



Investor presentation

Annual report 2005/06

28 August 2006

GLUNZ & JENSEN 

Forward-looking statements



Statements regarding future conditions, especially the revenue and operating income are precarious and connected with risks.

Many factors are not controllable by Glunz & Jensen and the realised figures might deviate considerably from the described expectations. These factors will amongst others be major changes in the market conditions, such as the technological development, the customer portfolio, the exchange rates, and the acquisition or divestment of companies.

For further information please see the section about Risk Factors in the Annual Report.

Agenda

- 2005/06 in brief
- Business report
- 2006/07 objectives and outlook
- 2005/06 financials
- IFRS impact

2005/06 – Highlights

■ Main objectives as stated 12 months ago

- **Competitive cost position**
 - Complete transfer of Raptor platform to Slovakia
 - Implement phase out of UK activities towards planned completion in December 2006
- **Compete in CtP processor and Plateline markets**
 - Manage CtP processor and Plateline sales through challenges of industry consolidation
- **New Business Development**
 - Successful launch of iCtP product
 - Further steps towards New Business Development

Achievements in brief

Raptor transfer completed
October 2005

UK closure on track, buildings
sold in June 2006

CtP processor unit shipments up
10%, revenue flat

iCtP launched in the US – controlled
sales initiated

Entered Punch & Bend market with
acquisition of K&F in January 2006

Highlights & Ratios 2005/06

(DKKm)	2004/05	2005/06	Change
Revenue	506	484	-4%
Gross profit	122	119	-2%
Gross margin	24.2%	24.5%	+0.7 p.p.
Operating profit before Special Items	35 6.9%	33 6.8%	-6% -0.1 p.p.
Special Items	-	-18	N.A.
Net Profit	4.3	8.2	94%
Cash Flow from operations	29	24	-18%
Cash Flow from Investments	67	-22	N.A.
Net interest bearing debt	49	65	31%
Employees (average)	291	333	14%

2005/06 – Comparison with guidance

■ August 2005 guidance

- Revenue in the order of DKK 450 million
- Operating profit (EBITA) at DKK 25-30 million

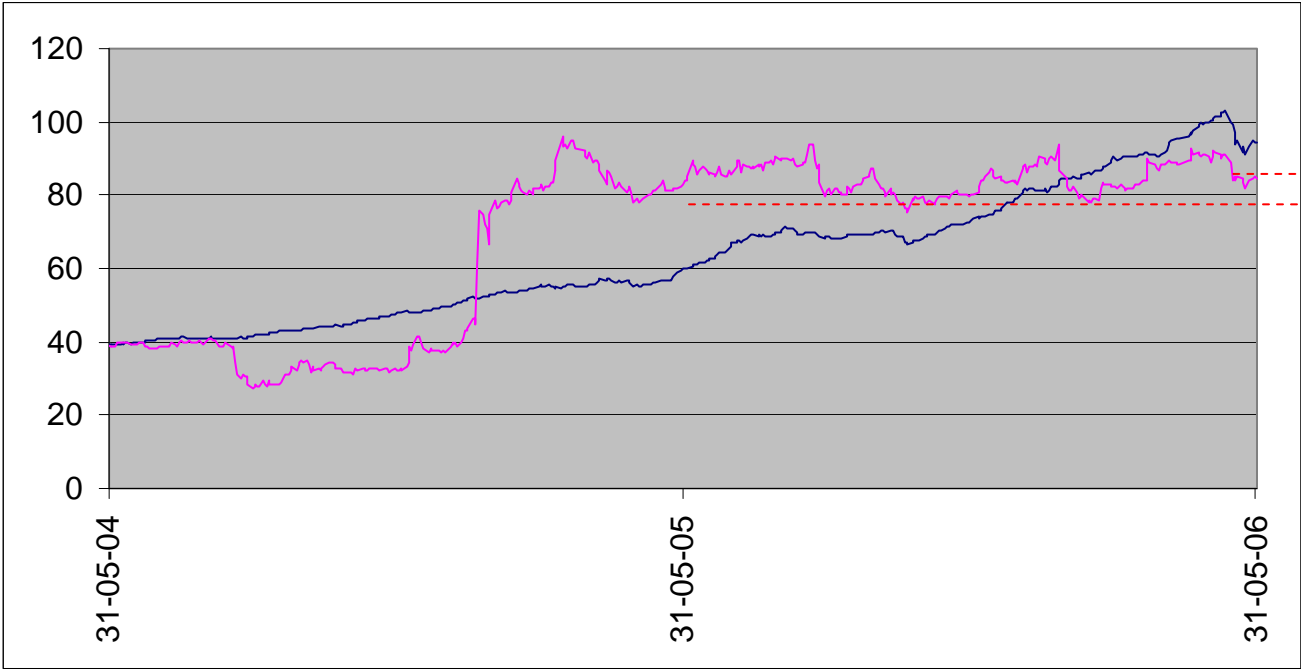
■ March 2006 guidance

- Revenue just above DKK 475 million
- Operating profit (EBITA) of just above DKK 30 million

■ Actual 2005/06 results

- Revenue of DKK 484.4 million
- Operating profit (EBITA) of DKK 32.8 million

Share Price 2004 – 2006



May 06: DKK 85

May 05: DKK 83

Change: 2%

— SmallCap+

— Glunz & Jensen

Business Report



2005/06 – G&J business environment

■ CtP market trends

- Europe: Mid market and high-end close to saturation – declining demand in the coming years
- The US: Growth in mid market and stagnation in high-end
- Newspaper CtP market growth in USA and Japan while European market is close to saturation
- Chemistry free plates gain strong acceptance with mid market commercial printers
- Introduction of processing-free technology from major suppliers

■ Industry changes

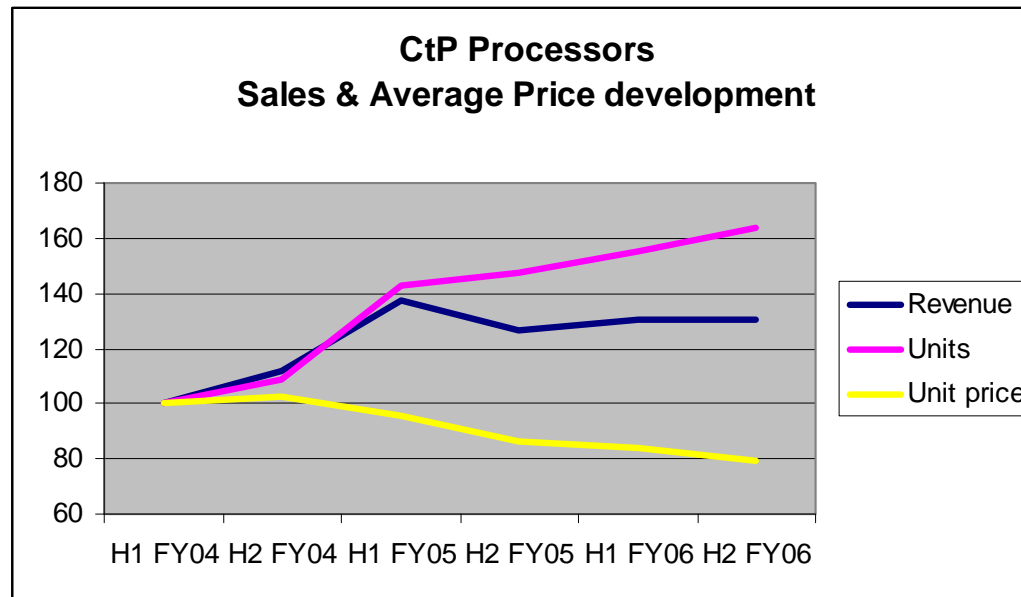
- Large companies more and more dominant and covering a larger part of the chain of equipment – acquisitions strengthen major consumable suppliers hold on CtP market
- The role of independent distributors declining as OEM's increasingly sell direct
- Increasing focus on the use of inkjet in the graphic arts industry

2005/06 Business issues

- Optimize position in the CtP processor market
- Building the Slovakian organization
- Phase out of the UK activities
- Launch of the iCtP product
- Further steps towards new Business Development – acquisition of K&F International

CtP processors

- Revenue flat after strong growth in 04/05
 - CtP processor revenue growth: 04/05: 24.4% 05/06: -1.3%
- Unit sales continue to grow despite flat overall market
 - CtP processor unit growth: 04/05: 39.0% 05/06: 9.8%
- Price erosion and mix changes have reduced average price



CtP processors

- **G&J targeting the growth segments and trying to increase market share in other segments**
 - The position as market leader maintained
 - Total market share estimated to have increased to more than 50%
- **Major OEMs remain significant distribution channel**
 - Top four customers take more than 75% of sales
- **Fierce competition**
 - Asian suppliers
 - One of G&J's large customers has chosen to expand its own production of CtP processors

Slovakia

■ Product transfer

- Raptor transfer completed
- Transfer of UK products develops according to plans – transfer completed by the end of 2006
- More than 1,000 machines produced in 2005/06
- 35% of CtP products produced in Slovakia – transfer expected to be completed by the end of 2006/07

■ Staff and organization

- All relevant departments and functions established and manned
- Development department in place and expanding
- 60 employees in place by the end of May 2006 - expected to increase to 110 by the end of 2006/07
- Many high qualified employees have been recruited

Phase out of UK activities

■ Products

- to Slovakia
 - Quartz processors
 - All Plateline equipment
- Products discontinued
 - Autolith TP

■ Functions

- to Slovakia
 - R&D, Production engineering, Purchasing and spare parts handling
- to Denmark
 - R&D, Production engineering, Customer Support and Logistics
- to the US
 - Customer Support

■ Financial impact

- Nonrecurring costs significantly lower than expected
 - Costs of DKK 18 million in 2005/06
 - Proceeds of DKK 8 million expected in 2006/07 (DKK 14 million from sale of building in Thetford)
 - Total costs of DKK 10 million against DKK 30 million expected in August 2005
- Annual cost savings of DKK 10-15 million
 - Starting FY06/07

■ Timeframe

- Completed by December 2006

Inkjet CtP technology development

- **Testing**
 - Beta testing in the US finalised in November 2005
 - Tests in Europe initiated in June 2006 – expected to be finalised in Q2 or Q3
- **Product introduction**
 - Sales in the US initiated from Q3 2005/06 – controlled pace – simultaneously build of service and support organization
 - Sales in Europe expected to be initiated, when test is completed
- **Revenue expectations**
 - Revenue expected to gradually increase during 2006/07
- **Challenges**
 - New technology – difficulties appear during the process
 - Build of new competencies and organization
 - Build of cost effective consumables supply chain

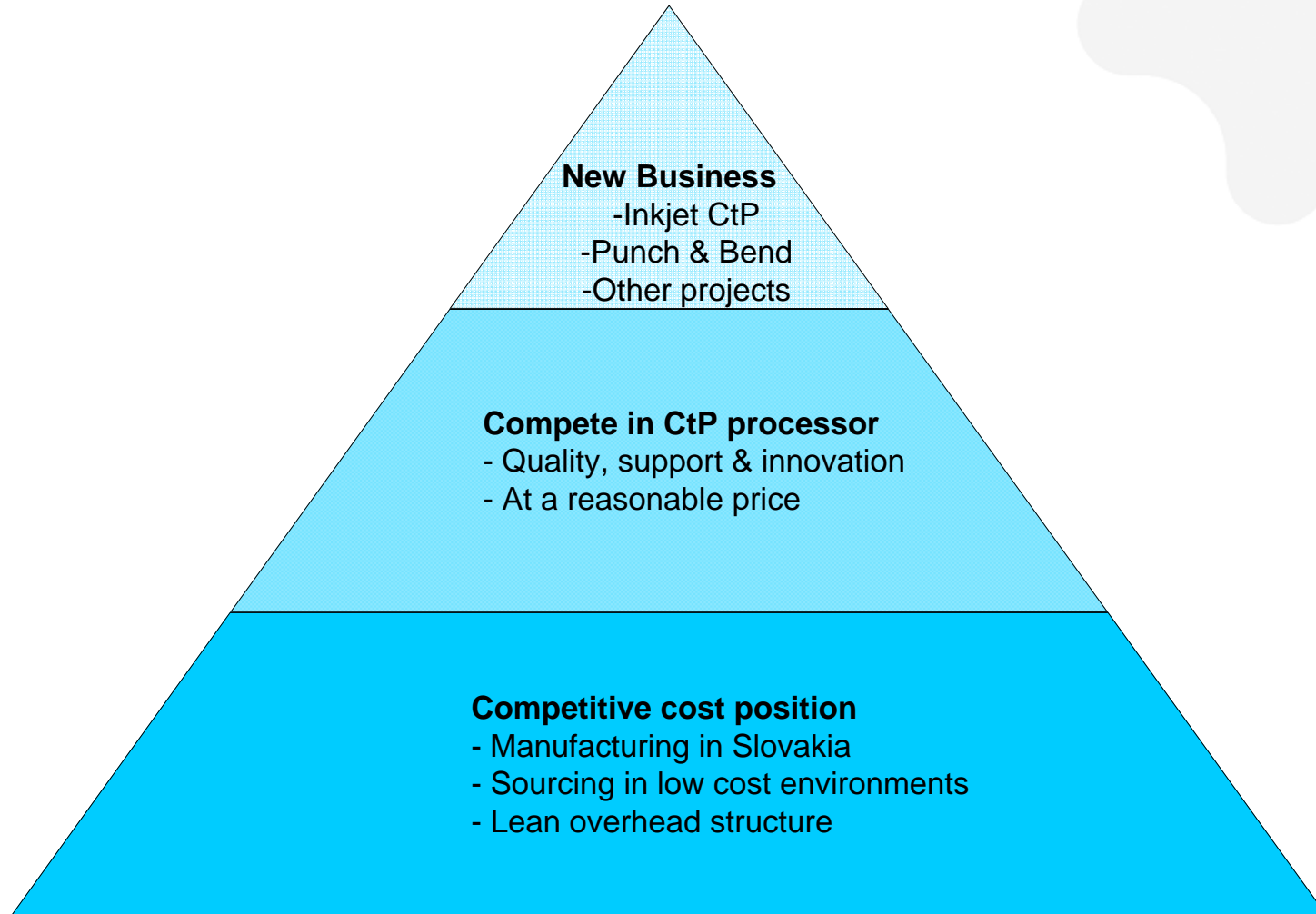
Acquisition of K&F International

- Acquired in January 2006 as part of strategy setting up new business areas
- Rationale for the acquisition
 - Punch & bend equipment typically used in addition to CtP processors – the next link in the prepress process
 - Insensitive in relation to technology development towards processing-free plates
 - G&J expands its product range – broader product offering to especially the newspaper segment
- Products
 - Punch & Bend equipment
 - Press locks
- Revenue expectations
 - Revenue expected to increase during 2006/07

2006/07 Objectives and Outlook



Glunz & Jensen Strategy



2006/07 Business objectives

- **Competitive cost position**
 - Complete transfer of UK activities towards planned completion in December 2006
 - Complete transfer of CtP processor production from Denmark to Slovakia
- **Compete in CtP processor market**
 - Manage CtP processor sales through competitive, market and technological challenges
- **New Business Development**
 - Successful development of iCtP and Punch & Bend activities
 - Further steps towards New Business Development

2006/07 – Guidance

- Revenue: In the order of DKK 485 million (2005/06 DKK 484.4 million)
 - Revenue from CtP processors expected to decline – change in demand
 - Revenue from Other Prepress to increase
 - Revenue from Punch & Bend to increase – recognised with 12 months
 - Revenue from iCtP to increase
 - Revenue from Plateline equipment to fall
 - Conventional processors continue to decline

2006/07 – Guidance

- EBITA: Approx. DKK 15-20 million (2005/06: DKK 32.8 million)
 - Investment in Punch & Bend and iCtP affect earnings negatively
 - products with lower gross margin
- Positive effect from special items – sale of production facility in Thetford exceeds costs of closing-down – positive effect around DKK 8 million

2005/06 Financials



Profit & Loss Statement

(DKKm)	2004/05	2005/06	Change
Revenue	505.7	484.4	(21.3)
Operating profit before special items	35.0	32.8	(2.2)
Special items	-	(17.9)	(17.9)
Goodwill write-down	(16.7)	-	16.7
Net profit of continuing activities	9.0	8.2	(0.8)
Net profit	4.2	8.2	4.0

Revenue

DKKm	2004/05	2005/06	Change
Revenue	505,7	484.4	(21.3)
CtP processors	(5.2)	(2) %	
Other Prepress	(7.4)	(10) %	
Conventional processors	(14.2)	(28) %	
Spare parts etc.	2.9	3 %	
USD/GBP effect	2.6	1 %	
Total change	(21.3)	(4) %	

EBITA

DKKm	2004/05	2005/06	Change
Operating profit before special items	35.0	32.8	(2.2)
Gross profit	(3.2)	(3) %	
Fixed expenses	1.0	1 %	
Total change	(2.2)	(6) %	

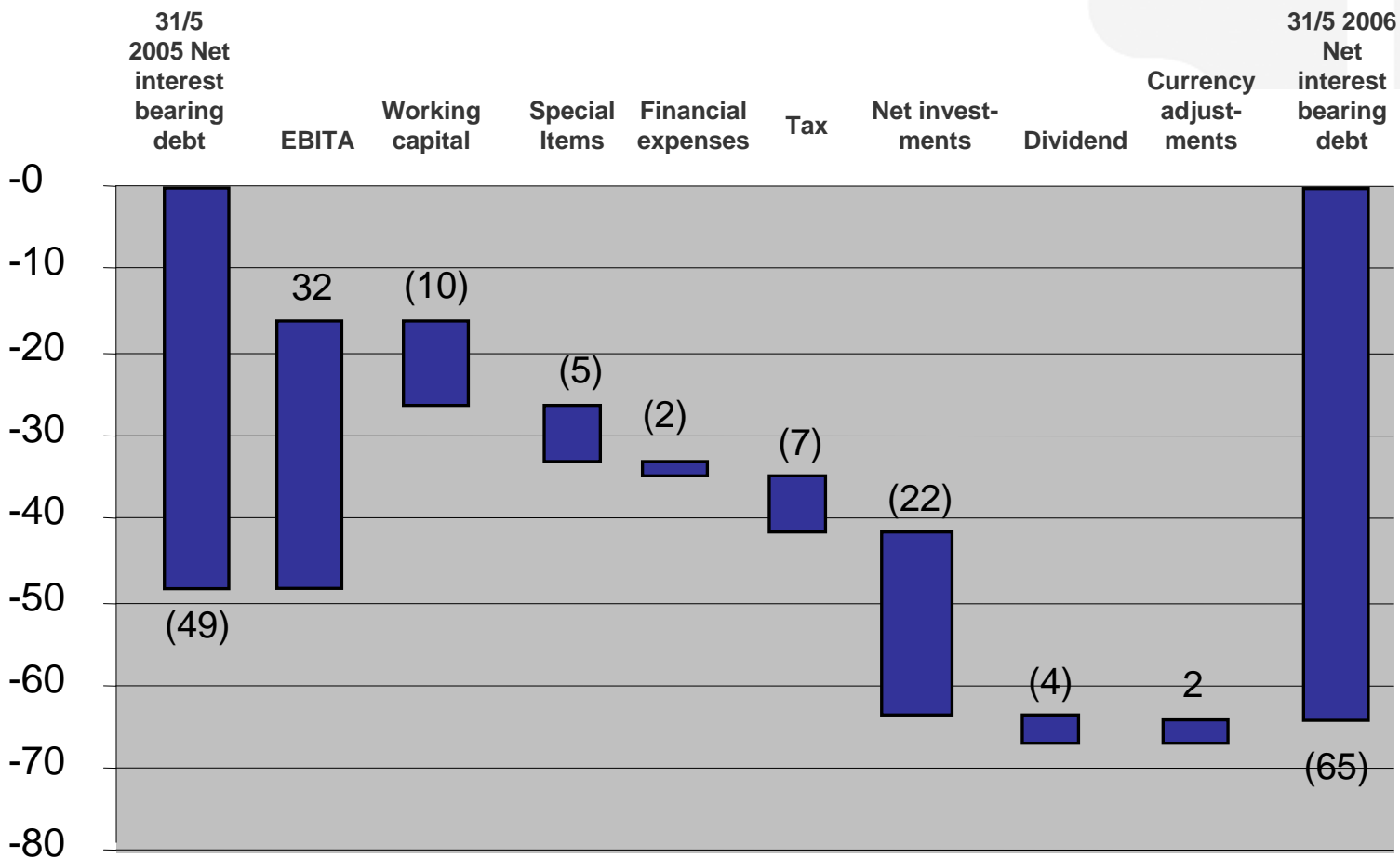
Balance Sheet – Assets

(DKKm)	31 May 2005	31 May 2006
Total assets	286.5	333.2
Goodwill	25.7	41.7
Development projects	16.2	22.5
Property, plant & equip.	88.6	81.0
Assets held for sale		8.7
Inventory	58.0	66.5
Receivables	82.5	85.3
Cash	3.6	11.2

Balance Sheet – Liabilities

(DKKm)	31 May 2005	31 May 2006
Total liabilities	286.5	333.2
Equity	157.0	160.5
Interest bearing debt	52.7	75.7
Other Provisions	4.4	18.0
Equity ratio	54.8	48.2

Cash Flow 2005/06



IFRS Impact



IFRS effect on P&L 2004/05

(DKKm)	Before	With IFRS	Effect
Revenue	528	506	(22)
Gross profit	135	122	(13)
Fixed expenses	(103)	(87)	16
EBITA	32	35	3
Goodwill amort./write-down	(21)	(17)	4
Discontinued activities	-	(5)	(5)
Net Profit	1	4	3

Questions





Thank You !

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Revenue by Product category

(DKKm)	2004/05	2005/06	Change
CtP	282	278	-1%
Other Prepress	70	63	-10%
Conventional	52	38	-27%
Spare parts etc.	<u>103</u>	<u>105</u>	2%
Total revenue	506	484	-4%