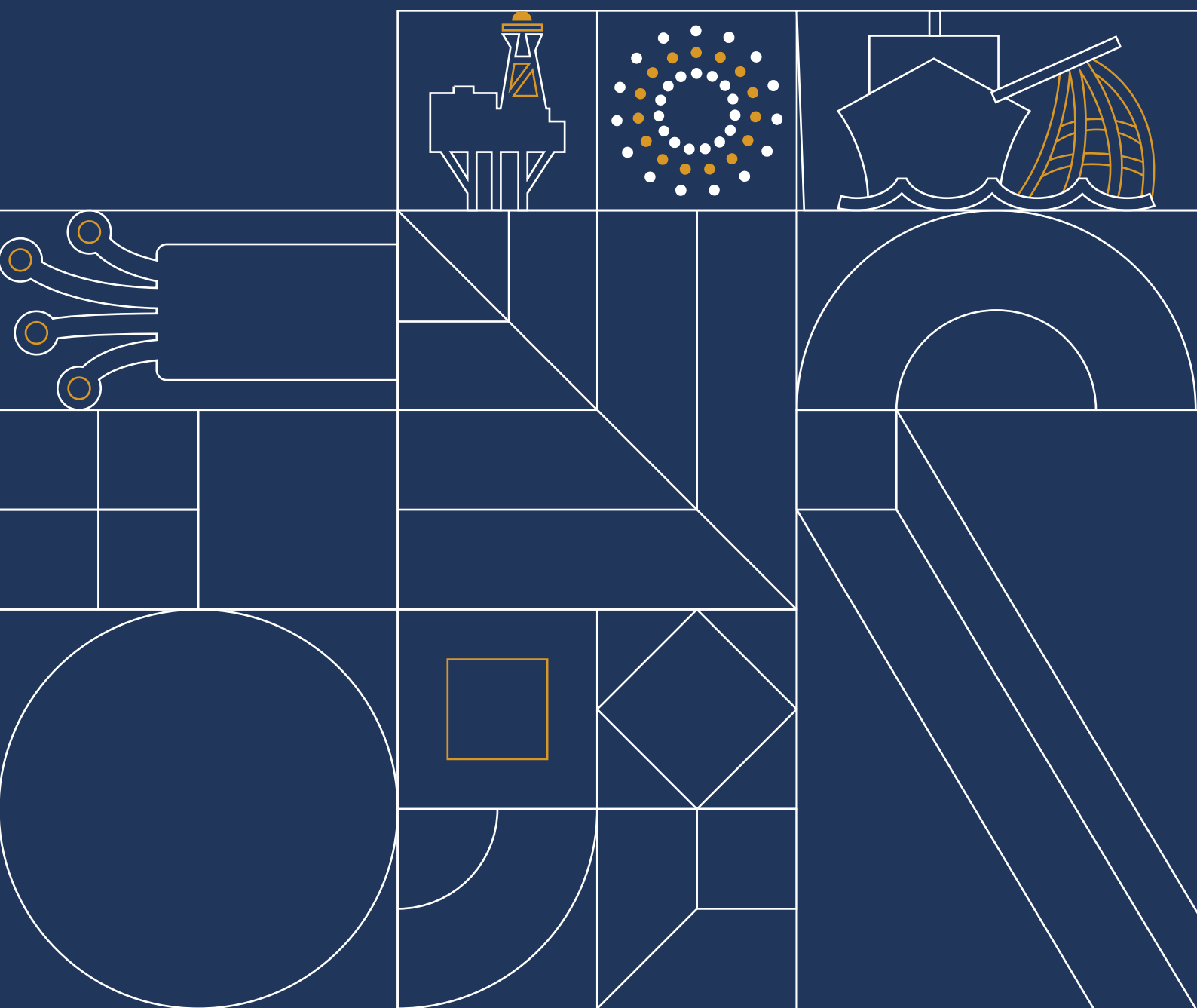


Roblon

Annual report **2014/2015**



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REVENUE

**DKK 227.7
million**

PROFIT BEFORE TAX

**DKK 24.0
million**

DIVIDEND PAYMENT

50.0%

EXPORT RATIO

96.7%

PROFIT RATIO

9.7%

CASH FLOWS FROM OPERATIONS

**DKK 23.2
million**

Roblon A/S – an international, customer-oriented company

Roblon's business concept is based on the company's many years of experience, know-how and technology in the field of fibres. Innovation and product development constitute a core process in Roblon's continuous efforts to achieve and sustain growth.

Roblon is a recognised supplier to the global industrial market. The development of new products takes place in close collaboration with industrial partners who set absolute requirements for documented quality and high delivery performance.

Roblon currently operates within four product groups:

- TWM – Yarn and rope-making equipment
- Lighting – Fibre optic lighting and LED lighting
- Offshore and other industry
- Fibre cable materials and cable machinery

These all make a positive contribution to the company's revenue and profit figures.

Roblon's administration and showroom are based in Frederikshavn, while its production facilities and development departments are located in Sæby and Gærum, with sales and support teams located all over the world.



TWM



REVENUE
DKK 68.2 million

Lighting



REVENUE
DKK 24.9 million

Offshore and other industry



REVENUE
DKK 62.1 million

Fibre cable materials and cable machinery



REVENUE
DKK 72.5 million

Financial highlights

Main figures	Unit	2010/11	2011/12	2012/13	2013/14	2014/15
INCOME STATEMENT						
Net revenue	DKK million	223.8	253.8	267.0	259.8	227.7
Of which exports	DKK million	199.4	230.2	227.6	239.7	220.2
Export ratio	%	89.1	90.7	85.2	92.3	96.7
Operating profit (EBIT)	DKK million	36.4	39.3	53.4	51.3	22.1
Net financial items	DKK million	0.5	1.8	0.7	2.0	1.9
Profit before tax	DKK million	36.9	41.1	54.1	53.3	24.0
Profit for the year	DKK million	27.6	30.8	41.0	40.4	18.4
BALANCE SHEET						
Assets	DKK million	242.0	244.0	274.5	300.6	287.4
Working capital	DKK million	68.6	74.0	93.7	82.5	71.3
Invested capital	DKK million	123.5	125.8	147.9	135.2	129.7
Equity	DKK million	200.7	207.0	230.3	252.8	249.7
CASH FLOWS						
Cash flows from operating activities	DKK million	34.8	34.1	31.4	59.8	23.2
Cash flows from investing activities	DKK million	15.5	6.1	(8.7)	(7.7)	(67.0)
Cash flows from financing activities	DKK million	(17.9)	(25.0)	(17.9)	(17.9)	(21.5)
Cash flows for the year	DKK million	32.5	15.2	4.8	34.3	(65.3)
Investments in property, plant and equipment	DKK million	(1.4)	(3.5)	(5.0)	(5.4)	(15.4)
Depreciation, amortisation and impairment	DKK million	(9.7)	(9.3)	(8.0)	(9.0)	(8.4)
KEY FIGURES						
Gross margin	%	57.6	53.7	56.0	58.2	56.0
Net profit margin (EBIT margin)	%	16.3	15.5	20.0	19.8	9.7
ROIC/return on average invested capital	%	29.3	31.6	39.0	36.2	16.7
Equity/assets ratio	%	82.9	84.8	83.9	84.1	86.9
Return on equity	%	14.1	15.1	18.7	16.7	7.3
Working capital, % of revenue	%	30.7	29.2	35.1	31.8	31.3
Average number of full-time employees	Number	125	136	138	138	139
Gross profit per full-time employee	DKK million	1.0	1.0	1.1	1.1	0.9
SHARE-RELATED KEY FIGURES						
Earnings per DKK 20 share (EPS) ¹⁾	DKK	15.5	17.2	22.9	22.6	10.3
Price Earnings (PE)	DKK	7.7	9.7	10.4	12.6	23.6
Payout ratio	%	91	58	44	53	97
Operating cash flows per DKK 20 share ¹⁾	DKK	19.5	19.1	17.6	33.5	13.0
Proposed dividend (% of nominal value)	%	70	50	50	60	50
Intrinsic value of shares ¹⁾	DKK	112	116	129	141	140
Closing listed market price ¹⁾	DKK	120	167	238	286	243
Market price/intrinsic value		1.1	1.4	1.8	2.0	1.7

¹⁾ Adjusted to reflect the 1:5 share split of the company's class A and class B shares. Comparative figures have been adjusted for all the years included.

The key figures have been prepared in accordance with the "Recommendations & Ratios 2015" issued by the Danish Association of Financial Analysts. The share-based key figures relate to the class B shares.

For definitions and concepts, please see the section "Accounting policies applied" in Note 29.

Summary

Roblon's actual revenue and earnings were as expected after Q3 2014/15.

The new Managing Director and CEO took over on 5 January 2016.

Management expects to see a rise in revenue and earnings in 2015/16.

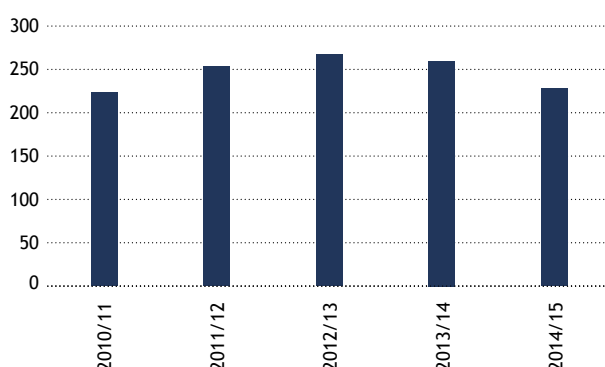
Summary

- Revenue fell to DKK 227.7 mill. (259.8 mill.) as a consequence of the decline in the product groups Fibre cable materials and cable machinery and Lighting
- Operating profit (EBIT) was DKK 22.1 mill. (51.3 mill.) and was negatively affected by the fall in revenue. The profit figure was also affected by approx. DKK 8 million consisting of the severance package paid to the former managing director as well as costs associated with a sales agent we let go.
- The EBIT margin was 9.7% (19.8%)
- Profit before tax amounted to DKK 24 million (53.3 million)
- Profit after tax amounted to DKK 18.4 million (40.4 million)
- The return on invested capital (ROIC) before tax was 16.7% (36.2%)
- Operating cash flows for the year amounted to DKK 23.2 million (59.8 million)
- Roblon's new Managing Director and CEO Lars Østergaard took over on 5 January 2016. As of this date, the Executive Management consists of Managing Director and CEO Lars Østergaard, CFO Carsten Michno and COO Kim Müller.
- Management expects revenue in the region of DKK 250 million and profit before tax of DKK 25 million in the financial year 2015/16.

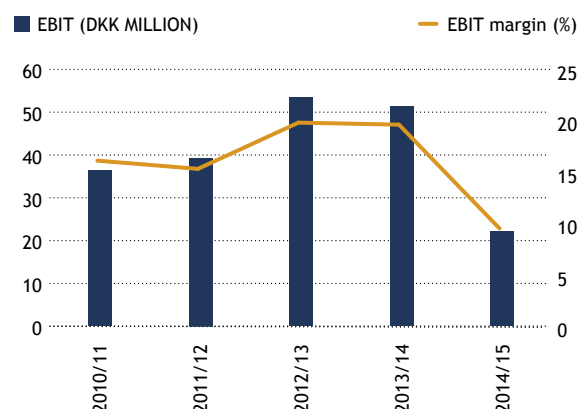
The Board of Directors recommends the following proposals to the Annual General Meeting of Roblon A/S to be held on 25 February 2016:

- A dividend of DKK 10 per DKK 20 share to be paid (DKK 12 per share).
- The re-election of director Jørgen Kjær Jacobsen, lecturer Ole Krogsgaard and group senior vice president Peter Sloth Vagner Karlsen, in addition to the election of group senior vice president, finance Randi Toftlund Pedersen.
- The extension until 30 June 2017 of the mandate for the company to purchase own shares up to 10% of the share capital, and at a price that may deviate no more than 10% from the most recent price calculated for all trades prior to the purchase.
- The re-election of Deloitte Statsautoriseret Revisionspartnerselskab as the company's auditors.
- The annual report for 2014/15 be adopted at the company's AGM, to be held on Thursday 25 February 2016 at 4.30 pm, at Hotel Scandic The Reef, Tordenskjoldsgade 14, DK-9900 Frederikshavn, Denmark.

REVENUE TREND (DKK MILLION)



EBIT AND EBIT MARGIN TREND



Roblon's business concept

Natural and synthetic fibres make up a key element of Roblon's DNA and could be considered the foundation stone of the company's success over the years.

Beginning with nylon fibre to make rope, which was the company's main area of activity in the early years, followed by more sophisticated fibres for many different applications, Roblon has been successful with its fibre-processing machines that are in demand by customers all over the world.

Roblon possesses specialist knowledge with regard to how the properties of these fibres can be utilised for many different purposes. Roblon also possesses a great deal of know-how regarding the combination of the shape, colour and physical, chemical and optical properties of the fibres, as well as how the fibres are processed. This makes the company's products unique.

As the world's leading manufacturer of rope-making equipment, Roblon provides rope consumers worldwide with fibres that have extra properties and added value. The machines are designed to handle different types of fibre, from naturally occurring fibres known from traditional ropes to fibres possessing very high strength and stiffness. The use of fibres in rope-making ranges from applications as simple as agricultural twine to as complex as oil rig supports. The company supplies machines for processing high-tenacity fibres such as Kevlar and carbon fibre.

A very different use of fibres processed by Roblon can be experienced first-hand in a whole host of exclusive boutiques and cultural institutions. Roblon's fibre optic products allow users to experience purity and colours matched by only a few other light sources.

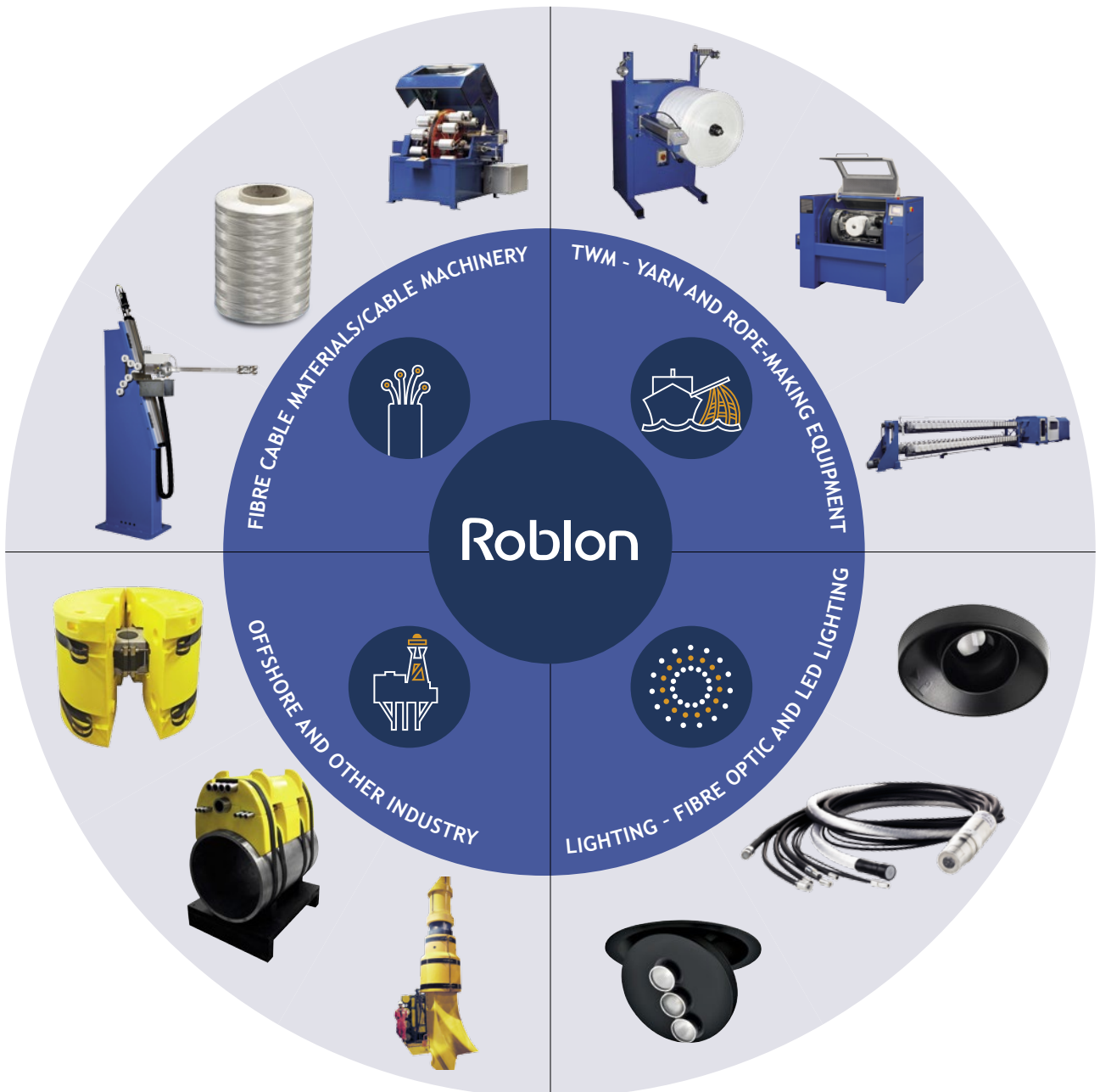
Without even knowing it, you can come across another use for Roblon's fibre-based products every time you switch on a computer or TV. Roblon processes reinforcement fibres for fibre optic cables that connect networks globally. These reinforcement fibres usually have fibreglass or Kevlar as their raw material, but Roblon gives the fibres added value by applying a functional coating. Doing this makes the fibres more robust in the customers' production facilities and can make fibre optic cables watertight or e.g. prevent rodents from damaging the fibre optic cables.

Exact requirements apply to the physical and chemical properties of fibre products within the "Offshore & other industry" area. Over time, Roblon has become one of this product area's most renowned and specialist manufacturers of fibre-based reinforcement straps for pipes and products for fixing submarine installations to pipes and cables. In fields of use such as these, the long-term durability of the products is a crucial factor when it comes to competitiveness.

In the "Offshore and other industry" product group, Roblon's extensive know-how when it comes to developing strong fibre structures in rope-making machines is combined with the company's experience of processing the fibre structures into end products with unique qualities.

Fibres are the common denominator of Roblon's four product groups, as demonstrated by the figure overleaf.

The four product group areas





TWM – Yarn and rope-making equipment

TWM dates back to the company's origins more than 60 years ago as a supplier of rope to the local fishing industry. Over the years Roblon has built up unique expertise within twisters (T), winders (W) and rope-making machinery (M) used either individually or in combination to make yarns and cabled rope.

Roblon twisters are used to make twine and yarns for sectors including agriculture and industry. The machines are to an even greater extent also being used in the production of technical yarns which are in turn used in many different types of product.

Roblon's wide selection of rope-making machines includes equipment that produces cabled rope in thicknesses from as little as 1 mm to as large as 52 mm in diameter. Rope is used in countless contexts and made all over the world.

Roblon winders are used to wind yarns which are then used in other products and processes. As a spin-off of the focus on rope, Roblon has also developed winders for the carbon fibre industry; these are used to wind raw materials involved in the production of carbon fibre.



Lighting – Fibre optic and LED lighting

Roblon's core competencies in the lighting area are centred around lighting solutions for display purposes, whether this means art collections or display/sales cases for high-end products. Users ask for solutions that provide a consistent and well-documented light quality which does not expose the objects on display to unnecessary risks due to the light source selected.

Fibre optic lighting is primarily known from decorative projects in the form of "luminous", often coloured plastic fibre cables (side lighting) and also for spot lighting (end lighting). Fibre optic lighting does not emit heat and the light source itself is not conductive, nor does it emit any ultraviolet radiation or create hot areas. The gentle light produced is ideal for fragile paintings and sculptures at museums, in display cases or as decorative lighting.

Roblon also offers power-saving LED installations. Many different grades of LED lighting and solutions are now offered at various price levels, with the market dominated by a large number of low-price manufacturers. Roblon offers high-quality LED lighting and as quality LED technology has neutralised halogen's head start in terms of colour and contrast reproduction, so Roblon has gained a foothold in the market for quality LED lighting, with its solutions often being developed in close cooperation with the customer.



Offshore and other industry

Customers and users are found in the oil and gas industry and in other industrial sectors that need lines, straps or tapes with high strength, low weight and a long service life.

For many years now, Roblon has supplied different types of tapes and straps used offshore in connection with drilling and oil exploration. The products are mainly used for fixing, stabilisation and reinforcement purposes when drilling for oil takes place from platforms or ships. Safety nets for various uses, including as a port security measure and on oil rigs, are also used e.g. to prevent objects from falling down and injuring people or damaging equipment.

The products consist of synthetic fibres coated with various types of sheathing material. In comparison to products such as steel straps, the advantage of Roblon's products is their longer service life because they do not corrode, not to mention their high breaking strength. Roblon supplies straps with breaking strengths varying from 3 tonnes to more than 400 tonnes.

The products are made to order based on the customer's detailed and specific requirements. In conjunction with the maintenance and repair of modules etc., customers can first see whether replacement is necessary once the modules have been brought up from the water. There are consequently high requirements for flexibility and adaptability within Roblon's production to enable the delivery of spare parts at short notice.

Roblon supplies industries that set stringent requirements for quality and documentation, with these supported by Roblon's ISO 9001 and 14001 certification.



Fibre cable materials and cable machinery

This product group is aimed at the fibre optic cable industry, where the demand for fibre optic cables is driven by an ever-increasing interest in faster data transfer, server solutions "in the cloud", streaming services, online gaming, etc.

Roblon supplies a wide range of the components used to construct and design the cable; these components vary according to the requirements for the cable's durability and function. Requirements for fibre optic cables change all the time. More stringent requirements are always being set for the cables' properties, which means Roblon's product mix is constantly under development.

Thinner cables - mini and micro cables - are used primarily for installations that are generally located a short distance from the end user. These cables, together with new improvements, have influenced Roblon's latest launch of new products. 2014/15 thus saw Roblon introduce new thin and water-absorbing fibre products (Roblon Dry-Swell), which are characterised by their ultra-thin design. They can also absorb water quickly and effectively, not to mention that Roblon Dry-Swell benefits the user due to the solution making it easier to actually install the cables.

Roblon is an experienced supplier of components to the fibre cable industry and for this reason also produces a wide range of cable-handling machinery. Both standard machines and customised solutions are included in the extensive selection of machines that form the production line. By working closely with the customers, it is possible to achieve a good understanding of their needs for innovative production solutions and thus efficient, competitive products.

The customer base for cable machinery and materials is characterised by a small number of major players, and by working with Roblon these achieve substantial advantages as a result of buying both machinery and materials for fibre cable production from the same place.

Financial review

Revenue and earnings figures for 2014/15

The company achieved revenue of DKK 227.7 million for the financial year 2014/15 compared to DKK 259.8 million the year before. The gross margin was 56.0% in comparison to 58.2% the previous year. The lower gross margin was mainly caused by higher stock write-downs.

Operating profit (EBIT) amounted to DKK 22.1 million compared to DKK 51.3 million the previous year. The net profit margin (EBIT margin) was 9.7% in comparison to 19.8% the previous year. The significantly reduced operating profit was negatively affected by the fall in revenue. The profit figure also takes into account approx. DKK 8 million consisting of the severance package paid to the former managing director as well as costs associated with a sales agent we let go.

The quarterly report for Q3 2014/15 set out Management's expectations of revenue in the region of DKK 220-230 million and profit before tax of DKK 20-25 million for 2014/15. The revenue and profit before tax actually achieved thus meet the expectations after the first three quarters of the financial year 2014/15.

In Q4, the company achieved revenue of DKK 58.3 million with profit before tax of DKK 1 million, while in the same quarter of the previous year the figures were DKK 74.5 million and DKK 19.4 million respectively. Profit for Q4 2014/15 was negatively

affected by approx. DKK 7.2 million due to the severance package paid to the former managing director.

Profit before tax for the full financial year 2014/15 amounted to DKK 24 million, with profit after tax of DKK 18.4 million compared to DKK 53.3 million and DKK 40.4 million respectively the previous year.

The return on invested capital (ROIC) before tax was 16.7% in comparison to 36.2% the previous year.

Operating cash flows for the period amounted to DKK 23.2 million compared to DKK 59.8 million the previous year.

Main points

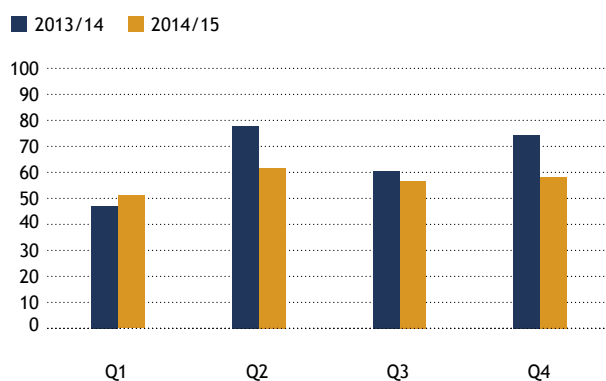
Revenue

The company reported revenue of DKK 227.7 million compared to DKK 259.8 million the year before.

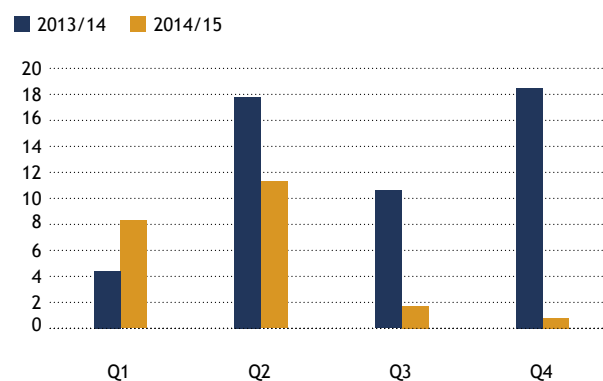
Goods consumed – gross profit

The gross margin achieved was 56% in comparison to 58.2% the previous year, with this development mainly due to the higher stock write-downs and the greater pressure on sales prices in the "Fibre cable materials and cable machinery" product group in a period characterised by rising production costs.

REVENUE - BY QUARTER (DKK MILLION)



EBIT - BY QUARTER (DKK MILLION)



Other external costs

Other external costs came to DKK 29.8 million, which is on a par with the previous year's costs of DKK 30.0 million.

Staff costs

The company's staff costs totalled DKK 72.9 million compared to DKK 64.1 million the previous year. This rise is primarily due to the DKK 7.2 million severance package paid to the former managing director and recognised in the income statement. During the course of the year the company's Executive Management was enhanced by taking on a CFO, a development which has also resulted in increased staff costs.

Depreciation and write-downs

The company's total depreciation and write-downs came to DKK 8.4 million compared to DKK 9.0 million the previous year.

Financial items

Financial items showed a net income of DKK 1.9 million in comparison to the previous year's net income of DKK 2.0 million.

Tax on profit for the year

Tax on profit for the year amounted to DKK 5.6 million and the total tax rate was 23.5% compared to DKK 12.9 million and 24.1% respectively the previous year.

Balance sheet

The company's balance sheet total as at 31 October 2015 amounted to DKK 287.4 million compared to DKK 300.6 million the previous year. Working capital amounted to DKK 71.3 million (82.5 million), corresponding to 31.3% (31.8%) of revenue for the year. The reduction in the working capital tie-up may be attributable to the falling activity level seen this year, which had led to substantial reductions in receivables from sales as at 31 October 2015 in comparison to the previous year.

Development projects

Completed development projects and development projects in progress accounted for DKK 8.8 million compared to DKK 8.9 million the previous year.

Stocks

The company's stocks totalled DKK 67.7 million compared to DKK 62.5 million as at 31 October 2014. This rise is mainly due to greater stock levels in the "TWM" product group to make sure that the customers have reasonable delivery times given that the product range is being expanded all the time.

Stock write-downs recognised in the income statement came to DKK 4.5 million compared to DKK 1.1 million the previous year, with this significant increase being particularly attributable to the "Lighting" product group.

Receivables

Total receivables amounted to DKK 41.5 million compared to DKK 53.5 million the previous year. The company's receivables from sales fell to DKK 29.5 million compared to DKK 50 million as at 31 October 2014. This fall can be attributed to the decline in revenue in Q4 2014/15 when compared to Q4 of the previous year.

Current securities

The company's securities amounted to DKK 60 million compared to DKK 10.8 million the previous year and comprise a portfolio of listed bonds and shares. These securities are available for sale and agreements are in place with Danske Capital and Nykredit Asset Management to follow an active management strategy with low risk.



Financing and capital resources

The company's liquidity contribution from operations in 2014/15 was DKK 23.2 million in comparison to DKK 59.8 million the previous year. The difference of DKK 36.6 million (net) in the amounts achieved for 2014/15 and in the previous year is primarily due to the approx. DKK 29.2 million reduction in EBIT and the DKK 10.4 million increase in corporation tax paid in 2014/15, as well as the positive change in working capital and non-current other debt of DKK 3 million.

Roblon's total investment in property, plant and equipment amounted to DKK 17.8 million compared to DKK 7.7 million the previous year, with this increase relating to the expansion of the business in Gærum as well as the new production facilities being built there. Investments in new products amounted to DKK 2.4 million.

At the end of the financial year, current securities and net liquid assets amounted to DKK 115.6 million in comparison to DKK 131.7 million the previous year. Roblon also has unutilised credit facilities of DKK 2 million through the company's bank.

Capital and reserves

The company's capital and reserves amounted to DKK 249.7 million as at 31 October 2015 compared to DKK 252.8 million at the same date the previous year. Capital and reserves has thus fallen by DKK 3.1 million, which comes from the profit for the year of DKK 18.4 million and the dividend payout of DKK 21.5 million.

Dividend

The Board of Directors recommends to the Annual General Meeting that a dividend of DKK 10 per share be paid for 2014/15, which corresponds to a total dividend of DKK 17.9 million and a payout ratio of 97%.

Events after the balance sheet date

November 2015 saw the company receive a claim for payment of up to approx. DKK 5 million from a terminated sales agent.

After consulting the company's lawyer, Roblon has come to the conclusion that the claim is unsubstantiated. As at 31 October

2015, a sum of DKK 0.9 million has been set aside in the annual report to cover the winding up of the agent relationship.

Management believes that the amount set aside is adequate and will cover the claim lodged by the sales agent.

Apart from this, no significant events of relevance to the annual report have occurred since the balance sheet date of 31 October 2015.

Expectations for 2015/16

Management anticipates there will be moderate rates of growth within the company's product groups.

Demand in the individual product areas is expected to remain the same, but the "Offshore" sector will continue to face challenges because of the low oil price.

More sales and development activities are planned for 2015/16 to support long-term growth in revenue and earnings.

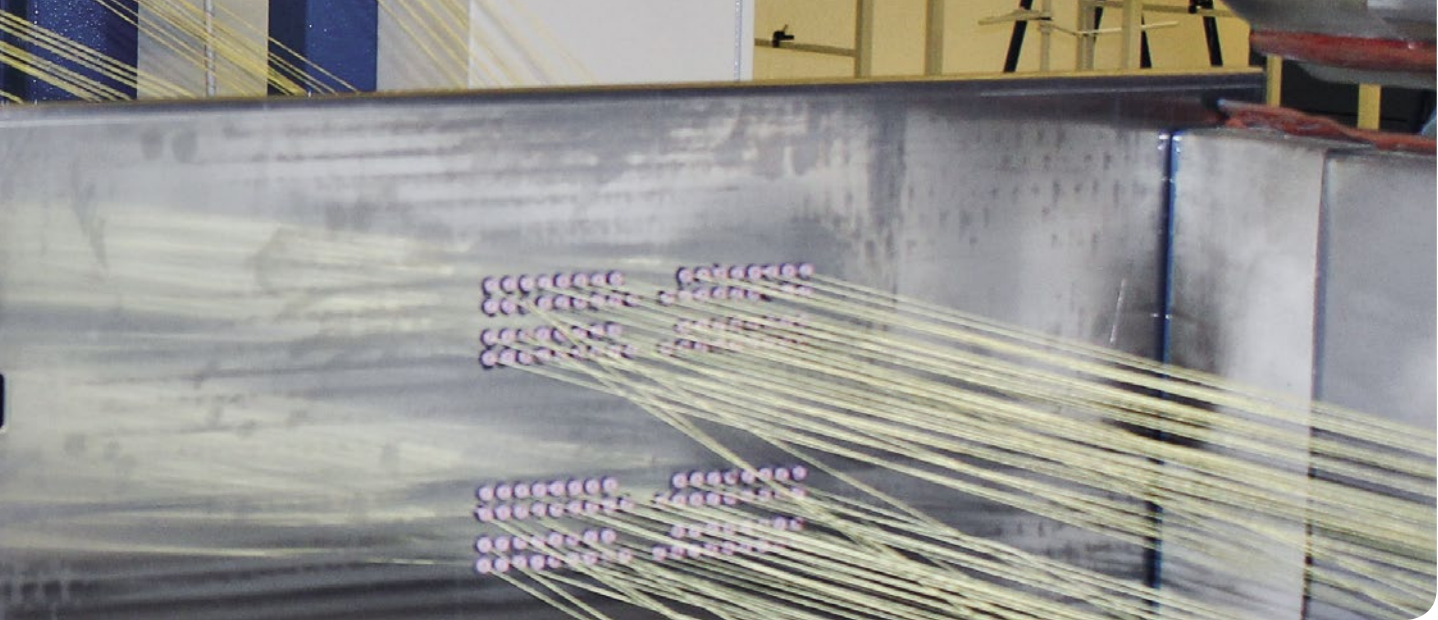
Management expects revenue in the region of DKK 250 million and profit before tax of DKK 25 million in the financial year 2015/16.

Management and employees

On 31 October 2015 the company had 141 employees compared to 143 on the same date the previous year. These members of staff are based across the company's three business locations in Frederikshavn, Sæby and Gærum; at the end of the financial year the breakdown of these employees was 85 hourly paid workers and 56 salaried workers. The corresponding figures for the previous year were 84 hourly paid workers and 59 salaried workers.

In the course of the financial year 2014/15, the Board decided to expand the Executive Management team by hiring Carsten Michno as Chief Financial Officer (CFO); he took up his position in March 2015.

The company's former managing director and CEO Jens-Ole Sørensen was dismissed and left his position on 11 August 2015.



The company's CFO was appointed Acting Managing Director and CEO.

As of 5 January 2016, Roblon A/S has hired Lars Østergaard (50) to take on the role of Managing Director and CEO. Lars has joined the company from his position as CEO of Royal Arctic Logistics A/S.

He has extensive experience of senior management at large industrial companies. Lars has a degree in International Business Economics and has also completed relevant graduate courses in management at INSEAD and IMD.

As of 5 January 2016, the Executive Management of Roblon A/S now consists of Managing Director and CEO Lars Østergaard, CFO Carsten Michno and COO Kim Müller.

Sales activities in 2014/15

The financial year saw the company's revenue fall by 12.3%. Revenue in the "Offshore and other industry" product group improved, while in the other three product groups a decline in revenue was evident compared to the previous year.

The export ratio was 96.7% in comparison to 92.3% the previous year.

The revenue breakdown by region was 59% (60%) for Europe, 20% (18%) for the USA and 21% (22%) for the rest of the world.

The product groups

TWM - Yarn and rope-making equipment

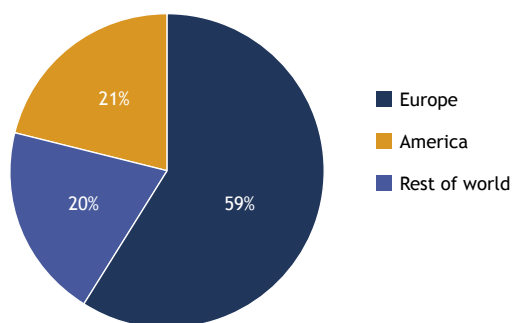
The "TWM" product group achieved revenue of DKK 68.2 million in 2014/15, which is a small drop on the previous year's figure of DKK 70.9 million.

The level of sales and the subsequent revenue did not develop as expected in the first half-year of the financial year 2014/15, meaning that approx. 38% of the revenue originates from this period. To counter this, more sales and revenue-generating activities took place in the second half-year of 2014/15, with these efforts helping the company to successfully generate revenue on a par with the previous year.

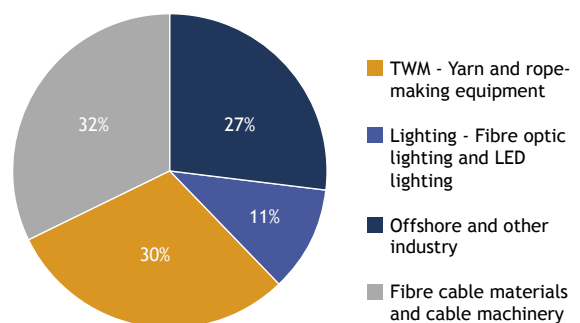
Lighting - Fibre optic lighting and LED lighting

Revenue of DKK 24.9 million was achieved in 2014/15 compared to DKK 36.4 million for the previous year. The fall in revenue is

REVENUE - BY GEOGRAPHIC REGION



REVENUE - BY PRODUCT GROUP



mainly due to vacant posts in the sales organisation in parts of the financial year.

In the second half of the financial year, the company restructured the sales organisation as well as taking on new sales staff.

Offshore and other industry

This product group generated improved revenue of DKK 62.1 million in 2014/15 compared to DKK 56.3 million the previous year. This positive trend was primarily the result of large standalone sales orders that were confirmed in 2013/14 for part delivery in the financial year 2014/15.

The growth in the product group is considered to be satisfactory in light of the low oil prices challenging the "Offshore" market.

Fibre cable materials and cable machinery

Revenue fell to DKK 72.5 million (96.2 million), which was caused by lower cable machinery sales and temporary quality problems with specific fibre cable products. The reduction in revenue was also due to lower sales to the Russian market and the fact that we have not had enough sales representatives over a fairly long period.

There is still more consolidation in progress among the manufacturers of optical fibre cables and this, in combination with greater competition, is creating more of a price and profit squeeze for some of the products in this group.

During the financial year Roblon had a new fibre cable material approved by one of the company's key customers. This new material is expected to boost marketing potential in several international markets.

Acquisitions

Two specific acquisition targets have been cultivated during the course of 2014/15. In both instances the approach came to nothing.

Acquisitions remain an element of the company's future strategic development and growth.

Product development and innovation at Roblon

The "TWM" product group has three new groundbreaking products in the pipeline. Roblon's entire machinery portfolio is also being upgraded with a view to optimising and boosting the software and user interface functionality of the machines.

Roblon set up a laboratory in 2014/15 as part of the development department's facilities at the factory in Gærum. The laboratory contains equipment for analysing product and material properties, something which improves Roblon's ability to document processes and product characteristics.



Discrete fibre optic lighting solution with focus on the object.
PHOTO: STAATLICHE MUSEEN, BERLIN.

Roblon's largest rope-making machine MT99 smashes all records

Roblon has developed and manufactured the largest machine for making cabled rope to date. The MT99 can produce rope with a diameter of up to 52 mm, or two inches in imperial measurements. This paves the way for brand new marketing opportunities.

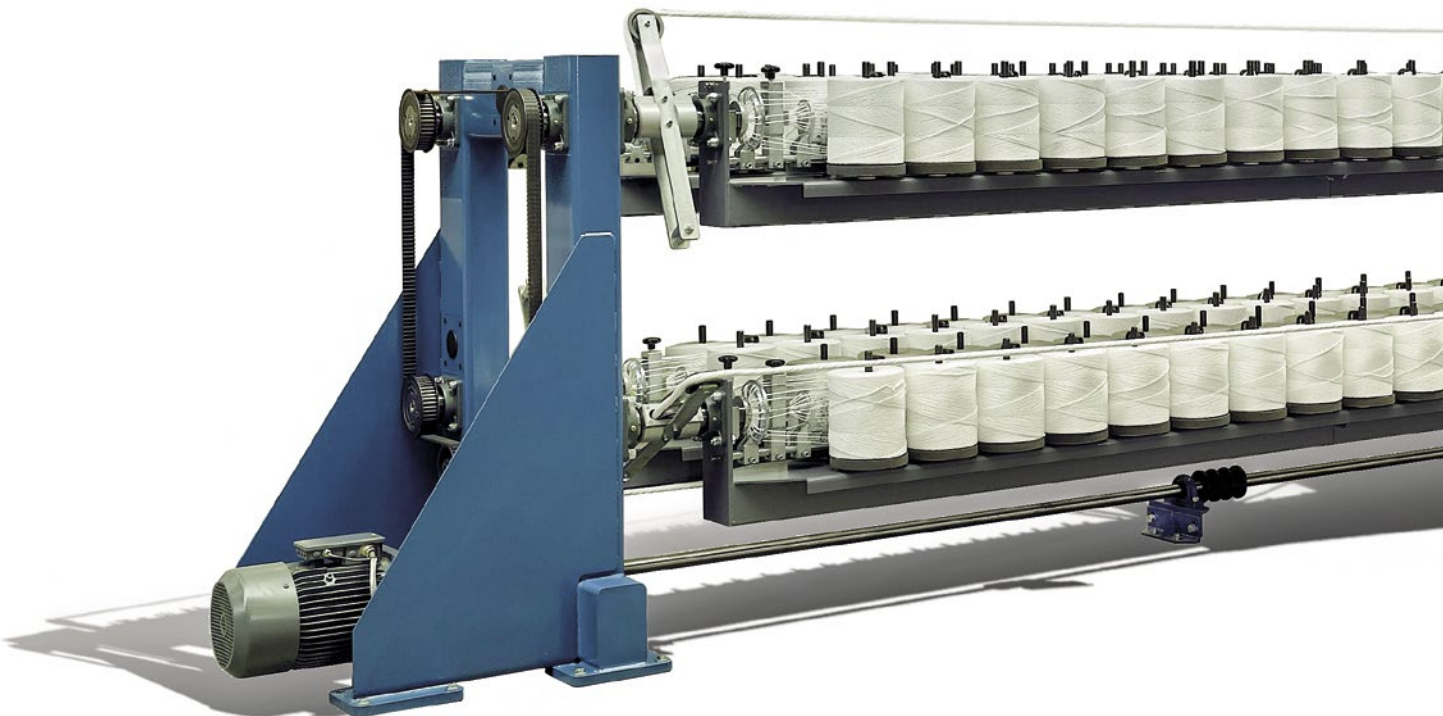
The MT99 has broken the previous record for a Roblon rope-making machine, which was producing rope with a diameter of up to 44 mm. In contrast, the MT99 can supply rope with a diameter 18% larger and that weighs 40% more. These two factors mean the rope's breaking strength has also increased substantially.

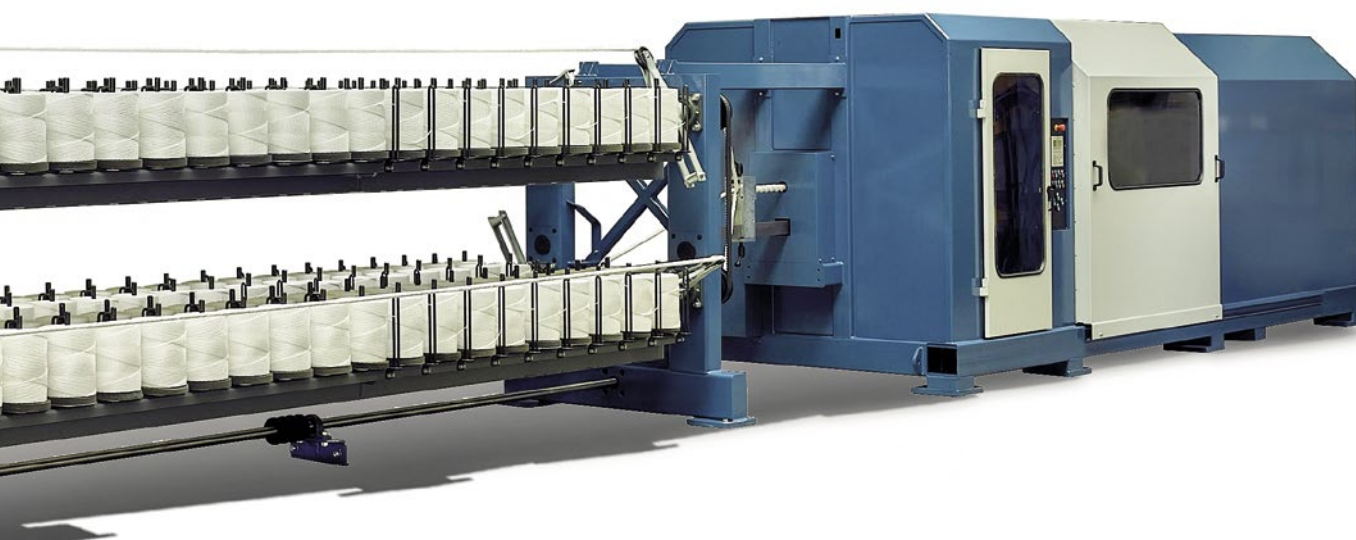
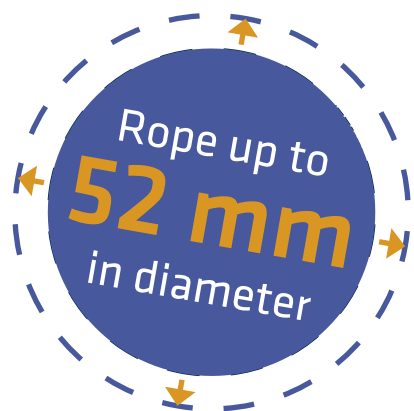
Marketing potential

In many ways the new rope-making machine is a high-tech innovation that opens the doors to new customers and markets.

The MT99 meets the more stringent requirements for rope and breaking strength imposed on rope manufacturers by sectors including the modern fishing industry.

A customer in East Asia has already received their first MT99 unit. Roblon has also installed one of the machines in its showroom in Frederikshavn. Customers who would like to see a test run of specific products are able to do that here too.





The MT99 is 20 metres long and weighs 16 tonnes. The machine demonstrates Roblon's position as a developer and supplier of innovative and high-tech products.

Corporate governance

– statement of corporate governance and corporate social responsibility

The Stock Exchange's Recommendations for Corporate Governance

Nasdaq Copenhagen A/S has adopted a set of recommendations for good corporate governance, which were last updated in November 2014. The Recommendations for Corporate Governance can be obtained from the website of the Danish Committee on Corporate Governance, www.corporategovernance.dk.

The company's Board and Executive Management have considered the recommendations carefully and Roblon complies materially with the recommendations. The Board and Executive Management have chosen a different policy in the following areas:

1. Corporate social responsibility

The company has not established a complete policy for corporate social responsibility. Roblon complies with the legislation and rules in the countries in which business activities take place.

2. Composition and organisation of the Board

Due to the size and complexity of the company, the Board has decided only to establish an audit committee and an acquisitions committee. In addition to this, ad hoc committees may be appointed as and when required; most recently this approach has seen the appointment of a CEO recruitment committee.

There is no set age limit for Board members because the Board of Directors prioritises every individual member's capacity, expertise and contribution to the management of the company.

3. Governance committee

Given the complexity, size and simple management structure of Roblon, the Board has not found any reason to appoint a nomination or remuneration committee.

4. Information about the remuneration policy

In its annual report, the company discloses information about Board fees paid to the Chairman, Deputy Chairman and other members.

With regard to Executive Management, information is provided on the total remuneration paid. The information is thus not provided individually on the grounds that this is information of a personal nature that will also only be of limited relevance to shareholders.

Remuneration for the Board of Directors and Executive Management is on market-based terms for a listed company of this size. In light of the size of the company, the Board does not find it relevant to have a remuneration policy for the Board of Directors and Executive Management.

5. Presentation of financial statements, risk management and audit

As recommended, the company has considered setting up a whistleblower scheme and with reference to the size and complexity of the company has not found it relevant to do so at present.

The company's detailed corporate governance statement is available in full at Roblon's website:

http://www.roblon.com/download/CorporateGovernance2015/corporate_governance_uk_rev_7_nov_2014.pdf

Internal control and risk management systems

The Board of Directors and Executive Management of Roblon bear overall responsibility for the company's risk management and internal controls in connection with the presentation of financial statements, including compliance with relevant legislation and other regulations in relation to the preparation of financial statements.

The company's risk management and internal controls are designed to avoid the presence of material errors and defects in conjunction with the presentation of financial statements. The Board/audit committee and Executive Management regularly assess risks and internal controls in conjunction with the company's activities and their potential influence on the presentation 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 Executive Management lay down and approve overall policies, procedures and controls for important areas in connection with the preparation of 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.

Executive 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.

Auditors

In order to safeguard the interests of the shareholders and the public, a state-authorised public accountancy firm is appointed as the company auditors 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, among other reasons as part of the adoption of the annual report.

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

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 terms, there is a good spread of products and markets. Furthermore, activities are directed at several different customer areas on the global market.

Financial risks

These risks are discussed in Note 23.

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; 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. Energy is also used to control light sources, and there are very limited emissions to air in conjunction with the process of gluing fibre bundles as part of lighting production.

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 a strong level of overall liquidity and finances all its activities via its operations. Roblon also has unutilised ongoing credit facilities, and further financing is available by raising loans against the company's assets.

Management bodies

Composition of the Board

The Board's full profile can be characterised as having broad and international experience of business with expertise within areas such as development and innovation, production, sales and marketing, and finance. It is also deemed to match the needs of the company and the Board itself evaluates on an ongoing basis whether there is a need for any changes to the skill set of

the Board. The Board members take an active interest in events at Roblon and in other general circumstances of importance to the company.

The election of employee representatives to the Board is a right held by Danish employees under Danish company legislation. The Board members elected by staff should account for around half of the Board members elected at the Annual General Meeting. At the most recent election in 2015 this meant that two Board members were elected by employees; these members operate on the same terms as the other Board members but in accordance with the company legislation serve four-year terms.

The tasks and responsibilities of the Board

There are rules of procedure in place for Roblon's Board of Directors. These are reviewed once a year by the full Board to see if updates are required. The rules of procedure lay down, among other things, an annual plan containing fixed topics and guidelines for the Board vis-à-vis Executive Management, as well as the tasks and duties of the Chairman, Deputy Chairman and Committee Chairman.

Audit committee

In accordance with section 31 of the Danish Act on Approved Auditors and Audit Firms, the Board has established an audit committee whose functions are handled by the full Board. The Deputy Chairman of the Board is the chairman of the audit committee, which holds quarterly meetings.

The tasks of the audit committee comprise:

- monitoring the preparation of financial statements;
- monitoring whether the company's internal control system and risk management systems are working efficiently;
- monitoring the statutory audit of the annual report; and
- monitoring the independence of the auditors.

There was focus on the company's internal control environment as well as on IT and security in 2014/15.

Corporate social responsibility

Roblon has established a number of key subsidiary CSR policies, as well as laying down a general CSR policy based on the following values:

- The company complies with and promotes human rights standards, in addition to making it a requirement that Roblon's suppliers also comply with human and workers' rights.
- The company establishes the best conditions for its employees by making sure that their working environment is optimal in terms of their physical and mental well-being.

- Environmentally optimised technologies are utilised, with ongoing focus on reducing the amount of energy used in production processes.
- The company makes every effort to limit the potential for terrorist activities and money laundering.
- Our aim is to achieve a working environment that actively promotes health.
- The company works together with its suppliers to improve social and environmental conditions.
- The company works systematically on environmental and climate management.

A better understanding and commitment among our employees and customers were both achieved during the course of the financial year 2014/15.

The company assumes corporate social responsibility as a way of creating value for both the business and its customers.

Roblon has maintained its focus on sustainability and green conversion by recycling waste.

A sustainability approach is followed in the acquisition of manufacturing equipment.

Customer audits, employee surveys and similar measures that support the company's CSR policy have been undertaken.

Quality policy

Roblon wishes to come across as a well-reputed, development-oriented and reliable supplier whose services continually meet our customers' expectations. The company undertakes to always comply with relevant requirements set by our partners, including customers and authorities. Although only the company's production facilities in Gærum are ISO 9001 certified, the entire organisation works to the procedures and standards established pursuant to ISO 9001.

The company realises its policy by:

- performing ad hoc measurements of compliance with delivery times to the customers.
- processing complaints efficiently and logging them as they occur.
- recording and systematically following up the number of ongoing suggestions for quality improvements.
- carrying out customer satisfaction analyses.

2014/15 saw the organisation become more aware of how it could boost customer satisfaction through rapid response times, confidence-building dialogue and being clearer about Roblon's capacity, as well as meeting delivery times and other contractual obligations.

Environmental policy

Roblon wishes to be perceived as a green company committed to bringing about regular eco-friendly development through its activities with due regard to the state of natural resources, legal requirements and other relevant provisions applicable to the company. The company's production facilities in Gærum are ISO 14001 certified.

The company realises its policy by:

- logging the energy consumption of electricity and gas to ensure production consumption is controlled efficiently.
- carrying out regular checks and follow-up of waste in production.
- assessing the environmental consequences to the company and customers when using new materials.
- informing employees or other people who work on behalf of Roblon of the company's environmental policy and environmental management system.

Over the course of the financial year, Roblon has continued to work on preventing and reducing the company's external environmental impact; one measure has been to ensure that new investments are energy-efficient.

Working environment policy

Both management and employees consider a good working environment at Roblon to be an important prerequisite for the company appearing professional and principled in relation to customers and other partners. There is a safety organisation based at each of Roblon's three locations; each one is structured as stipulated in the relevant rules of the Danish Working Environment Act.

The company realises its policy by:

- having a safety organisation and systems in place to ensure the documentation, implementation and maintenance of the working environment system.
- having co-determinant groups meet at least once a year to discuss the working environment.
- regularly following up on absence due to illness and thus identifying any absence relating to working environment.
- the company informing employees of results in this particular area.

In 2014/15 the company maintained and improved a safe and sound working environment. Occupational injuries did occur during the year, but none of these had serious consequences for the employees involved.

Gender composition of management

Roblon's policy is to support diversity among its employees, including via an approximately equal gender distribution making a positive contribution to the working environment and enhancing the company's performance and competitiveness. In conjunction with the recruitment of new staff during the year, the company has been very aware of the aim to employ the under-represented gender. There were not, however, enough qualified candidates applying for the vacant management positions that needed to be filled during the year.

Roblon has thus set the following targets for proportion of under-represented gender.

Targets for gender composition in 2018

Board of Directors:

Proportion of under-represented gender	40%
Proportion as at 31/10/2015	33%

Senior management/Executive Management:

Proportion of under-represented gender	25%
Proportion as at 31/10/2015	0%

Middle management:

Proportion of under-represented gender	25%
Proportion as at 31/10/2015	10%

Shareholder information

Share capital

The company's share capital consists of DKK 27,775 class A shares with a nominal value of DKK 200 and 1,510,400 class B shares with a nominal value of DKK 20. All the class B shares are negotiable instruments and freely transferable; they are listed with Nasdaq Copenhagen A/S under the short name RBLN B with ISIN code DK0060485019. The class B share is part of the Small Cap index.

The following shareholders hold shares that are either allocated at least 5% of the share capital's voting rights or whose nominal value accounts for at least 5% of the share capital:

	Ownership interest %	Voting share %
ES Holding Frederikshavn ApS, Bøgevej 11, DK-8370 Hadsten	25.1	68.8
FMS Investeringsrådgivning A/S, Østergade 27b, DK-7400 Herning	6.9	2.9
Fundamental Invest, Falkoner Alle 53, 3., DK-2000 Frederiksberg	5.3	2.2

Roblon A/S is included in the consolidated financial statements for ES Holding Frederikshavn ApS, which are available to the public at the Danish Business Authority.

Own shares

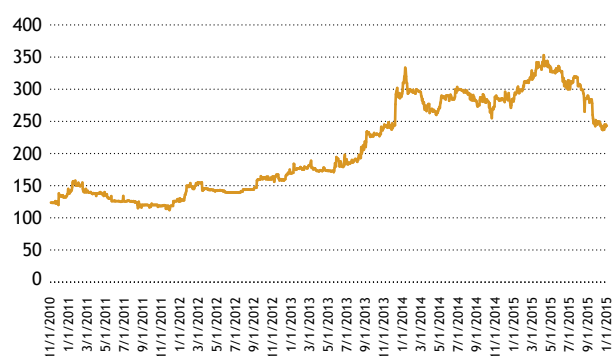
Under the authority granted by the Annual General Meeting, the company can acquire own shares up to 10% of the share capital. The mandate for the company to purchase own shares up to 10% of the share capital, and at a price that may deviate no more than 10% from the most recent price calculated for all trades prior to the purchase, is valid until 30 June 2016.

The Board will request the renewal of this mandate at the Annual General Meeting on 25 February 2016.

Price trend

At the start of 2014/15 the price was DKK 286, but it was DKK 243 as at 31 October 2015. The total market value of the company's listed shares as at 31 October 2015 was DKK 367 million.

PRICE TREND



The price trend in the past five years can be seen in the above chart.

Capital management

Roblon's debt/assets ratio as at 31 October 2015 was 87% (84%).

The company endeavours to give its shareholders a regular return on their investment with due regard for the necessary consolidation of equity as a basis for Roblon's future development. The Board of Directors recommends that a dividend of DKK 10 per share be paid for 2014/15, which corresponds to a total dividend of DKK 17.9 million and a payout ratio of 97%.

Company announcements

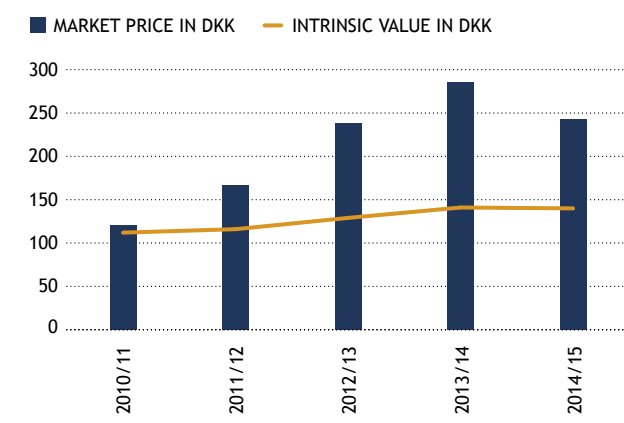
The company issued the announcements listed below to Nasdaq Copenhagen A/S in the financial year 2014/15; these can be found on the company's website, www.roblon.com.

7/2014	Deviation from earlier announced expectations
1/2015	Preliminary statement 2013/14
2/2015	Managerial change in Roblon A/S
3/2015	Election of employee representatives
4/2015	Interim report for Q1 2014/15
5/2015	Major shareholder announcement
6/2015	Change to the financial calendar for 2014/15
7/2015	Interim report for Q2 2014/15
8/2015	Managerial change in Roblon A/S
9/2015	Major shareholder announcement
10/2015	Interim report for Q3 2014/15
11/2015	Roblon A/S is expanding its Executive Board
12/2015	Financial calendar
13/2015	New CEO for Roblon A/S

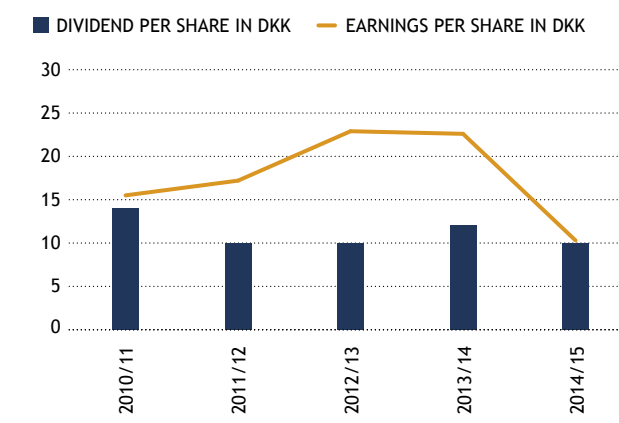
Financial calendar

14 January 2016	Preliminary statement 2014/15
25 February 2016	Annual General Meeting
31 March 2016	Interim report for Q1 2015/16
9 June 2016	Interim report for Q2 2015/16
8 September 2016	Interim report for Q3 2015/16
20 December 2016	Preliminary statement 2015/16
26 January 2017	Annual General Meeting

MARKET PRICE AND INTRINSIC VALUE



DIVIDEND AND EARNINGS PER SHARE



Company information

Board of Directors

Director Jørgen Kjær Jacobsen (Chairman)

- born in 1952, joined the Board in 2014

Special skills: Experience of senior management of listed company plus board experience. Independence: Meets the Danish Committee on Corporate Governance's definition of independence.

Lecturer Ole Krogsgaard (Deputy Chairman)

- born in 1947, joined the Board in 2002

Special skills: Skills from the field of natural sciences. Independence: Does not meet the Danish Committee on Corporate Governance's definition of independence due to being married to a class A shareholder. Chairman of Roblon's audit committee.

Group Senior Vice President Peter Sloth Vagner Karlsen

- born in 1963, joined the Board in 2011.

Special skills: Management skills from a global group of companies covering group product development, production and quality.

Independence: Meets the Danish Committee on Corporate Governance's definition of independence.

Director of Int. Sales, Marketing & HR Birthe Tofting

- born in 1958, joined the Board in 2012.

Special skills: Management skills from an international group of companies covering HR, sales and marketing. Independence: Meets the Danish Committee on Corporate Governance's definition of independence.

Administrative assistant Nita Svendsen *)

- born in 1972, joined the Board in 2015.

Special skills: Industry-related skills.

Development engineer Hans Martin Kirkegaard *)

- born in 1965, joined the Board in 2015.

Special skills: Industry-related skills.

*) Elected by the employees



Roblon A/S Board of Directors and Executive Management from left to right: Kim Müller, Hans Martin Kirkegaard, Carsten Michno, Nita Svendsen, Jørgen Kjær Jacobsen, Birthe Tofting, Ole Krogsgaard, Peter Sloth Vagner Karlsen.

Absent in the photo is CEO Lars Østergaard.

Executive Management

Managing Director and Chief Executive Officer (CEO)

Lars Østergaard

- born in 1965, joined Roblon in 2016.

Chief Financial Officer (CFO) Carsten Michno

- born in 1970, joined Roblon in 2015.

Chief Operations Officer (COO) Kim Müller

- born in 1969, joined Roblon in 1992.

Other management posts held by the members of the Board of Directors and Executive Management

Pursuant to section 107 of the Danish Financial Statements Act with regard to other management posts held by the members of the Board of Directors and Executive Management of the limited company Roblon Aktieselskab, the following information has been disclosed:

Jørgen Kjær Jacobsen

Limited companies:

Gabriel Holding A/S (C)
Nordjyske Holding A/S (C)
Mekoprint A/S (C)
PN Beslag A/S (C)
Dolle A/S (C)
MEDF Holding A/S (C)
BKI foods A/S (B)
Raskier A/S - (D) and (B)

Corporate funds:

Mads Eg Damgaards Familiefond (C)
Aalborg Stiftstidendes Fond (C)

Peter Sloth Vagner Karlsen

Grundfos Holding A/S, Global Development & Engineering,
Group Senior Vice President (D)
Sparekassen Vendsyssels Fond Hals (B)

Birthe Tofting

VOLA A/S, Director of International Sales, Marketing & HR (D)
E V Metalværk A/S (B)
CRECEA A/S (B)
CRECEA Fonden (B)

C = Chairman of the Board;

B = Board member; D = Director

The Board's shareholdings

Number of shares as at 31 October 2015:

Jørgen Kjær Jacobsen 475 shares
Ole Krogsgaard 30 shares (Birgitte Krogsgaard 86 shares)
Peter Sloth Vagner Karlsen 395 shares
Birthe Tofting 0 shares
Nita Svendsen 0 shares
Hans Martin Kirkegaard 125 shares

Executive Management shareholdings

Number of shares as at 31 October 2015:

Lars Østergaard 0 shares
Carsten Michno 0 shares
Kim Müller 205 shares

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Gøteborgvej 18
DK-9200 Aalborg SV

Lawyers

Advokatfirmaet Hjulmand & Kaptain
Havnepladsen 7
DK-9900 Frederikshavn

Bank

Danske Bank
North Jutland Finance Centre
DK-9000 Aalborg

Statement by the management

The Board of Directors and Executive Management have today discussed and adopted the annual report for the financial year 1 November 2014 to 31 October 2015 for Roblon A/S.

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

It is our opinion that the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31 October 2015 as well as of the result of the

company's activities and cash flows for the financial year 1 November 2014 to 31 October 2015.

We believe that the management report contains a true and fair account of the development in the company's activities and financial circumstances, the profit for the year and the company's financial position as well as a description of the most significant risks and uncertainty factors facing the company.

We recommend that the annual report be adopted at the Annual General Meeting.

Frederikshavn, 14 January 2016

Executive Management



Lars Østergaard
Managing Director and CEO



Carsten Michno
Chief Financial Officer



Kim Müller
Chief Operations Officer

Board of Directors



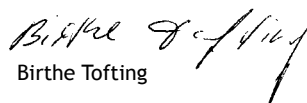
Jørgen Kjær Jacobsen
Chairman




Ole Krogsgaard
Deputy Chairman



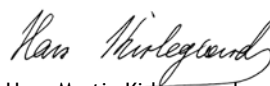
Peter Sloth Vagner Karlsen



Birthe Tofting



Nita Svendsen
Elected by the staff



Hans Martin Kirkegaard
Elected by the staff

The independent auditors' report

To the shareholders of Roblon A/S

Report on the financial statements

We have conducted an audit of the financial statements for Roblon A/S for the financial year 1 November 2014 to 31 October 2015, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies applied, for the company. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for financial statements

Management is responsible for preparing financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies. Management is also responsible for implementing appropriate internal controls that permit financial statements to be prepared which are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted the audit in accordance with international auditing standards and additional requirements under Danish audit legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures in order to obtain audit evidence of the amounts and disclosures in the financial statements. The procedures selected depend on the individual auditor's judgement, including an assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making this risk assessment, the auditor considers internal controls relevant to the company's preparation of financial statements that give a true and fair view. The aim here is to design audit procedures appropriate to the circumstances but not to express an opinion on the effectiveness of the company's internal controls. An audit also includes assessing whether the management's choice of accounting poli-

cies is appropriate and its accounting estimates are reasonable, as well as evaluating the overall presentation of the financial statements.

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

The audit has not resulted in any qualification.

Opinion

We believe that the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31 October 2015 as well as of the result of the company's activities and cash flows for the financial year 1 November 2014 to 31 October 2015 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the management report

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

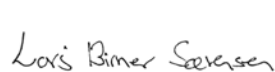
On this basis, it is our opinion that the information provided in the management report is consistent with the financial statements.

Aalborg, 14 January 2016

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR no. DK 33 96 35 56



Lars Birner Sørensen
State-authorized
public accountant



Torben Toft Kristensen
State-authorized
public accountant

Roblon products are used
for the offshore oil and gas
industry worldwide



Financial statements 2014/2015

Income statement

for the period November 1, 2014 - October 31, 2015

tDKK	Note	2014/15	2013/14
Net revenue	3	227,683	259,787
Work carried out at own expense and recognised under assets	4	5,550	2,360
Other operating income	5	257	856
Costs for raw materials and consumables	6	-100,168	-108,616
Other external expenses	7	-29,846	-29,985
Staff costs	8	-72,925	-64,088
Depreciation and write-downs of tangible and intangible fixed assets		-8,444	-9,008
Operating profit		22,107	51,306
Interest income	9	1,922	1,977
Profit before tax		24,029	53,283
Tax on profit for the year	10	-5,647	-12,850
Profit for the year		18,382	40,433
Proposal for distribution of net income:			
Net income brought forward		500	18,975
Proposed dividend		17,882	21,458
		18,382	40,433
Earnings per share (EPS)	11	10,3	22,6
Diluted earnings per share (DEPS)	11	10,3	22,6

Statement of comprehensive income

for the period November 1, 2014 - October 31, 2015

tDKK	Note	2014/15	2013/14
Profit for the year		18,382	40,433
Other comprehensive income:			
<i>Items that can be reclassified to the income statement</i>			
Fair value adjustment of financial assets available for sale		-28	-19
Tax of other comprehensive income	10	7	5
Other comprehensive income		-21	-14
Total comprehensive income for the year		18,361	40,419

Balance sheet

as at October 31, 2015

tDKK	Note	2014/15	2013/14
Non-current assets			
Completed development projects		4,806	4,292
Ongoing development projects		3,954	4,569
Intangible assets	12	8,760	8,861
Land and buildings		36,771	33,638
Plant and machinery		15,628	5,296
Fixtures and fittings, tools and equipment		1,127	288
Tangible assets in the course of construction		272	4,854
Tangible assets	13	53,798	44,076
Total non-current assets		62,558	52,937
Current assets			
Stocks	14	67,702	62,506
Trade debtors	15	29,542	50,002
Other debtors		2,605	3,266
Corporation tax receivable	22	8,901	0
Accruals		486	206
Total debtors		41,534	53,474
Current securities	16	59,997	10,773
Cash at bank and in hand	17	55,639	120,941
Total current assets		224,872	247,694
Total assets		287,430	300,631

Balance sheet

as at October 31, 2015

tDKK	Note	2014/15	2013/14
Capital and reserves			
Share capital	18	35,763	35,763
Other reserves	19	676	697
Profit carried forward		213,285	216,361
Total capital and reserves		249,724	252,821
Non-current liabilities			
Deferred tax	20	4,474	3,793
Other provisions for liabilities	21	300	177
Other debt	23	3,849	0
Total non-current liabilities		8,623	3,970
Current liabilities			
Suppliers of goods and services		13,759	20,630
Corporate tax (joint taxation share)	22	0	10,349
Other debt	23	15,324	12,861
Total current liabilities		29,083	43,840
Total liabilities		37,706	47,810
Total capital and reserves and liabilities		287,430	300,631

Capital and reserves statement

	Share capital	Other reserves	Profit carried forward	Total
Capital and reserves as at 31/10 2013	35,763	711	193,810	230,284
Profit for the year			40,433	40,433
Other comprehensive income		-14		-14
Comprehensive income for the financial year		-14	40,433	40,419
Dividend distributed			-17,882	-17,882
Capital and reserves as at 31/10 2014	35,763	697	216,361	252,821
Profit for the year			18,382	18,382
Other comprehensive income		-21		-21
Comprehensive income for the financial year		-21	18,382	18,361
Distributed dividend			-21,458	-21,458
Capital and reserves as at 31/10 2015	35,763	676	213,285	249,724

Cash flow statement

for the period November 1, 2014 - October 31, 2015

tDKK	2014/15	2013/14
Operating profit (EBIT)	22,107	51,306
Profit on sale of tangible assets	-257	-856
Depreciation and write-downs of tangible and intangible assets	8,444	9,008
Change in stocks	-5,196	-6,021
Change in debtors	20,841	13,654
Change in other provisions for liabilities	123	62
Change in non-current other debt	3,849	0
Change in current liabilities	-4,407	4,479
Cash flow from operating activities	45,504	71,632
Financial payments received	1,922	1,977
Corporate tax paid	-24,209	-13,787
Cash flow from operations	23,217	59,822
Investment in intangible fixed assets	-2,448	-2,292
Investment in securities	-49,252	0
Investment in tangible fixed assets	-15,675	-6,653
Sales proceeds from tangible fixed assets	314	1,267
Cash flow from investments	-67,061	-7,678
Payment of dividend	-21,458	-17,882
Cash flow from financing	-21,458	-17,882
Change in cash and cash equivalents	-65,302	34,262
Cash and cash equivalents at the start of the year	120,941	86,679
Cash and cash equivalents at the end of the year	55,639	120,941

Note overview

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Notes

1. Accounting policies applied

Roblon A/S is a limited company domiciled in Denmark. The 2014/15 annual report for Roblon A/S has been presented in accordance with International Financial Reporting Standards, which have been approved by the EU, and additional Danish disclosure requirements on annual reports for listed companies, c.f. disclosure requirements on annual reports for listed companies from Nasdaq Copenhagen A/S and the IFRS Executive Order issued pursuant to the Danish Financial Statements Act.

The company's financial statements are presented in Danish kroner (DKK), which is the company's functional currency.

The annual report is presented on the basis of historical cost prices, except for accounting items which IFRS requires to be measured at fair value. The accounting policies applied are used consistently through the financial year and for comparative figures.

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

The effect of accounting standards

IASB has issued a number of new standards and amendments to existing standards and interpretations that have not yet come into force, but will come into force during 2015/16 or later. New and amended standards will be implemented on the date of entry into force.

Management believes that application of the amended standards and interpretations will not have any significant impact on the annual report for the coming financial year, but the Management's analysis of the effect of implementing IFRS 15: Revenue from Contracts with Customers is not yet complete.

Significant accounting policies

During preparation of the financial statements, the Management makes a number of accounting judgements, which provide the basis for the presentation, recognition and measurement of the company's assets and liabilities. The most significant accounting judgements are described in Note 2.

2. Uncertainty and estimates

When using the company's accounting policies as described in Note 29, it is necessary for the Management to make judgements and estimates, and to establish prerequisites for the carrying amount of assets and liabilities, which cannot be directly deduced from other sources.

Many accounting items cannot be measured with certainty, but can only be estimated. Such estimates include judgements on the basis of the latest information available at the time of preparing the financial statements. The estimates made and the underlying prerequisites are reviewed on an ongoing basis. Changes to the accounting estimates are recognised in the accounting period in which the change takes place, and in future accounting periods if the change affects both the period in which the change takes place and subsequent accounting periods.

Significant accounting estimates

In connection with the practical use of the accounting policies described, the Management makes significant accounting estimates and judgements which can have a considerable impact on the assets and liabilities in the annual report on the balance sheet date. The Management bases its estimates on historical experience and a number of other prerequisites which are judged to be reasonable in the specific circumstances. The result of this provides the basis for the reported carrying amounts of assets and liabilities, and for the reported income and costs, which are not directly apparent from other documentation material. The profit actually realised may deviate from these estimates recognised on the balance sheet date. The following accounting estimates are judged to be significant for the financial statements.

Development projects

Development costs are only capitalised once the technical and commercial feasibility of the projects has been established. Completed and ongoing development projects are tested for a write-down requirement on the balance sheet date. Development projects are based on future expectations of customer and market demand.

The expected service life is established in connection with capitalisation of the development costs. Management judges that the write-off period will normally be five years.

The value of the development projects on the balance sheet is DKK 8.8 million as at 31 October 2015 (DKK 8.9 million as at 31 October 2014).

Stocks

The estimated uncertainty relating to stocks concerns write-downs to net realisable value. Stocks are written down in accordance with the company's write-down policy, which includes a judgement of the stock turnover rate and potential losses as a result of obsolescence, quality problems and economic trends. The value of stocks on the balance sheet is DKK 67.7 million as at 31 October 2015 compared with DKK 62.5 million last year. Total write-down of stocks as at 31 October 2015 amounts to DKK 14.2 million (DKK 10.3 million as at 31 October 2014), with this increase being particularly attributable to the "Lighting" product group.

Receivables

Management estimates the creditworthiness of receivables on the balance sheet date based on an individual judgement of the individual debtors' ability to pay. The company hedges a significant extent of its receivables from sales through documentary credit, other security is provided by a third party or credit insurance. The value of receivables from sales is recognised in the balance sheet as at 31 October 2015 at DKK 29.5 million (DKK 50 million as at 31 October 2014).

Notes

tDKK	2014/15	2013/14
3. Segmental information		
Information is given on one segment with revenue distributed in 4 product groups.		
Product group		
TWM (Twisters, winders and rope-making machinery)	68,162	70,870
Lighting	24,918	36,399
Offshore and other industry	62,062	56,332
Fibre cable materials and cable machinery	72,541	96,186
Total	227,683	259,787
Revenue distributed geographically		
Denmark	7,441	20,097
United Kingdom	37,494	33,255
Europe	89,131	101,511
Asia	45,036	58,199
America	48,581	46,725
Total	227,683	259,787
The company's assets are solely placed in Denmark.		
Of the company's total revenue, DKK 23.8 million (2013/14 DKK 21.4 million) originates from sales to the company's biggest customer. Sales to this customer thus account for more than 10% of the company's total net revenue.		
4. Work carried out at own expense and recognised under assets		
Work carried out at own expense recognised under intangible assets, cf. note 12	1,667	1,724
Work carried out at own expense recognised under tangible assets, cf. note 13	3,883	636
Total	5,550	2,360
5. Other operating income		
Profit from sale of property, plant and equipment	523	856
Recognised in the income statement under staff costs	-136	0
Recognised in the income statement under goods consumed	-130	0
Total	257	856
6. Costs for raw materials and consumables		
Consumption of goods	96,429	108,256
Depreciation of stocks	4,513	1,057
Reversal of depreciations of stocks	-644	-697
	100,298	108,616
Materials recognised under other operating income, cf. note 5	-130	0
Total	100,168	108,616

Notes

tDKK	2014/15	2013/14
7. Other external costs		
External costs incurred	30,627	30,553
Of this, capitalised with respect to external costs incurred	-781	-568
External costs, total	29,846	29,985
Additional information		
Product development costs		
Product development costs incurred at own expense before capitalisation	12,785	12,284
Of this, value of own work is recognised under assets	-1,667	-1,724
Of this, capitalised with respect to external costs incurred	-781	-568
Recognised in the income statement under other external costs and staff costs	10,337	9,992
Fees to auditors elected by the General Meeting		
Audit of the annual accounts	209	206
Fee for other declarations with assurance	7	5
Tax counselling	18	33
Other services	235	164
Total	469	408
8. Staff costs		
Fee to the Chairman of the Board	250	250
Fee to the Deputy Chairman of the Board	120	120
Fee to other members of the Board	320	340
Wages and pensions Management	10,755	2,865
Wages and salaries	56,855	55,793
Contribution pensions, others	4,397	4,360
Other social security expenses	1,270	1,261
Refunds received from the social authorities	-906	-901
	73,061	64,088
Wages and salaries recognised under other operating income, cf. note 5	-136	0
Total	72,925	64,088
In addition to this, cars are available to the Executive Management, valued at tDKK 663 (2013/14 - tDKK 207), of which tDKK 400 relates to severance-related commitments to the former managing director set aside on 31 October 2015.		
An approx. tDKK 6,800 severance package for the former managing director is included Executive Management salaries. The amount was recognised as a liability on 31 October 2015.		
The company has only 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	139	138

Notes

tDKK	2014/15	2013/14
9. Financial income		
Other interest income	300	703
Interest on debtors	36	110
Dividend	37	0
Interest on bonds	422	424
Interest income and dividend	795	1,237
Exchange rate gains and adjustments (net)	1,127	740
Total	1,922	1,977
10. Tax on profit for the year		
Tax payable	4,959	13,207
Adjustment of deferred tax	681	-362
	5,640	12,845
Of which is tax on other comprehensive income	7	5
Tax on profit for the year	5,647	12,850
Reconciliation of tax on profit for the year:		
Estimated tax on the profit before tax, 23.5%/24.5%	5,647	13,054
Tax effect of:		
Effect of changed tax rate in Denmark	-1	-58
Non-deductible items	14	31
Loss limited by type of source	0	-147
Increased tax depreciation basis (115%)	-21	-30
Other adjustments	8	0
Total	5,647	12,850
Effective tax rate (%)	23,5	24,1
Tax on other comprehensive income, tDKK 7 (2013/14 tDKK 5) concerns tax on assets available for sale.		
11. Earnings per share		
Profit for the year after tax	18,382	40,433
Number of A-shares of DKK 200	27,775	27,775
Number of B-shares of DKK 20	1,510,400	1,510,400
Earnings per A-share	102,8	226,1
Earnings per B-share	10,3	22,6
The number of shares is not affected by share options or anything else that affects the diluted earnings per share.		
Diluted earnings per A-share	102,8	226,1
Diluted earnings per B-share	10,3	22,6

Notes

tDKK

	Completed development projects	Ongoing development projects
12. Intangible assets		
Cost price 01/11 2014	14,881	4,569
Addition of self-developed assets 2014/15	0	1,667
Other acquisitions 2014/15	0	781
Disposals 2014/15	-1,572	-616
Transfers 2014/15	2,447	-2,447
Cost price 31/10 2015	15,756	3,954
Depreciation and write-downs 01/11/2014	10,589	0
Write-down 2014/15	0	616
Depreciation of the year	1,933	0
Reversal of disposals	-1,572	-616
Depreciation and write-downs 31/10 2015	10,950	0
Net book value as at 31/10 2015	4,806	3,954
Cost price 01/11 2013	11,606	5,552
Addition of self-developed assets 2013/14	0	1,724
Other acquisitions 2013/14	0	568
Transfers 2013/14	3,275	-3,275
Cost price 31/10 2014	14,881	4,569
Depreciation and write-downs 01/11 2013	6,744	0
Write-down 2013/14	1,572	0
Depreciation of the year	2,273	0
Depreciation and write-downs 31/10 2014	10,589	0
Net book value as at 31/10 2014	4,292	4,569

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 are tested for impairment on an annual basis. This year, a write-down requirement of tDKK 616 has been identified in connection with a specific development project in the product group Lighting, which is no longer deemed commercially attractive enough to continue.

Notes

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	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Tangible fixed assets in the course of construction
13. Tangible fixed assets				
Cost price 01/11 2014	84,218	81,891	8,326	4,854
Addition of self-developed assets 2014/15	0	3,883	0	0
Other additions 2014/15	3,458	6,989	1,072	272
Transfers 2014/15	2,315	2,539	0	-4,854
Disposals 2014/15	-426	-819	0	0
Cost price 31/10 2015	89,565	94,483	9,398	272
Depreciation and write-downs 01/11/2014	50,580	76,595	8,038	0
Concerning assets sold	-426	-763	0	0
Depreciation of the year	2,640	3,023	233	0
Depreciation and write-downs 31/10 2015	52,794	78,855	8,271	0
Net book value as at 31/10 2015	36,771	15,628	1,127	272
Cost price 01/11 2013	84,432	79,992	8,249	1,511
Addition of self-developed assets 2013/14	0	636	0	0
Additions 2013/14	84	1,016	145	4,773
Transfers 2013/14	0	1,430	0	-1,430
Disposals 2013/14	-298	-1,183	-68	0
Cost price 31/10 2014	84,218	81,891	8,326	4,854
Depreciation and write-downs 01/11 2013	48,324	75,138	7,726	0
Concerning assets sold	-192	-878	-68	0
Depreciation of the year	2,448	2,335	380	0
Depreciation and write-downs 31/10 2014	50,580	76,595	8,038	0
Net book value 31/10 2014	33,638	5,296	288	4,854

The annual profit on the sale of tangible assets amounts to tDKK 257 and is recognised under other operating income. Last year the amount was tDKK 856.

Notes

tDKK	2014/15	2013/14
14. Stocks		
Raw materials and consumables	40,746	37,975
Work in progress	11,957	12,576
Manufactured finished goods	14,999	11,955
Total	67,702	62,506
Stock write-downs:		
Write-downs 01/11	10,289	9,929
Write-downs of the year	4,513	1,057
Realized earlier year's write-downs	-644	-697
Write-downs 31/10	14,158	10,289
15. Receivables from sales		
Receivables from sales	29,542	50,002
Of the total receivables from sales tDKK 12,336 is hedged by documentary credit, other security provided by a third party or credit insured (tDKK 20,492 in 2013/14)		
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	481	149
Reversed provisions	-27	-10
Recorded losses for the year	-28	-10
Provisions for the year to cover losses	0	352
Provisions account 31/10	426	481

Notes

tDKK	2014/15	2013/14
16. Current securities		
The item consists of listed corporate bonds and share portfolios that are recognised at fair value in the form of the market price on the balance sheet date. Current securities concern financial assets available for sale.		
Cost price 01/11	9,847	9,847
Acquisitions this year	49,252	0
Disposals for the year	0	0
Cost price 31/10	59,099	9,847
Value adjustment 01/11	926	945
Write-ups/write-downs for the year	-28	-19
Value adjustment 31/10	898	926
Net book value 31/10	59,997	10,773
The following additional information is available in regard to the bonds:		
Average term in (years)	2,4	2,8
Average effective interest rate (%)	1,5	0
The bonds mature within the following periods after the balance sheet date:		
Less than one year	0	0
Between one and two years	28,690	0
Between two and three years	15,047	0
Between three and four years	2,544	10,773
Between four and five years	0	0
After five years	6,387	0
Total	52,668	10,773
Total shares	7,329	0
Total current securities	59,997	10,773
17. Cash and cash equivalents		
Cash and cash equivalents	55,639	120,941

Notes

tDKK

18. Share capital

	Quantity		Nominal value, DKK thousands	
	2014/15	2013/14	2014/15	2013/14
A shares, nominal value per share DKK 200	27,775	27,775	5,555	5,555
B shares, nominal value per share DKK 20	1,510,400	1,510,400	30,208	30,208
Total			35,763	35,763

Each A share worth DKK 200 gives 100 votes

Each B share worth DKK 20 gives 1 vote

After the share split on 25 March 2015, the B share changed from a nominal value of DKK 100 to DKK 20 per share to increase the liquidity of the share.

The A shares are not listed shares.

The B shares are listed shares. If a dividend is declared, the class B shareholders are also entitled to an interim dividend of 8% of the nominal value of their shares.

Any additional dividend then falls to the class A shareholders until they have received a dividend of 8% of the nominal value of their shares; any excess dividend will then be distributed equally in proportion to all shares regardless of the share class.

tDKK	2014/15	2013/14
19. Other reserves		
Other reserves 01/11	697	711
Fair value adjustments during the year	-21	-14
Other reserves 31/10	676	697

Other reserves relating to the value adjustment of financial assets available for sale also include the accumulated net change in the fair value of financial assets after tax classified as financial assets available for sale. The reserve is dissolved as the relevant financial assets are sold or expire.

20. Deferred tax

Deferred tax 01/11	3,793	4,155
Deferred tax for the year recognised in the profit for the year	681	-362
Deferred tax 31/10	4,474	3,793

The amount allocated for deferred tax concerns:

Current assets	557	311
Intangible assets	2,059	2,171
Tangible assets	1,924	1,350
Non-current liabilities	-66	-39
Total	4,474	3,793

A tax rate of 22-24.5% has been used for calculating deferred tax, since the Danish Parliament has adopted a gradual reduction of corporation tax rate in the period 2014-2016. The financial effect of the change is tDKK 1 (last year tDKK 58).

Notes

tDKK	2014/15	2013/14
21. Other provisions for liabilities		
Provisions for liabilities as at 1/11	177	115
Additions 2014/15	300	177
Charged back in 2014/15	-177	-115
Provisions for liabilities as at 31/10	300	177
Other provisions for liabilities consist of security liabilities expected to be applied within one year.		
Guarantee obligations concern sold goods that are delivered with a guarantee that varies according to the different product groups.		
22. Corporation tax		
Payable 01/11	10,349	10,929
Corporation tax paid for previous year	-11,568	-11,579
	-1,219	-650
Current tax	4,959	13,207
Tax paid on account in 2014/15	-12,641	-2,208
Receivable/payable 31/10	-8,901	10,349
23. Financial risks		
Specification of financial assets and liabilities		
Receivables from sales	29,542	50,002
Other receivables	2,605	3,266
Cash and cash equivalents	55,639	120,941
Total loans and receivables	87,786	174,209
Current securities	59,997	10,773
Financial assets available for sale	59,997	10,773
Suppliers of goods and services	13,759	20,630
Other debt	19,173	12,861
Financial liabilities measured at amortised cost price	32,932	33,491

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, current securities and unutilised credit facilities.

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

Relevant conditions regarding the company's risk management are described in the following section. There are no significant changes to the company's risk exposure or risk management compared to 2013/14.

Notes

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23. Financial risks (continued)

Foreign currency exchange risks

The company's foreign currency exchange risks are primarily hedged by balancing payments received and made in the same currency. The adjustment is made based on daily checks of foreign exchange reserves in relation to knowledge of order volumes and purchases.

The company's foreign exchange positions as at 31/10/2015 recognised in DKK:

Currency	Receivables/ cash and cash equivalents	Liabilities	Net position
EUR	44,288	-5,656	38,632
USD	1,260	-180	1,080
GBP	4,633	-212	4,421
Other	0	-25	-25
Total	50,181	-6,073	44,108

A fall of 10% in the USD/GBP exchange rates on the balance sheet date will result in a loss of approx. DKK 0.5 million (2013/14 1.1 million). A corresponding rise will result in a profit of DKK 0.5 million (2013/14: 1.1 million).

The company's foreign exchange positions as at 31 October 2014 calculated in DKK:

Currency	Receivables/ cash and cash equivalents	Liabilities	Net position
EUR	54,408	-9,052	45,356
USD	5,109	-1,591	3,518
GBP	7,967	-452	7,515
Other	0	-8	-8
Total	67,484	-11,103	56,381

The company's receivables from sales and trade payables are normally 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 classified as cash in banks, listed bonds and shares. The bonds have an average term of 2.4 (2013/14 2.8) used as a basis for the below calculation of the interest rate's impact on capital and reserves.

A rise in the market interest rate of one percentage point p.a. in relation to the interest rate on the balance sheet date will have a negative impact of DKK 1.3 million before tax on the company's capital and reserves related to bond holding exchange rate losses. (2013/14: DKK 0.3 million). A corresponding fall in the market interest rate would have a corresponding positive effect of DKK 1.3 million.

A rise in the market interest rate of one percentage point p.a. in relation to the interest rate on the balance sheet date will have a positive impact of DKK 0.6 million (2013/14 1.2 million) before tax on the company's profit and capital and reserves related to interest gain on cash and cash equivalents. A corresponding fall in the market interest rate will have a corresponding negative impact of DKK 0.6 million.

Notes

tDKK

23. Financial risks (continued)

Liquidity risks:

The company ensures sufficient cash resources through a combination of cash management, investment in current securities and the establishment of credit facilities.

To limit the company's counterparty risk, deposits are only made with well-regarded banks and invested in a portfolio of current securities with high security and liquidity.

The cash reserve in the company consists of the following:

	2014/15	2013/14
Current securities available for sale	59,997	10,773
Cash and cash equivalents	55,639	120,941
Unutilised credit facilities	2,000	2,000
Total	117,636	133,714

The due dates for the financial liabilities are specified below, divided into temporal intervals.

	Less than one year	Between one and five years	After five years	Total
Suppliers of goods and services	13,759			13,759
Other debt	15,324	3,849		19,173
Total	29,083	3,849		32,932

Other debt includes the severance payment of DKK 7.2 million to the former managing director, of which approx. DKK 3.8 million falls due for payment after 12 months.

Credit risks:

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

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

Overdue but not impaired receivables are distributed as follows:

	31.10.15	31.10.14
Overdue by up to one month	2,428	9,125
Overdue by between one and three months	897	1,148
Overdue by between three and six months	193	741
Overdue by more than six months	614	921
Total	4,132	11,935

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

Notes

tDKK

23. Financial risks (continued)

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. Rental and leasing commitments

An operational leasing contract for company cars and a tenancy contract for warehouse rental have been entered into for the years 2015-2018.

The total minimum payment with regard to the irrevocable leasing contract and tenancy contract is distributed as follows:

	31.10.15	31.10.14
Within one year from the balance sheet date	201	148
Between one and five years from the balance sheet date	88	109
Total	289	257
Leasing instalments recognised in the profit for the year	167	119

25. Contingent liabilities

Bank guarantees have been issued to a value of tDKK 614 as security for prepayments.

26. Closely related parties

Transactions between closely related parties.

Roblon's closely related parties with a controlling interest include the company's Board of Directors, Executive Management and senior employees, as well as their closest family members. Related parties also include major shareholders with a controlling interest in the company.

Board of Directors and Executive Management

Management remuneration is mentioned in note 8.

Shareholders with controlling interests in the company

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

There have been no transactions with ES Holding Frederikshavn ApS other than joint taxation contributions and dividends to the parent company ES Holding Frederikshavn ApS.

Besides what is stated above, during the year there were no transactions between Roblon and the Board of Directors, the Executive Management, senior employees, major shareholders or other related parties.

Notes

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27. 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 %	
	2015	2014	2015	2014
ES Holding Frederikshavn ApS Bøgevej 11, DK-8370 Hadsten	25.1	25.1	68.8	68.8
FMS InvesteringsRådgivning A/S Østergade 27b, DK-7400 Herning	6.9	12.1	2.9	5.1
Fundamental Invest Falkoner Allé 53, 3, DK-2000 Frederiksberg	5.3		2.2	

Roblon A/S is included in the consolidated accounts for ES Holding Frederikshavn ApS. The accounts are publicly available from the Danish Business Authority (www.cvr.dk).

28. Events after the balance sheet date

November 2015 saw the company receive a claim for payment of up to approx. DKK 5 million from a terminated sales agent.

After consulting the company's lawyer, Roblon has come to the conclusion that the claim is unsubstantiated. As at 31 October 2015, a sum of DKK 0.9 million has been set aside in the annual report to cover the winding up of the agent relationship.

Management believes that the amount set aside is adequate and will cover the claim lodged by the sales agent.

Apart from this, no significant events of relevance to the annual report have occurred since the balance sheet date of 31 October 2015.

Notes

29. Accounting policies

In addition to the description in Note 1, the accounting policies applied are described below.

In general concerning recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will accrue to the company and the value of the assets 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.

When they are initially recognised, assets and liabilities are measured at cost price. Assets and liabilities are subsequently measured as described for each accounting item below.

Recognition and measurement takes account of gains, losses and risks that occur before the annual report is presented and which confirm or deny conditions that exist on the balance sheet date.

Income is recognised in the income statement as it is earned, including recognition of value adjustments for financial assets and liabilities, which are measured at fair value or amortised cost price. Also recognised are costs occurred to achieve earnings for the year, including depreciations, write-downs and provisions as well as reversals as a result of changed accounting estimates of amounts previously recognised in the income statement.

Conversion of foreign currency

Transactions in foreign currency are converted at the rate on the transaction date when they are initially recognised. Currency differences that occur between the rate on the transaction date and the rate on the payment date are recognised in the income statement as financial items.

Receivables, debt and other monetary items in foreign currency are converted at the exchange rate on the balance sheet date. The difference between the rate on the balance sheet date and the rate at the time the receivable or debt was incurred or recognised in the most recent financial statements is recognised in the income statement under financial income and costs.

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.

Costs for 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. Raw materials and consumables used in development projects recognised as assets are offset in the item.

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. Other external costs used in development projects recognised as assets are offset in the item.

Staff costs

Staff costs consist of costs for production personnel as well as sales, procurement, development and administration. Staff costs used in development projects recognised as assets are offset in the item.

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 recognised under profit/loss as the portion attributable to the profit/loss for the year and in other comprehensive income as the portion attributable to items in other comprehensive income.

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

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

BALANCE SHEET

Intangible assets

Intangible assets are measured at cost price with deduction of accumulated depreciations and write-downs or recoverable value, if this is lower.

Development projects include costs and salaries that are directly attributable to the company's development activities. Any interest expenses on loans for financing of development projects are recognised in the cost price if they relate to the period of development.

Development projects that are clearly defined and identifiable, where the technical utilisation ratio, sufficient resources and potential future market or development opportunity in the company can be affected, and where the intention is to manufacture, market or use the project, are recognised as intangible assets if it is probable that the product or process will generate

Notes

29. Accounting policies (continued)

future financial benefits, and the development costs for the individual assets can be measured reliably. The portion of the company's development costs that do not meet the above criteria for capitalisation are recognised in the income statement in the year they are paid.

Completed development projects are written off on a straight-line basis in accordance with completion of development work over the estimated financial lifetime. The write-off period is set at five years for the capitalised projects.

Development projects are tested for impairment on an annual basis.

Tangible assets

Land and buildings, production equipment and machinery 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, subcontractors and wages. Any interest expenses on loans for financing the manufacture of tangible assets are recognised in the cost price if they relate to the period of production.

Property, plant and equipment 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
Production equipment and machinery	3-10 years
Other fixtures and fittings, operating equipment and inventories	3-5 years

Profit and loss with the sale of tangible assets is calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under other operating income and operating costs.

Impairment of intangible assets and property, plant and equipment

The carrying amount of non-current intangible assets 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 are tested for impairment on an annual basis, regardless of whether there are any indications for 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.

Stocks

Stocks are measured at cost price in accordance with the FIFO method. If the net realisation value is lower than the cost price, it is written down to the lower value.

The cost price for raw materials and consumables includes the acquisition price plus delivery costs.

The cost price for manufactured finished goods and work in progress includes the cost price for raw materials, consumables, direct wages and indirect production costs. Indirect production costs comprise indirect materials and wages as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing production process.

The net realisation value for stocks is calculated as the sales amount less costs of completion and costs occurred in order to execute the sale and are determined taking account of marketability, obsolescence and trends 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 initially 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.

Current securities

Current securities concern financial assets available for sale and include listed bonds and shares.

Items are measured at fair value on the settlement date plus attributable costs upon purchase when they are initially recognised. 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 in other comprehensive income. When assets are sold or disposed of, the previous year's adjustments are reversed via the income statement.

Notes

29. Accounting policies (continued)

Other provisions

Provisions are recognised where, as a result of a previous event, the company has a legal or actual liability on or before the balance sheet date and it is probable that future economic benefits will need to be surrendered in order to discharge this liability.

Operational lease agreements

Leasing services relating to operational lease agreements are recognised on a straight-line basis in profits over the lease period.

Liabilities

Current liabilities, which include debt to suppliers and other debt, are measured at amortised cost price, which normally corresponds to nominal value.

Corporation tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated tax on the income for the year, adjusted for tax paid on account.

The company is jointly taxed with ES Holding Frederikshavn ApS.

Deferred taxes

Deferred taxes are measured in accordance with the balance sheet liability method for all temporary differences between carrying and taxable values of assets and liabilities.

Deferred tax assets are recognised at the value at which they are expected to be used to offset deferred tax liabilities. Deferred taxes are measured on the basis of the tax rules and rates applicable under legislation on the balance sheet date, when the deferred tax is expected to be redeemed as current tax. Changes in deferred taxes as a result of changes in tax rates are recognised under profit/loss as the portion attributable to the profit/loss and under other comprehensive income as the portion attributable to items under other comprehensive income.

CASH FLOW STATEMENT

The cash flow statement is compiled in accordance with the indirect method taking its starting point in the interim result in the income statement under "Operating profit". The cash flows show how the three activities below have affected the liquidity for the year.

The cash flows from operating activities include operating profit adjusted for non-cash operating items, changes in operating capital during the year and corporation tax paid.

The cash flows from investing activities include cash flows from purchases and sales of intangible assets, property, plant and equipment and financial assets.

The cash flows from financing activities include cash flows from dividends to shareholders and purchases and sales of own shareholdings and subscription to employee shares.

Cash and cash equivalents include cash and bank balances.

Notes

29. Accounting policies (continued)

Key ratios

The key figures have been prepared in accordance with the "Recommendations & Ratios 2015" issued by the Danish Association of Financial Analysts.

The financial highlights listed in the chart are calculated as follows:

Gross margin	Net revenue minus goods consumed, as a ratio of net revenue
Gross profit per full-time employee	$\frac{\text{Net revenue minus goods consumed}}{\text{Average no. of full-time employees}}$
Net profit margin	Operating profit as a ratio of net revenue.
ROIC/return on average invested capital	Operating profit (EBIT) as a ratio of average invested capital. Invested capital comprises equity and corporation tax with deduction of cash and cash equivalents and bonds.
Equity/assets ratio	Equity as a ratio of total assets, end of period.
Return on equity	Profit after tax as a ratio of average equity.
Earnings per DKK 20 share	Earnings after tax as a ratio of average number of shares (excluding own shares), listed in accordance with IAS 33.
Price/earnings ratio (PE)	Market price in relation to earnings per DKK 20 share.
Payout ratio	Total payout of dividend as a ratio of profit on ordinary activities after tax.
Cash flow per DKK 20 share	Cash flow from operating activities as a ratio of average number of shares (excluding own shares).
Intrinsic value of shares	Equity as a ratio of number of shares end of period (excluding own shares).
Market price/Intrinsic value	$\frac{\text{Market price listed end of period}}{\text{Intrinsic value of shares}}$

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