possible to streamline servicing by giving easier access to the installations through a new type of trap door in the nets. The interest in the new safety solution is an example of the increasing focus on safety in connection with oil extraction - and with more than 40 years as a supplier to the offshore industry and strong relationships with oil companies all over the world, Roblon has a good basis for benefiting from the market growth.

Customer requirements in the spotlight

Roblon's starting point is customer requirements and the company often takes part in common development projects so that we can offer the right solutions and products. This approach creates trust and ensures that the customers come back to us when they need products or advice falling within Roblon's areas of expertise. In 2012, Roblon worked with, among others, an American customer on the development of a safety blanket for pressure testing flexible high-pressure hoses used to transport, for instance, oil, gas and water. During the test the hoses were exposed to a pressure exceeding 300 bar; with the safety blanket the customer minimises the risk of an explosion in a defective hose scattering water and fragments of steel and rubber that could injure workers or damage equipment.

In 2012 a long-standing partnership with a large and renowned manufacturer of products such as rescue equipment and life rafts for ships and oil rigs all over the world brought about a change in the material used for deploying life rafts. For many years the manufacturer has used Roblon's fibre products to make evacuation slides and with this in mind a common project was started concerning the use of Roblon's Flextape as an alternative to steel wires when life rafts have to be lowered into the water from heights of up to 40 metres. Steel wires are heavy and have sharp edges that can damage the life rafts, therefore the strong and durable lightweight material from Roblon is an obvious alternative.

THE AUTOMATIC TAKE-UP MACHINE SPOOLS UP TO 300 METRES A MINUTE – AN IMPROVEMENT OF

40%

COMPARED TO TRADITIONAL MACHINES THAT ARE STILL OPERATED BY HAND.

ON AVERAGE, ROBLON'S NETS WEIGH LESS THAN

20%

OF THE WEIGHT OF TRADITIONAL STEEL GRILLES AND OFFER GREATER FLEXIBILITY.



Roblon

BUSINESS CEN

A photograph of a modern building with a dark, textured facade and large windows. A man in a suit is standing near the entrance, which is partially visible. A potted plant is in the foreground. The sky is clear and blue.

2,500 m² working showroom

Summer 2013 will see Roblon opening a 2,500 m² showroom linked to its headquarters in Frederikshavn. But this will not be a showroom in the traditional sense – instead it will be an area in which customers and partners can “live” test and optimise products and production equipment as well as testing out new ideas together with Roblon’s engineers, service team and sales representatives.

The initiative stems from Roblon’s long-term efforts to enhance its focus on the customers. Customer focus is a cornerstone of our strategy and a prerequisite for the company’s continued development. This is why Roblon – alongside finished products and machinery – also wants to offer detailed advice on production know-how and on optimisation and efficiency measures.

By giving customers extra value in this way, Roblon wants to stand out on the market place and consolidate its customer relationships.

A business centre with all processes under one single roof

The business centre will accommodate a display area, workrooms and meeting rooms and also VIP facilities and Roblon will gather all commercial processes under the same roof.

There will be products from all four product areas, including rope-making machinery and cable machinery. But customers and partners should not let themselves be satisfied with simply looking at the machines and being given a demo of new features. They should also experience the machines running and operating in an assembly line, and the customers should have access to test out ideas for fine-tuning machinery and optimising processes together with Roblon’s engineers.

Alongside the concrete improvements in production equipment, the intention is also that the customers and Roblon can be creative together and take ideas from workrooms and meeting rooms out into the showroom and try them out in practice.

The opening of the new showroom will take the form of a large open house event for customers and business partners in May.

Product development at Roblon

It is of the utmost importance for the company that Roblon is still able to offer the markets the most innovative and value-creating products.

Our wish is to constantly contribute to the markets' perception of Roblon as a trend-setter and market leader within each product group area, as well as being at the very forefront of product and technology development based on innovative environmental and energy efficient products.

This is of strategic importance, especially in periods of crisis and recession in the world markets.

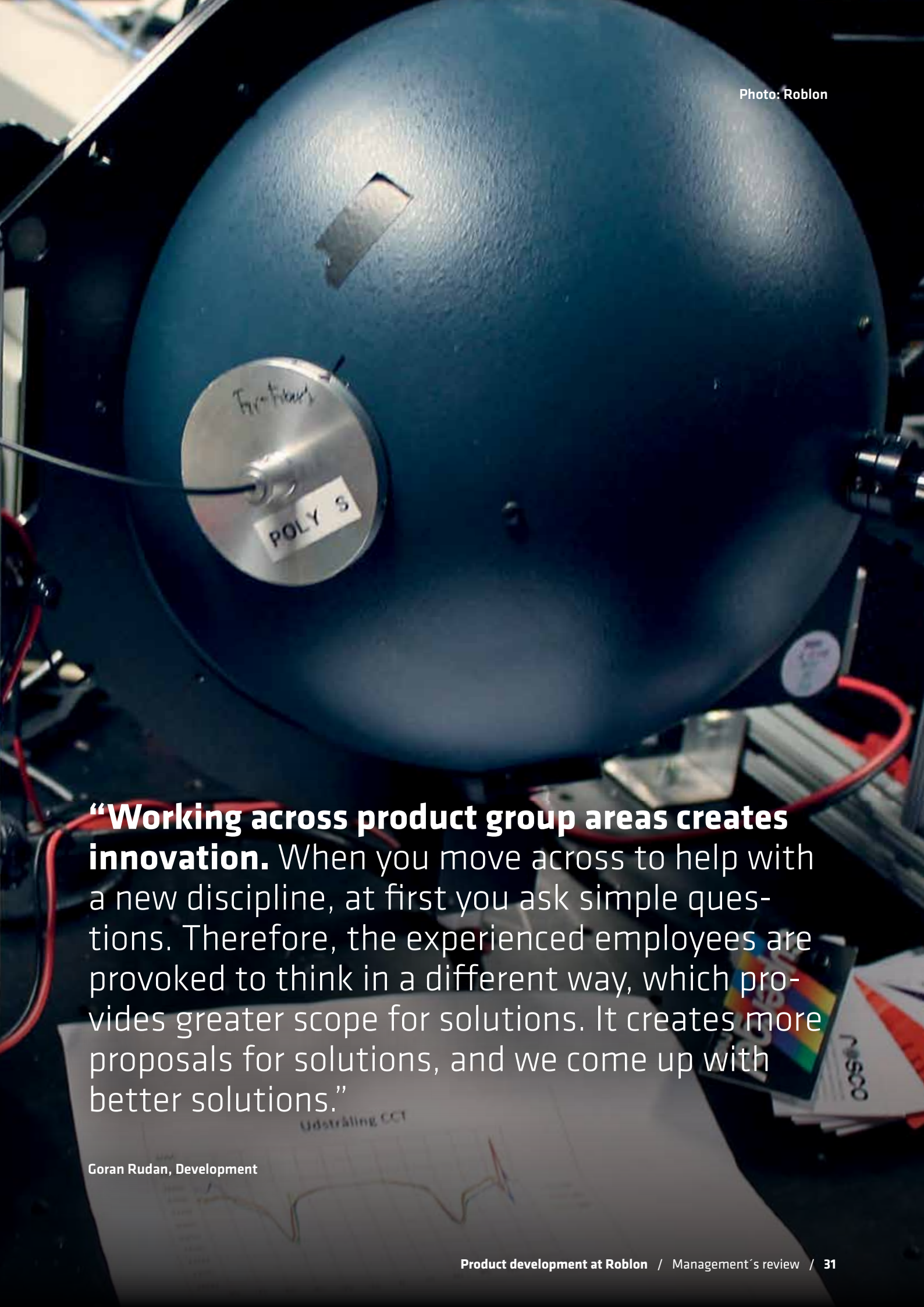
With this in mind, Roblon places great focus on developing new products that basically have an important market potential and where we also believe that these products can make a significant contribution to the company's revenue.

Competition within the product group areas is increasing naturally, while at the same time many of the markets are characterised by being generally mature markets with low growth. Apart from stronger marketing and sales efforts in such markets, it is often only a launch of new products that can create the desired competitive advantages and generate growth in revenue and profit.

Over the course of the year many new products have been developed and launched and several are already quite far along the development pipeline and are due for market launch in the next period.

Our new development function in the technology centre in Sæby, where all our technology and development resources are now housed together, has done very well right from the start and is moving forward and advancing.





“Working across product group areas creates innovation. When you move across to help with a new discipline, at first you ask simple questions. Therefore, the experienced employees are provoked to think in a different way, which provides greater scope for solutions. It creates more proposals for solutions, and we come up with better solutions.”

Goran Rudan, Development



Ambitious timescales are possible because we are working on the basis of clearly defined limits and success criteria. This makes it easier for our employees to be creative and develop products and solutions.

Our goal is to come up with ideas and develop new, ground-breaking products before our competitors and to do this in half the old development time. We are well on our way to achieving this goal.

Our new organisational structure is a step towards this goal and our timescales are already stricter than before. This works for several reasons, including the fact that the entire organisation understands the need and background behind it, as well as accepting the new conditions and challenges that an increasingly dynamic and ultra-competitive world provides.

Ambitious timescales are possible because we are working on the basis of clearly defined limits and success criteria. This makes it easier for our employees to be creative and develop products and solutions. Development time must not be wasted on decision-making and we have therefore delegated the inno-

vative development processes by using a management structure that makes quick decisions.

We have worked in a focused and structured manner over the year to identify new market trends, product opportunities, applications and technologies. The development function has also worked on an ongoing basis with streamlining processes and procedures in order to ensure a more efficient and rapid development lead time, a.o. via a common project management system with access to common documentation and other information that ensures everyone is working on the same platform.

Focus has been placed on better management and the identification and selection of new projects and products with effective risk management to ensure the right balance between risk and return, thus minimising the risk in individual projects and enabling the rapid shutdown of any unattractive projects.



Our goal is to come up with ideas and develop new, groundbreaking products before our competitors and to do this in half the time. We are well on our way to achieving this goal.

The training in and reinforcement of expertise and resources is an ongoing process and one example of this is the increase in resources within electronics.

There has also been focus on assessing and identifying interesting products that can supplement Roblon's current product portfolios via insourcing and help us to offer innovative solutions to the customers.

Finally, we have investigated and established genuine opportunities, via partnerships, for expanding our development function so it becomes more global in nature. This means it is possible to rapidly develop and adapt products, e.g. on the basis of the existing product ranges, to regional customer requirements. The focus here will be on the Asian market areas.

Employees and organisation

Our organisation consists of highly skilled, dedicated and motivated staff and the goal is to retain, attract and develop employees with an interest in and the ability to build on and achieve stable and good results, as well as putting in a lot of efforts for the company.

Roblon wishes to create and reinforce a corporate culture that places a high priority on the agenda for responsibility, openness and direct communication. By doing so, we will be able to meet customer requirements, which in turn is a way of achieving the business targets.

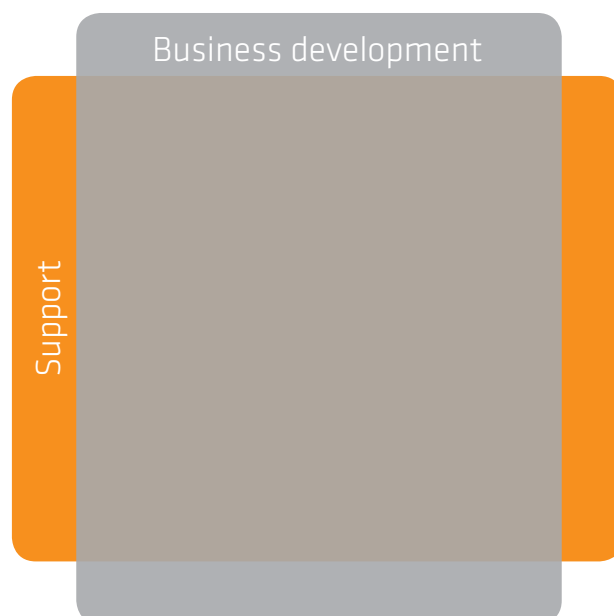
Our organisation consists of highly skilled, dedicated and motivated staff and the goal is to retain, attract and develop employees with an interest in and the ability to build on and achieve stable and good results, as well as putting in a lot of efforts for the company.

This is why the employees receive daily motivation to generate inspirational working conditions.

Readiness to change and the work on continually improving the work processes are crucial skills that must be predominant throughout the organisation to enable us to compete in the world markets. Roblon employees fulfil these requirements and are very dedicated and prepared to take up challenges.

As a consequence, we work in a targeted and structured manner to develop the expertise of our staff. While it is the individual

ROBLON A/S



employee's duty to take joint responsibility for their own professional development, the company is responsible for creating good and adequate frameworks for the employees by ensuring that the right development opportunities are in place.

Management capability and professional management represent an important area for realising our targets and ambitious plans.

For this reason, we are constantly working to strengthen the managerial skills within the company and the ability of the managers to produce results through developing their employees. This work covers areas such as determining what is good management, including which abilities, behaviour and attitudes managers at the company should generally demonstrate and possess.

Roblon's new matrix-like organisational structure means greater dynamics, efficiency and flexibility than ever before. Over the year we have further adapted the commercial structure of the matrix to make it even more effective and customer-oriented.

From having a business system consisting of two business units, we have now structured our business development so that it comprises one single unit containing four product groups that each bear global responsibility for sales, marketing and product portfolio management within their own area.

From now on the matrix will consist of one business development function and one support function comprising a common production function, a common development function and a common procurement function.

Efficiency and motivation depend on a good working environment, something which is important and plays a decisive role in the employees' continued job satisfaction.

Focus over the year has included establishing an active network across our matrix organisation and also creating a proactive safety culture:

- Every year members of the company's Working Environment Organisation group take part in training sessions as part of the efforts to increase the skill levels in conjunction with the future-oriented work
- We encourage an elastic working structure in which a psychological and physical working environment is under the spotlight and accommodates the individual by being a socially responsible workplace
- Internal and external audits, plus regular safety checks, are designed to ensure that a good and safe working environment is maintained
- We work in a targeted way to prevent occupational accidents
- We are always working to reduce the consumption of hazardous substances in production, something which we also require of our subcontractors.

Management capability and professional management

represent an important area for realising our targets and ambitious plans.

NUMBER OF EMPLOYEES



Roblon A/S had an average of 136 employees in 2011/12, compared to 125 in 2010/11.

The number of employees was 132 at the start of the year, compared to 130 last year.

Risk factors

Economic trends

Roblon monitors the development of economic trends on an ongoing basis, because fluctuations in conditions have a significant impact on the company's financial results.

In general, we have a good spread of products and markets, and to counter geographically determined fluctuations in demand, all product group areas in Roblon are working to globalise sales in all product areas. Furthermore, activities are directed at several different customer areas.

It should, however, be noted that this spread does not have an effect if there is a general downturn in international economic conditions.

Environment

Roblon's production facility in Gærum is environmentally certified according to ISO 14001 and has no emissions from processes that have an impact on the external aquatic environment and emissions to air are limited and subject to ongoing control.

Roblon's production facility in Sæby 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 lighting, heating and the painting process.

The environmental impact from Roblon's production facility in Frederikshavn is caused primarily by heating and lighting. Energy is also used to control light sources. There are very 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.

Overall liquidity

Roblon has financed its activities via its operations, and as at 31/10 2012 the company has a liquidity surplus. Roblon has unutilised ongoing credit facilities, and further financing is available by raising loans against buildings and machinery as collateral.

Statutory statement on corporate governance

NASDAQ OMX Copenhagen A/S has adopted a set of recommendations for good corporate governance. The company conforms to these recommendations and has specifically explained why their policies deviate from the recommendations. Roblon's Board of Directors and Management have considered the recommendations (updated November 2011 and 2012 and described in detail and in full length on Roblon's website http://www.roblon.com/en/investor/governance/corporate_governance.htm). Roblon A/S complies materially with the recommendations and describes an extract below on areas, where the Board has chosen a different policy:

1. Reporting

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

2. Board of Directors

Roblon 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 is in line with the company's needs and activities. On these grounds there is no age limit set for board members.

Five board meetings were held in 2011/12.

Three of the four board members elected by the AGM are considered to be independent, while one member of the board is not independent. Deputy Chairman Ole Krogsgaard is not independent due to family relations with ES Holding Frederikshavn ApS.

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. This is done on the grounds that this information is 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.

4. Governance committee

Due to its size and complexity, the company does not make use of a governance committee, including nomination and remuneration committees. It has been decided that the Board as a whole will undertake the auditing committee's tasks.

5. Diversity

Roblon A/S is convinced of the benefits of diversity in the company's levels of management. There are equal opportunities for both sexes at all levels of management in the company. When filling positions at these levels, the emphasis is on personal qualifications, professional skills and experience. The Board has decided not to set specific targets for diversity but to instead deal with the issue as and when it arises.

On the Roblon website http://www.roblon.com/en/investor/governance/corporate_governance.htm there is a detailed description of good corporate governance.

Glass waste is recycled.
Photo: Roblon



Sustainability in Roblon

Energy-savings and concern for the environment are high on the agenda at Roblon, with the company working constantly to optimise processes and reduce the waste of resources. These initiatives create a sustainable starting point for Roblon's continued growth, and one focus area is creating target visibility among employees by holding information meetings and involving staff in specific projects.

In 2012, the approach has included a review of Roblon's three production facilities by internal and external energy consultants, as well as the energy optimisation of both buildings and production processes. Against this background, Roblon's total energy consumption has gone down by 3%, and the initiative will continue in 2013 with the aim of reducing consumption by a further 8%. This target will be achieved by improving energy use by means of, for example, greater heat recovery using heat exchangers and automation.

Roblon has also focused on reducing unnecessary use of resources by continuing to optimise processes and increase the recycling of waste and packaging. For 2012/2013 this means, among other things, that more than 100 tonnes of glass waste from cable production will be recycled by a business partner rather than being disposed of and scrapped as used to be the case.

Sustainability is also a crucial factor in the development of new products, where work is ongoing to optimise energy efficiency and safety so that the customers achieve optimum production conditions. The overall effort to create more sustainable production processes and products puts Roblon in a stronger position in relation to the global competition by reducing production costs and ensuring that it is also possible for us to continue to offer customers products with an attractive energy and environmental profile.

Roblon focus on optimization of processes
and as part of this glass waste from cable production is being recycled.

Reporting on internal control and risk management systems

The Board and 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 Management define 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 regarding 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 checks 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 remove these risks. With this in mind, any Management incentives/motives related 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 25, 2013 the Board of Directors will propose a dividend ratio of 50%, corresponding to DKK 17.9 million. The decision on dividend will take into account the current investment requirements as well as an evaluation of the future development in liquidity.

The Board of Directors proposes dividend for 2011/12 of 50% (DKK 50 per B-share of DKK 100 and DKK 500 per A-share of DKK 1,000), against 70% in 2010/11. The distribution amounts to 58% of the total income of the year. At a year-end price of DKK 835, this implies a direct return of 6%.

Notifications to the stock exchange

January 9, 2012	Preliminary statement 2010/11
January 11, 2012	Major shareholder announcement
February 28, 2012	Interim statement
February 29, 2012	Change in Roblon A/S' Board
April 2, 2012	Major shareholder announcement
June 28, 2012	Interim report first half-year 2011/12
August 23, 2012	Major shareholder announcement
August 30, 2012	Interim statement
September 21, 2012	Financial calendar 2012/13
October 1, 2012	Major shareholder announcement
November 29, 2012	Deviation from earlier announced expectations

Financial calendar

January 10, 2013	Preliminary statement 2011/12
February 25, 2013	Annual General Meeting and interim statement
June 27, 2013	Interim report 2012/13
August 29, 2013	Interim statement
January 9, 2014	Preliminary statement 2012/13
February 24, 2014	Annual General Meeting and interim statement

Ownership

The following shareholders are subject to the provisions of Section 55 of the Danish Companies Act:

	Ownership interest %	Voting right %
ES Holding Frederikshavn ApS, Bøgevej 11, 8370 Hadsten	25,1	68,8
FMS Investeringsrådgivning A/S, Østergade 27 b, 7400 Herning	11,8	4,9
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 207 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 30/6 2013. 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.

Accountants

Deloitte, State Authorised Public Accountants
Gøteborgvej 18, 9200 Aalborg SV, Denmark

Attorney

Advokatfirmaet Hjulmand & Kaptain
Havnepladsen 7, 9900 Frederikshavn, Denmark

Primary Bank

Danske Bank, Finanscenter Jylland Nord
9000 Aalborg, Denmark



The Board of Directors of Roblon A/S (seen from the left): Ole Krogsgaard, Eva Lyngen, Klaus Kalstrup, Birthe Tofting, Peter Sloth Vagner Karlsen. Absent: Lasse Østergaard Nielsen

Board of Directors and Management

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

Board of Directors

Klaus Kalstrup, Director

- (Chairman), born 1965, joined the Board in 2004.
Director of KKI ApS
Chairman of the Board of Royal Termo Træ ApS.
Member of the Board of Scandinavian Instore Design A/S and Hepion ApS.

Ole Krogsgaard, Senior Master

- (Deputy Chairman), born 1947, joined the Board in 2002.

Peter Sloth Vagner Karlsen, Group Senior Vice President

- born 1963, joined the Board in 2011
Member of the Board of Hals Sparekasse.

Birthe Tofting, Director of International Sales, Marketing & HR

- born 1958, joined the Board in 2012
Director of International Sales, Marketing & HR of Vola A/S.

Member of the Board of CRECEA A/S, CRECEA Fonden and E V Metalværk A/S.

Eva Lyngen, Machine Operator *)

- born 1956, joined the Board in 2007.
Member of the Board of Håndværkerafdelingen A/S.

Lasse Østergaard Nielsen, Sales Manager *)

- born 1978, joined the Board in 2011

Management

Managing Director, CEO, Jens-Ole Sørensen,

- born 1958, employed at Roblon in 2009.

Portfolio of shares of the Board

Number of shares per October 31, 2012:

Klaus Kalstrup, 0 shares
Ole Krogsgaard, 168 shares (Birgitte Krogsgaard 2789 shares)
Peter Sloth Vagner Karlsen, 79 shares
Birthe Tofting, 0 shares
Eva Lyngen, 25 shares
Lasse Østergaard Nielsen, 25 shares.

*) elected by the employees

Financial review

In connection with the Management's review, the annual report contains notes to the financial statements for 2011/12 and the accounting policies applied.

The financial statements for 2011/12 are presented 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.

Income statement

Revenue in the financial year amounted to DKK 253.8 million compared to DKK 223.8 million the previous year.

The export ratio was 90.7% compared to 89.1% the previous year.

The costs of raw materials and consumables have risen as a result of the higher revenue, as have external costs and staff costs.

Operating profit for Roblon A/S amounted to DKK 39.3 million compared to DKK 36.4 million in 2010/11.

Profit before tax for Roblon A/S amounted to DKK 41.1 million compared to DKK 36.9 million in 2010/11.

Balance sheet

The company's balance sheet total rose to DKK 244.0 million from DKK 242.0 million the previous year.

Intangible assets amounted to DKK 9.0 million compared to DKK 9.5 million the previous year. Tangible assets fell to DKK 41.9 million from DKK 44.9 million.

Current assets have risen to DKK 191.9 million from DKK 186.5 million. Stocks have fallen to DKK 53.6 million from DKK 53.8 million, while receivables have risen to DKK 45.8 million from DKK 44.2 million, and liquid assets and bonds have risen to DKK 92.5 million compared to DKK 88.5 million the previous year.

Capital and reserves in the company totals DKK 207.0 million and the equity/assets ratio is 84.8%.

Cash flow statement

Cash flows from operating activities in the financial year were DKK 34.1 million compared to DKK 34.8 million the previous year. Operating profit amounted to DKK 39.3 million compared to DKK 36.4 million the previous year. There were only minor changes to stocks and provisions, while receivables have risen by DKK 1.7 million and current liabilities have fallen by DKK 3.9 million. Taken together, these reduce the net liquidity by DKK 5.6 million, while it was reduced by DKK 4.4 million the previous year. The corporation tax paid amounted to DKK 10.6 million compared to DKK 6.4 million the previous year.

Cash flows from investing activities show a liquidity surplus of DKK 6.1 million (of which DKK 12.0 million is attributable to the sale of bonds) compared to DKK 15.5 million (of which DKK 18.5 million is attributable to the sale of bonds) in 2010/11. Cash flows from financing activities are attributable to a dividend of DKK 25.0 million.

Cash and cash equivalents in the financial year rose by DKK 15.2 million to total DKK 81.9 million.

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Roblon A/S for the financial year 1 November 2011 to 31 October 2012.

The annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 October 2012 and of its financial performance and cash flow for the financial year 1 November 2011 to 31 October 2012.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Frederikshavn, 10 January 2013

Executive Board



Jens-Ole Sørensen
Managing Director, CEO

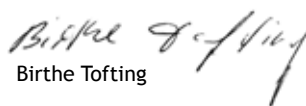
Board of Directors



Klaus Kalstrup
Chairman



Ole Krogsgaard
Deputy Chairman



Birthe Tofting



Peter Sloth Vagner Karlsen



Eva Lyngen



Lasse Østergaard Nielsen

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 2011 - 31 October 2012, which comprise the income statement, 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 are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control as Management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 misstatements 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 of financial statements that give a true and fair view 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 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 2012, and of the results of their operations and cash flows for the financial year 1 November 2011 - 31 October 2012 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Aalborg, 10 January 2013

Deloitte

Statsautoriseret Revisionspartnerselskab



Poul Erik Wagner

State Authorised
Public Accountant



Torben Toft Kristensen

State Authorised
Public Accountant

Cash Flow Statement

tDKK	2011/12	2010/11
Operating profit	39,337	36,404
Profit on sale of tangible assets	0	-954
Depreciation and write-downs of tangible and intangible assets	9,275	9,749
Change in other provisions for liabilities	-219	19
Change in stocks	204	-4,764
Change in debtors	-1,708	-3,564
Change in current liabilities	-3,923	3,904
Cash flow from primary activities	42,966	40,794
Financial payments received	1,824	1,282
Financial costs paid	-68	-798
Corporate tax paid	-10,628	-6,441
Cash flow from operating activities	34,094	34,837
Investment in intangible fixed assets	-2,335	-2,580
Investment in tangible fixed assets	-3,544	-1,384
Sales proceeds from tangible fixed assets	0	954
Purchase and sale of financial assets available for sale (net)	11,985	18,532
Cash flow from investment activities	6,106	15,522
Payment of dividend	-25,034	-17,882
Cash flow from financing activities	-25,034	-17,882
Change in cash at bank and in hand	15,166	32,477
Cash at bank and in hand as at 1/11 2011	66,687	34,210
Cash at bank and in hand as at 31/10 2012	81,853	66,687

Income statement for the period November 1, 2011 - Oktober 31, 2012

tDKK	Note	2011/12	2010/11
Net revenue	3	253,782	223,835
Other operating income		0	954
Costs for raw materials and consumables	4	-117,560	-94,755
Other external expenses	5,6	-28,946	-26,886
Staff costs	7	-58,664	-56,995
Depreciation and write-downs of tangible and intangible fixed assets		-9,275	-9,749
Profit on primary activities		39,337	36,404
Interest income	8	1,824	1,282
Interest expenditure	9	-68	-798
Profit before tax		41,093	36,888
Tax on profit for the year	10	-10,278	-9,251
Profit for the year		30,815	27,637
Fair value adjustment of financial assets available for sale		731	32
Fair value adjustment of liquidated financial assets transferred to the income statement	8,9	68	508
Fair value adjustment of liquidated financial instruments transferred to the income statement	8,9	0	-2
Tax of other comprehensive income	10	-200	-134
Other comprehensive income		599	404
Total comprehensive income		31,414	28,041
Earnings per share (EPS)	11	86.2	77.3

Balance sheet

as at October 31, 2012

tDKK	Note	2011/12	2010/11
ASSETS			
Non-current assets			
Completed development projects		6,602	5,852
Acquired patent		0	605
Ongoing development projects	4,5,7	2,444	3,008
Intangible assets	12	9,046	9,465
Land and buildings		34,065	36,334
Plant and machinery	4,7	5,841	6,867
Fixtures and fittings, tools and equipment		1,350	1,688
Tangible assets in the course of construction		684	28
Tangible assets	13	41,940	44,917
Trade debtors	15	1,158	1,101
Total non-current assets		52,144	55,483
Current Assets			
Stocks	14	53,626	53,830
Trade debtors	15	43,499	41,942
Other debtors		2,146	1,941
Accruals		181	292
Total debtors		45,826	44,175
Financial assets available for sale	16	10,599	21,786
Cash at bank and in hand	17	81,853	66,687
Total Current Assets		191,904	186,478
Total Assets		244,048	241,961

Balance sheet

as at October 31, 2012

tDKK	Note	2011/12	2010/11
LIABILITIES			
Capital and Reserves			
Share capital	18	35,763	35,763
Other reserves	19	565	-34
Profit carried forward		170,713	164,932
Total capital and reserves		207,041	200,661
Non-current liabilities			
Deferred tax	20	4,071	4,648
Other provisions for liabilities	21	350	569
Total Non-current liabilities		4,421	5,217
Current liabilities			
Suppliers of goods and services		13,885	13,986
Corporate tax	22	7,122	6,696
Other debt		11,579	15,401
Total current liabilities		32,586	36,083
Total Liabilities		244,048	241,961
Financial risks	23		
Contingent liabilities	24		
Closely related parties	25		
Share holders	26		
Events after the balance sheet date	27		
Approval of annual report for publication	28		
Accounting policies	29		

Capital and reserves statement

tDKK	Share capital	Other reserves	Profit carried forward	Total
Capital and reserves as at 31/10 2010	35,763	-438	155,176	190,501
Profit for the year			27,637	27,637
Other comprehensive income		404		404
Comprehensive income for the financial year		404	27,637	28,041
Dividend distributed			-17,881	-17,881
Capital and reserves as at 31/10 2011	35,763	-34	164,932	200,661
Profit for the year			30,815	30,815
Other comprehensive income		599	0	599
Comprehensive income for the financial year		599	30,815	31,414
Dividend distributed			-25,034	-25,034
Capital and reserves as at 31/10 2012	35,763	565	170,713	207,041

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 one 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.

No of shares	31/10 2012		31/10 2011	
	A-shares	B-shares	A-shares	B-shares
Number of shares 01/11 2011	5,555	302,080	5,555	302,080
Capital augmentation by cash payment	0	0	0	0
Number of shares 31/10 2012	5,555	302,080	5,555	302,080

In February 2012, Roblon A/S distributed tDKK 25,034 as an ordinary dividend to the shareholders, equivalent to DKK 70 per DKK 100 share. In February 2011, a tDKK 17,881 was distributed, equivalent to DKK 50 per DKK 100 share.

For the financial year 2011/12 the Board has proposed dividend of tDKK 17,881 corresponding to DKK 50 per DKK 100 share, which will be distributed to the share holders immediately after the Annual General Meeting on February 25, 2013 provided that the general meeting approves the proposal of the Board.

Notes

1. Accounting policies applied for the financial year 2011/12

The financial statements for 2011/12 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).

In the financial year we have used all the new and changed standards and interpretations, which are relevant to the company, and which were entered into force for financial periods, starting as per 1. november 2011. The implementation of new and changed standards have not affected the accounting policies for the company.

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

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.

Recovery of intangible assets generated internally in the Group

During the financial year, company management assessed the possibilities of recovering the carrying amount of the company's completed and ongoing development projects, which as of 31 October 2012 have a value of DKK 6.6 million and DKK 2.4 million (31/10 2011: DKK 5.9 million and DKK 3.0 million).

Detailed sensitivity analyses were conducted for the individual projects, and even though earnings were not as high as originally presumed, it is the view of management that the carrying amounts for the individual development projects will be recovered. Management will monitor future developments in this area closely and will make additional adjustments to the carrying amounts if developments necessitate it.

Notes

3. Segmental information

From the start of the financial year, the company has strengthened global customer focus by changing the matrix organisation from being organised in two business units, to now being organised in one business development function containing four product groups.

Information is given on one segment, yet with revenue distributed in 4 product groups. Further description of the structural and organisational change can be found in the management's review.

tDKK	2011/12	2010/11
Product group		
Lighting	36,776	36,475
Offshore	43,557	41,423
TWM (Twisters, winders and rope machinery)	79,032	52,579
Cable and cable machinery	94,417	93,358
Total	253,782	223,835
Revenue distributed geographically:		
Europe	153,913	143,872
Asia	58,887	50,689
America	40,982	29,274
Total	253,782	223,835
The company's assets are solely placed in Denmark.		
4. Costs for raw materials and consumables		
Consumption of goods	119,298	95,139
Depreciation of stocks	627	423
	119,925	95,562
Materials included under non-current assets - note 12	-962	-807
Materials included under non-current assets - note 13	-1,403	0
Consumption regarding sold goods	117,560	94,755
5. Product development costs		
Product development costs incurred	10,638	9,249
Product development costs recognised as intangible assets	-2,335	-2,580
Recognised in the income statement under other external costs and staff costs	8,303	6,669

Notes

tDKK	2011/12	2010/11
6. Fees to auditors elected by the General Meeting		
Audit of the annual accounts	198	168
Fee for other declarations with assurance	4	3
Tax counselling	20	5
Other services	100	83
7. Staff costs		
Fees to the Board of Directors and management wages	2,365	2,887
Wages and salaries	53,423	51,797
Contribution pensions, others	4,355	4,000
Other social security expenses	1,183	994
Refunds received from the social authorities	-717	-611
	60,609	59,067
Wages and salaries recognised under non-current assets - note 12	-1,373	-1,672
Wages and salaries recognised under non-current assets - note 13	-572	-400
Staff costs charged to the income statement	58,664	56,995
The Management hold the entitlement to company cars, of which the tax value amounts to tDKK 109.		
The company only has defined contribution pension plans and pay 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	136	125
8. Financial income		
Other interest income	525	601
Interest on debtors	66	110
Interest on bonds	564	571
Interest income	1,155	1,282
Exchange rate gains and adjustments (net)	457	0
Gain on bonds	212	0
Recognised under the income statement	1,824	1,282
9. Financial expenses		
Interest costs recognised under the income statement	0	8
Exchange rate losses and adjustments (net)	0	83
Realised loss on bonds	0	201
Fair value adjustment of liquidated financial assets transferred from other comprehensive income	68	508
Fair value adjustment of liquidated forward business transferred from other comprehensive income	0	-2
Recognised under the income statement	68	798

Notes

tDKK	2011/12	2010/11
10. Corporate tax for the year		
Tax payable	11,055	9,185
Change in deferred tax	-577	200
Tax in total	10,478	9,385
Of this tax on other comprehensive income	-200	-134
Corporate tax for the year	10,278	9,251
Reconciliation of corporate tax:		
25% tax on the profit before tax	10,273	9,223
Tax effect on non-deductible costs	5	28
	10,278	9,251
Effective tax rate (%)	25.0	25.1
Tax of income and costs recognised in other total income is accounted for as follows:		
Change of reserve for fair value adjustment of financial assets available for sale	200	134
	200	134
11. Earnings per share		
Profit for the year after tax	30,815	27,637
Number of A-shares of DKK 1,000	5,555	5,555
Number of B-shares of DKK 100	302,080	302,080
Earnings per A-share	861.6	773.0
Earnings per B-share	86.2	77.3
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	861.6	773.0
Diluted earnings per B-share	86.2	77.3

Notes

tDKK

	Completed development projects	Acquired patents	Ongoing development projects
12. Intangible assets			
Purchase price:			
Balance as at 1/11 2011	11,334	3,025	3,008
Addition of self-developed assets 2011/12	0		2,335
Transfers 2011/12	2,899		-2,899
Disposal of self-developed assets 2011/12	-1,204		0
Balance as at 31/10 2012	13,029	3,025	2,444
Depreciation and write-downs:			
Balance as at 1/11 2011	5,482	2,420	0
Concerning assets sold	-1,204		0
Depreciation of the year	2,149	605	0
Balance as at 31/10 2012	6,427	3,025	0
Net book value as at 31/10 2012	6,602	0	2,444
Purchase price:			
Balance as at 1/11 2010	10,258	3,025	1,504
Addition of self-developed assets 2010/11	1,076	0	1,504
Disposals 2010/11	0	0	0
Balance as at 31/10 2011	11,334	3,025	3,008
Depreciation and write-downs:			
Balance as at 1/11 2010	3,494	1,815	0
Depreciation of the year	1,988	605	0
Balance as at 31/10 2011	5,482	2,420	0
Net book value as at 31/10 2011	5,852	605	3,008

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 in note 29.

Development projects in progress are tested for impairment on an annual basis.

Notes

tDKK

	Land & Buildings	Plant & machinery	Fixtures and fittings, tools and equipment	Tangible fixed assets in the course of construction
13. Tangible fixed assets				
Purchase price:				
Balance as at 1/11 2011	80,841	76,912	8,856	28
Addition of self-developed assets 2011/12	57	1,763		155
Additions 2011/12	106	506	428	529
Transfers 2011/12			28	-28
Disposals 2011/12			-121	0
Balance as at 31/10 2012	81,004	79,181	9,191	684
Depreciation and write-downs:				
Balance as at 1/11 2011	44,507	70,045	7,168	0
Concerning assets sold			-121	
Depreciation of the year	2,432	3,295	794	
Balance as at 31/10 2012	46,939	73,340	7,841	0
Net book value as at 31/10 2012	34,065	5,841	1,350	684
Purchase price:				
Balance as at 1/11 2010	80,841	76,460	8,535	336
Addition of self-developed assets 2010/11		400		
Additions 2010/11		971	321	28
Disposals 2010/11		-919	0	-336
Balance as at 31/10 2011	80,841	76,912	8,856	28
Depreciation and write-downs:				
Balance as at 1/11 2010	41,880	67,240	6,362	0
Concerning assets sold	0	-919	0	0
Depreciation of the year	2,627	3,724	806	0
Balance as at 31/10 2011	44,507	70,045	7,168	0
Net book value as at 31/10 2011	36,334	6,867	1,688	28

The annual profit on the sale of tangible assets amounts to tDKK 0.
Last year it amounted to tDKK 954 and was recognised under other operating income

Notes

tDKK	2011/12	2010/11
14. Stocks		
Raw materials and consumables	30,716	30,027
Work in progress	11,934	5,935
Manufactured finished goods	10,976	17,868
	53,626	53,830
15. Receivables		
Receivables from sales, non-current part	1,158	1,101
Receivables from sales, current part	43,499	41,942
	44,657	43,043
Of the total receivables from sales tDKK 16,527 is hedged by documentary credit, other security provided by a third party or credit insured (tDKK 23,821 in 2010/11). Receivables are written down if their value, based on 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 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.		
Provisions 1/11 2011	345	265
Recorded losses for the year	-315	0
Provisions for the year to cover losses	74	80
Provisions account 31/10 2012	104	345
16. 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.		
17. Cash at bank and in hand		
Cash at bank and in hand	81,853	66,687
The company has unutilised credit facility of tDKK 18,000 (31/10 2011: tDKK 18,000)		
18. Share capital		
Changes in share capital:		
Share capital as at 1/11 2006		35,383
Capital augmentation employee shares 2007/08 (B-shares)		315
Capital augmentation employee shares 2009/10 (B-shares)		65
Share capital as at 31/10 2012		35,763

A-shares are not listed on the stock exchange.

B-shares are listed on the stock exchange and according to the company's articles of association the B-shares are entitled to dividend of 8% before any other allocation is made.

Notes

tDKK

	Reserve for hedging transactions	Reserve for fair value adjustments of financial assets avail- able for sale
19. Other reserves		
Capital and reserves as at 1/11 2010	2	-440
Transferred to the income statement after tax for cleared transactions	-2	382
Fair value adjustment in 2010/11	0	24
Other reserves as at 31/10 2011	0	-34
Transferred to the income statement after tax for cleared transactions	0	51
Fair value adjustment in 2011/12	0	548
Other reserves as at 31/10 2012	0	565

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

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

tDKK	2011/12	2010/11
20. Provisions for deferred tax		
Deferred tax as at 1/11 2011	4,648	4,448
Deferred tax included in the profit for the year	-577	200
Deferred tax as at 31/10 2012	4,071	4,648
The amount allocated for deferred tax relates to:		
Current assets	418	522
Intangible fixed assets	2,262	2,366
Tangible fixed assets	1,479	1,760
Non-current liabilities	-88	0
	4,071	4,648
A tax rate of 25% has been used for calculating deferred tax.		
21. Other provisions for liabilities		
Provisions for liabilities as at 1/11 2011	569	550
Additions in 2011/12	350	379
Applied in 2011/12	-569	-360
Charged back in 2011/12	0	0
Provisions for liabilities as at 31/10 2012	350	569
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 for the different product groups. The obligations are calculated on the basis of experience from previous years.		
22. Corporate tax		
Balance as at 1/11 2011	6,696	3,952
Payment of corporate tax concerning previous year	-9,077	-4,859
	-2,381	-907
Corporate tax payable	11,055	9,185
Tax paid on account in 2011/12	-1,552	-1,582
Balance as at 31/10 2012	7,122	6,696

Notes

tDKK	2011/12	2010/11
23. Financial risks		
Specification of financial assets and liabilities:		
Financial assets available for sale (securities) measured at fair value (noted prices, level 1)	10,599	21,786
Receivables	46,985	45,276
	57,584	67,062
Financial liabilities measured at amortised cost price	32.586	36.083

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 speculations in financial risks.

The company's holding of bonds were reduced in 2011/12. Apart from this, there is no significant changes to the company's risk exposure or risk management compared to 2010/11.

Foreign currency exchange risks:

The company's foreign currency exchange risks are primarily hedged by balancing payments received and made in the same currency. Exchange rate fluctuations in single currencies are not considered to have a significant impact on the company's profit and equity.

The company's foreign exchange positions as at 31/10 2012 in DKK:

Currency	Receivables/ Cash & Cash equivalents	Liabilities	Net position
EUR	48,443	-6,442	42,001
USD	4,232	-434	3,798
GBP	1,868	-103	1,765
Others		-3	-3
	54,543	-6,982	47,561

The company's foreign exchange positions as at 31/10 2011 in DKK:

Currency	Receivables/ Cash & Cash equivalents	Liabilities	Net position
EUR	47,243	-8,142	39,101
USD	4,118	-811	3,307
GBP	925	-48	877
Others	0	-17	-17
	52,286	-9,018	43,268

Notes

tDKK

23. Financial risks (continued)

Corporate trade debtors and trade creditors usually fall due no later than three months after delivery.

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 EUR with a term of 4.38% used as a basis for the below calculation of the interest rate's impact on equity.

An annual 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 0.5 million on the company's equity relating to capital loss on bond holdings (2010/11 DKK 1.2 million).

Liquidity risks

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

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 creditrate 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.

Notes

tDKK

23. Financial risks (continued)

Overdue but not impaired receivables are distributed as follows:

	31.10.12	31.10.11
Overdue by up to one month	5,229	9,120
Overdue by between one and three months	1,130	1,753
Overdue by between three and six months	886	480
Overdue by more than six months	489	536
	7,734	11,889

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.

24. Contingent liabilities

Bank guarantees have been issued to a value of DKK 1.9 million as security for prepayments.

Notes

tDKK

25. Closely related parties

Closely related parties with control

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

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

There have been no transactions with closely related parties.

26. Shareholder relations

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 %	
	2011	2012	2011	2012
ES Holding Frederikshavn ApS, Bøgevej 11, 8370 Hadsten	25.1	25.1	68.8	68.8
FMS InvesteringsRådgivning A/S Østergade 27b, 7400 Herning	6.6	11.8	2.8	4.9
Arbejdsmarkedets Tillægspension (ATP) Kongens Vænge 8, 3400 Hillerød	6.4		2.7	
Danske Bank Koncernen Holmens Kanal 2-12, 1092 København K	5.6		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 10, 2013, 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 25, 2013.

Notes

29. Accounting policies

The financial statements for 2011/12 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.

The company has earlier made statements on 2 business segments. Due to organisational changes to one unit, the company now only operates with one business segment. Therefore, information about profits and revenue have not been given for 2 segments this year, just as the comparative figures for the previous business segments have not been stated. The change in information about segments is due to the fact that management now reviews the operating profit on a total for the entire organisation, when decisions regarding allocation of resources are made.

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 purchaser 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 for the year as the portion attributable to the profit 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

Notes

29. Accounting policies (continued)

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. Any interest expenses on loans for financing development projects are included in the cost price, if they relate to the development period.

Development projects which are clearly defined and identifiable, where the technical degree of utilisation, sufficient resources and a potential future market or development opportunity 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 fixed assets are calculated as the difference between the sales price, less sales costs and the book value 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.

Development projects in progress are tested annually for impairment no matter if there are indications of this.

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.

Notes

29. Accounting policies (continued)

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

Allocated obligations/provisions are recognised when the company, due to circumstances occurring before or at the balance sheet date, has legal or actual obligations, and it is probable that financial benefits must be renounced in order to honour the obligation.

Debt commitments

Short-term debt commitments 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 book value 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 for the year as the portion attributable to the profit 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.

Notes

29. Accounting policies (continued)

Key ratios

Key ratios have been calculated in accordance with the recommendations 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.
Solvency 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	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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