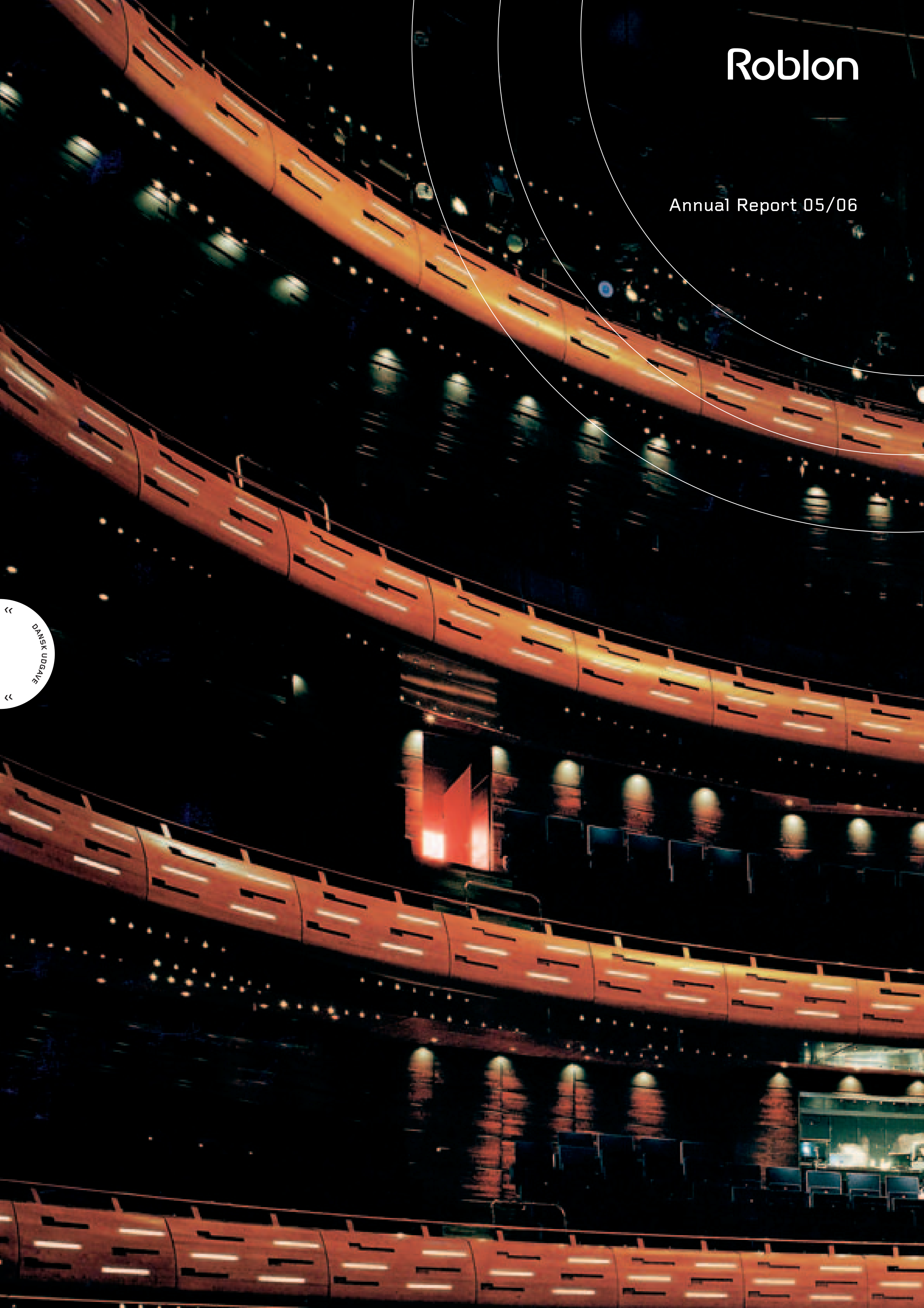


Roblon

Annual Report 05/06

DANSK UDGAVE

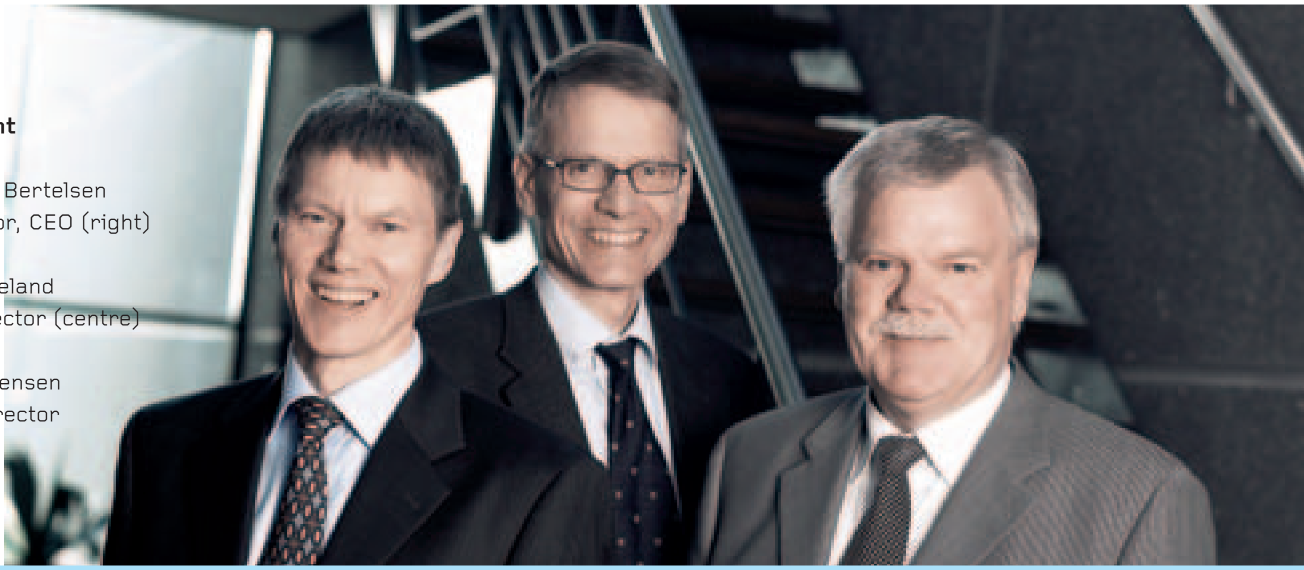
Contents

Management

Flemming K. Bertelsen
Man. Director, CEO (right)

Søren Tjønneland
Division Director (centre)

Kurt Brink Jensen
Financial Director
(left)



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Roblon A/S

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Dear Shareholder,

The past year was a good year for Roblon A/S and we saw a marked improvement on the profit for the year compared to the year before. This profit completely lives up to the financial goals established by the Board of Directors concerning organic growth and earnings.

Amongst other things, the profit was achieved because we, as an internationally oriented company, have been able to benefit from the positive global economic market trends. This progress enables us to further develop Roblon A/S in order that the company may continue to be an attractive cooperation partner for our business relations and an interesting place of work for our employees.

After having met our goal of re-establishing the financial results in 2005/06, we have been focusing on a stronger and more offensive growth strategy. In this connection, we have taken a number of initiatives within development, sales and marketing. These initiatives make use of our employees' adaptability and readiness to renew professional competences. Roblon A/S' current positive development is very much due to the great work of all our employees.

The Future

Roblon is divided into three independent divisions, which are all significant suppliers on the world market within their own niches. In the coming year, this strong position will be maintained through launching a number of entirely new products, each of which will make for new standards within their trades.

Roblon A/S expects increased turnover and continued good results in the years to come.

I would like to conclude by thanking our employees for the perseverance and competence they show every day. I would also like to thank our shareholders for their continued interest in Roblon A/S.

Yours sincerely,
Roblon A/S

Flemming K. Bertelsen
Managing Director, CEO

Roblon A/S Concept

Roblon A/S wishes to be known locally, nationally and internationally as a well-reputed, sound and progressive company which sets credibility and honesty before short-term profits. This value is cherished and supported by employees, customers, suppliers and investors alike.

Objectives

The overall financial objectives of Roblon A/S are:

- Organic growth of 10-15% annually on the turnover and profits of each business area
- A profit ratio of at least 10% in each business area
- A solvency ratio exceeding 50 at all times
- A liquidity ratio exceeding 2.0
- The dividend policy is described in more detail under Shareholders (see page 13)

Strategies

Roblon A/S updates its strategic plans each year. High priority is given to product and market development that can help to generate organic growth. Any opportunities of e.g. acquisitions, strategic cooperation or acquisition of licence rights within the company's business areas are investigated, if new opportunities should appear.

The individual business areas'/divisions' development is subject to ongoing evaluation with focus on continued profitability and growth potential.

Summary

- Roblon A/S has realized profit after tax of DKK 18.2 million compared to DKK 12.5 million last year, which is an improvement of 45.2%.
- Profit before tax is DKK 25.3 million compared to DKK 17.1 million last year.
- The profit on primary activities is DKK 24.5 million compared to DKK 16.0 million last year.
- Turnover constitutes DKK 189.4 million following an increase of 10.2%.
- All divisions have realized turnover and earnings that are better than last year.
- There is a proposed extraordinary large dividend of 50%, which amounts to DKK 17.7 million, on the occasion of the company's 50th anniversary in 2007.
- During the financial year 2006/07, we are expecting turnover in the region of DKK 210 million and profit before tax in the region of DKK 24 to 26 million.

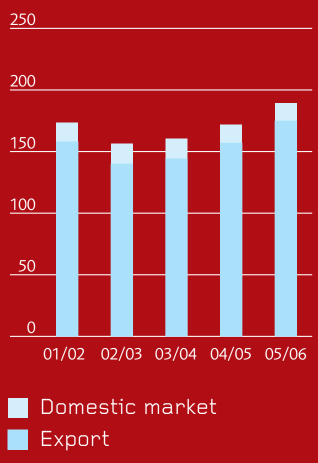
Roblon in Figures

Financial Highlights (mill.DKK)	2001/02	2002/03	2003/04	2004/05	2005/06
Profit and Loss Account:					
Total turnover	174.0	156.9	160.6	171.8	189.4
Of which for export	158.4	140.3	144.1	157.0	174.9
Profit on primary activities	3.9	0.8	10.6	16.0	24.5
Net financing, etc.	1.3	0.5	0.4	1.1	0.8
Profit before tax	5.2	1.3	11.0	17.1	25.3
Profit for the year	4.2	1.8	7.8	12.5	18.2
Balance Sheet:					
Total assets	171.8	167.3	170.0	180.8	211.8
Share capital	35.3	35.3	35.4	35.4	35.4
Capital and reserves	142.2	140.4	144.9	150.7	169.8
Shareholder value	175.5	134.8	119.9	192.9	302.5
Cash Flow:					
Cash flow from operating activities	9.9	14.3	12.5	32.2	24.0
Cash flow from investment activities	(23.7)	(18.0)	(1.2)	(3.0)	(2.9)
Of which investment in tangible fixed assets (gross)	(23.6)	(21.3)	(1.4)	(1.6)	(1.7)
Cash flow from financing activities	(10.1)	(3.6)	(3.3)	(6.8)	1.0
Change in cash and cash equivalents	(23.9)	(7.3)	8.0	22.5	22.1

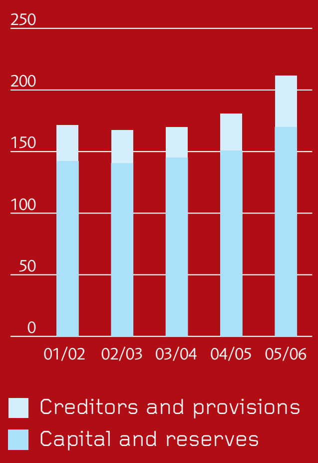
Key Figures	2001/02	2002/03	2003/04	2004/05	2005/06
Profit ratio (%)	2.3	0.5	6.6	9.3	12.9
ROIC/return on average invested capital (%)	3.0	0.6	7.7	12.1	19.2
Equity ratio (%)	82.7	84.0	85.2	83.3	80.2
Return on equity (%)	2.9	1.3	5.5	8.5	11.3
Earnings per share of DKK 100	12.4	5.5	23.1	37.0	51.3
Price/Earnings ratio (PE)	41.9	73.3	15.4	15.4	16.7
Payout ratio (%)	81	183	87	81	97
Cash flow per share of DKK 100	29.4	42.5	37.1	95.5	68.0
Dividend (%)	10.0	10.0	20.0	30.0	50.0
Intrinsic value of shares	421	417	429	446	480
Stock-exchange listing, end of period	520	400	355	571	855
Number of employees (average)	185	152	136	139	138

The key figures have been calculated in accordance with the guidelines on calculation of Financial Ratios and Key Figures of the Danish Society of Investment Professionals 2005. Some key figures have been changed compared to previous years. Please see accounting policies for definitions and terms.

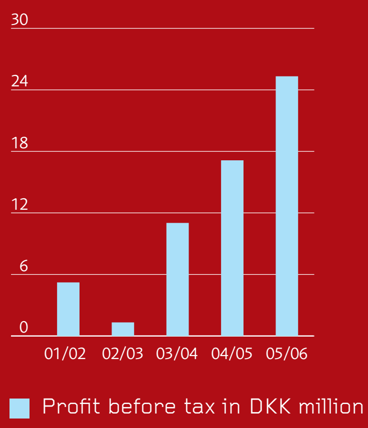
Turnover



Liabilities



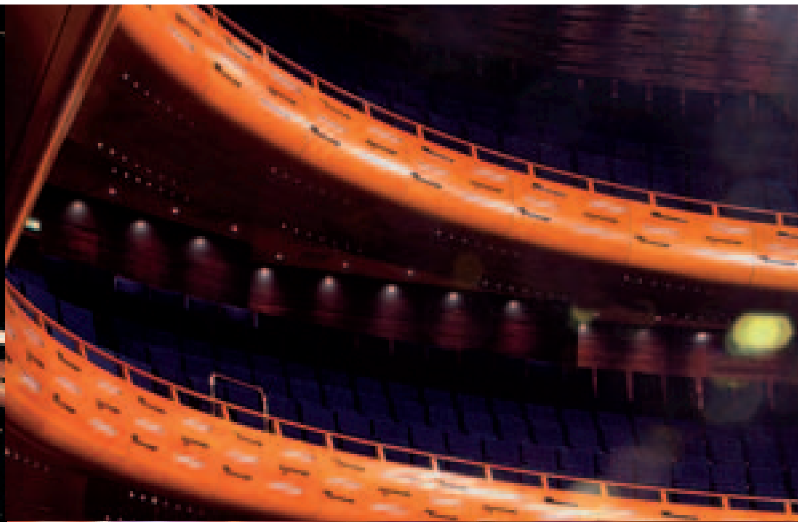
Profit before tax



Copenhagen Opera House

Roblon Fiber Optics continues to make its mark with eye-catching projects both at home and abroad. Copenhagen Opera House is just one of a number of flagship projects which led to praise for Roblon from some of the world's most renowned and most exacting lighting designers and architects.

Photo: www.schmidtaps.com



When the asking price for two moments of pure silence is 2.5 billion Danish kroner, then those two moments had better be perfectly, absolutely and truly silent.

Understandable, then, that the acoustic requirements at Copenhagen Opera House are 'incredibly stringent'.

'When the lights go down, expectations go up,' says Henrik Balslev, Rambøll engineers' project manager for lighting and electrical installations at the landmark, 41,000 m² building. 'The conductor comes out, there's a spotlight on him, there's applause, and he taps his baton on the podium.'

'Then there are two seconds of utter silence, and they are what the entire opera house is about. At that moment, you simply must not hear the sound of a light fitting humming in the background.'

Roblon's fibre optic lighting was therefore the 'unique and obvious solution'.

'It was fantastic,' says lighting architect Keith Bradshaw of Britain's Speirs and Major, whose work at the opera house earned him an FX International award. 'Other light sources can't beat it on maintenance. It can be done outside the room, and done very quickly. And it took the noisy bit out of the room.'

Which is why over 2,000 Roblon lights now enhance every performance at Copenhagen Opera House. Without ever daring to hum along with the diva.

Management's Review

During the financial year of 2005/06, Roblon A/S achieved a profit before tax of DKK 25.3 million compared to DKK 17.1 million in the previous year. The profit is better than expected at the beginning of the year, constituting a significant improvement on the previous year.

The 2005/06 turnover was DKK 189.4 million compared to DKK 171.8 million in the previous year, which constitutes an improvement of 10.2%.

In 2005/06, all three divisions have realized turnover and profit on primary activities better than last year, and they have all achieved better results than expected.

Based on market development and our expectations at the beginning of the year, the Board of Directors regard the results as very satisfactory.

The expectations for the profit for the year were adjusted at the half-yearly statement on 22 June 2006 to a profit before tax in the region of DKK 20 to 24 million compared to previously expected results in the region of DKK 15 to 19 million. Thus, the results exceed the expectations communicated to the stock exchange.

The export ratio was 92.4% compared to 91.4% in the previous year.

The basis for the very satisfactory profit for the year covers differences within the three divisions.

The Roblon Industrial Fiber division, which supplies products to the cable industry, primarily within the fibre optic communication cable segment, has experienced a small decrease in the sales to this industry. Within the offshore segment, we have seen a significant increase in sales.

The increase of the Roblon Fiber Optics division is attributable to a positive development on existing markets due to a strengthening of the cooperation with our distributors as well as increased sales to several large OEM customers (companies using fibre optics in their products). In the course of the year, several framework orders have been placed, which at the end of the financial year resulted in an increased volume of orders.

Roblon Engineering's increased turnover is primarily attributable to the increased project sale of winders and the increased sale of cable machines, whereas the sale of rope machines is smaller than the previous year.

Each division operates independently. The divisions are distinctive within each of their niches as acknowledged suppliers on the world market. They have a fine and wide range of products - also compared to those of the competitors - and are known for flexibility, documentation and speedy follow-up. The day-to-day interaction among the divisions regarding e.g. product development and marketing activities also generates synergies that contribute to future-oriented solutions.

No significant events with a material effect on the company's financial position have occurred since the close of the financial year.

FUTURE EXPECTATIONS

The divisions

Roblon Industrial Fiber expects global demand for fibre optic cables to go on showing a slight increase and expects turnover much at the same level as in 2005/06 for this area. An increase in sales to offshore and other industry is expected. Earnings in the division are expected to be slightly smaller than in 2005/06 due to deferred costs for development as well as sales and marketing.

Roblon Fiber Optics expects some growth in sales, whereas the results are expected to be slightly lower than the results in the past financial year, and for 2006/07, larger costs have been set aside for increased sales and marketing efforts. Here, focus centres on the still closer cooperation with our distributors with the purpose of increasing sales on existing markets as well as a few new markets.

Roblon Engineering expects an increase in the sale of rope machines and winders. On the cable machine market, turnover at the same level as the previous year is expected. On the whole, Roblon Engineering is expecting an increase in sales and a result at the same level as 2005/06 due to larger costs for development and increased sales and marketing efforts.

As will appear from the above, all three divisions are strongly committed to organic growth.

It is a question of generally encouraging development and sales. On the sales side, this includes participating in several large international fairs as well as a large symposium at Fiber Optics with the participation of distributors, customers and recognized lighting designers from all over the world.

Roblon A/S

International trade conditions are expected to provide a slight increase in the global demand for products for the cable and rope-making industries in the coming financial year.

In 2006/07, we have budgeted for larger turnover than in the previous year, whereas earnings are influenced by larger sales and development costs, where the large costs should be seen in connection with a long-term strategy on increased organic growth. We have budgeted with increased financial earnings in the coming year.

The sale to manufacturers of fibre optic communication cables still constitutes Roblon A/S's largest individual customer segment. For the past few years, the dependency on this customer segment has been declining due to growth in other business areas of the company.

The basis for the above development in results is the continued slight growth in Europe as in 2005/06.

On the basis of this, turnover in the region of DKK 210 million and profit before tax in the region of DKK 24 to 26 million are expected in the financial year of 2006/07.

PROGRESS IN THE OFFSHORE INDUSTRY. THE TURNOVER WITHIN THE DIVISION INCREASED BY 4.3% – EARNINGS INCREASED BY 31.2%.

In 2005/06, Roblon Industrial Fiber realized turnover and earnings larger than in the previous year and earnings larger than expected at the beginning of the year.

During the past three years, Roblon Industrial Fiber has experienced moderate growth in turnover as well as a satisfactory development in earnings. The increase in turnover and earnings compared to the previous year primarily concerns the sale of fibre-based solutions for the offshore industry. Sales to the cable industry have experienced a slight decrease, but still constitute the largest part of the turnover of Industrial Fiber.

Concept

Industrial Fiber develops, produces and sells flexible products to transmit or absorb force. The products are based on the use of synthetic fibres – often with impregnation and coatings to improve function. Related products for existing customer areas can be incorporated in the product range.

Expertise

The division has sufficient expertise to undertake the current tasks and any tasks expected in the coming financial year.

Markets

Industrial Fiber's most important role is still as a major supplier to the cable industry and the oil and gas industry. At the same time, customers in other industries continue to be of interest.

In the cable area, the present market share in Europe is maintained, and concurrent efforts are made to increase the market share on new markets.

The increased turnover within the offshore industry is expected to continue in the years to come due to - among other things - increased activity within the industry. Furthermore, the large increases in prices seen within the metal industry have caused an increased interest in fibre-based solutions.

Opportunities/risk factors

The majority of Industrial Fiber's products is directed at manufacturers of fibre optic communication cables. This has made Industrial Fiber dependent on fluctuations in market conditions within this industry in particular. To increase competitiveness, new products are continuously being developed with a view to achieving a wider and more complete range of products for servicing the cable industry.

Sales of straps to the oil and gas industry depend on the industry's maintenance of and investment in oil extraction facilities at great sea depths. At present, activities in this area are larger than we have seen during the past few years, and this contributes to reducing the division's dependency on the cable industry.

The future

Industrial Fiber is expecting a slight increase in the turnover during 2006/07, as we have seen during the past year, but with slightly smaller earnings due to deferred costs for development as well as sales and marketing.

A slight increase in the demand for communication cables is expected, and turnover at the same level as in 2005/06 is expected as regards the cable industry.

This growth is to be achieved by continuing the sales and marketing strategy, which has been initiated. Namely by working on selected new markets and increasing sales to the present customers, not least in the offshore area. As a parallel to this, ongoing optimization of the product range will take place, so that the products continue to correspond to the market's requirements as to price and quality.

Based on larger activity in the offshore area and the company's extensive knowledge of manufacturing fibre products, we are going to work purposefully at developing this area during the years to come.

(tDKK)	**2005/06**	**2004/05**
Turnover	70,428	67,527
Profit on primary activities before joint expenditure	13,135	10,008
Profit ratio (%)	18.7	14.8
Investments	311	990
No. of employees (average)	40	41

CONSIDERABLE PROGRESS – TURNOVER INCREASED BY 15.3% – EARNINGS INCREASED BY 35.0%.

In 2005/06, Roblon Fiber Optics realized turnover and earnings larger than the previous year and larger than expected at the beginning of the year.

The turnover increased due to the stable sales to the division's distributors as well as increased sales to a number of large OEM customers. Furthermore, the development within the cruise market and lighting solutions for the showcase segment has been positive. During the year, significant actors on this market have realized projects with Roblon solutions. Within the architectural market, we have also cooperated with some of the world's decidedly most important illumination designers on large projects.

Thus, during the year the division has continued to expand its position as one of the leading companies in the lighting business within fibre optic illumination systems.

Concept

Roblon Fiber Optics provides fibre optic illumination concepts to the global illumination market. Fibre optic illumination systems will be one of the key technologies, which also in the future, will be the core competence of the division.

The concepts are developed and marketed to match market expectations of how professional illumination solutions should be designed, planned and implemented.

The products are marketed globally towards the professional illumination market.

Expertise

Roblon Fiber Optics has steadily expanded its expertise, which has placed it among the best in the market for:

- Optical design.
- Design and manufacture of quality fibre components.
- Functional design of international quality.
- Documentation of and easy access to photometric data.
- Flexibility and readiness for change in production.

Markets

During the year, we have succeeded in improving our position on quite a number of markets. This has been done based on goal-directed dialogue with the distributors as well as the close control of and follow-up on important OEM customers.

Opportunities/risk factors

LED technology (light diodes) is used in more and more areas and is constantly developing rapidly. Roblon Fiber Optics monitors the market's interest in this technology.

Roblon Fiber Optics intends to expand its position within shop and showcase lighting.

The central element in the future growth will be an even closer cooperation between Roblon Fiber Optics, our distributors and large OEM customers as well as the establishment of new markets.

The future

The division is expecting growth in the 2006/07 turnover, whereas slightly lower profits are expected due to increased costs for development, sales and marketing.

The division is a competent supplier which, organizationally as well as in the established routines, is extremely well prepared when it comes to accomplishing the expected growth.

In the coming year, the strong position will be maintained through the launch of a number of completely new products, which will make new standards within the trade as regards expression, form and function.

We are going to work on a brand platform, which defines new and more goal-directed communications especially as regards architects and illumination designers. The division's distributors are also going to experience intense and goal-directed communications, which they also will be able to use actively in relation to their customers.

Product and market development still has high priority, but efficiency and flexibility in production as a vital factor for success on the market will also be developed on an ongoing basis.

(tDKK)	2005/06	2004/05
Turnover	61,802	53,593
Profit on primary activities before joint expenditure	9,808	7,263
Profit ratio (%)	15.9	13.6
Investments	860	534
No. of employees (average)	49	46

TURNOVER INCREASE OF 12.8% AND EARNINGS INCREASE OF 151.1% – LARGE PROJECT SALE OF WINDERS

In 2005/06, Roblon Engineering realized turnover and earnings larger than the previous year and larger than expected at the beginning of the year.

The sale of machines to the rope-making industry was slightly lower than the previous year, whereas the sale of cable machines is increasing.

During the financial year, we have experienced a breakthrough in the sale of winders and, thereby, an increase in the turnover concerning in particular one large project sale.

Concept

Roblon Engineering supplies solutions that primarily fulfil the need for twisting, cabling, laying, unwinding, winding, rewinding and pulling. The concept is realised through delivery of machinery and equipment, either as line components or as complete lines.

High priority is given to product development and product adaptation and by matching the technology level to individual customer groups, Roblon Engineering wishes to be among the leading suppliers in the market at all times.

Expertise

Over the years Engineering's technicians and sales and marketing personnel have built up considerable expertise in product development and sale of the products that are part of our concept. The products can be divided into four key areas:

- Twisting machines to produce twisted yarns. The machines are used to produce rope, baler twine, etc.
- Rope-making machines sold mainly to manufacturers of rope for industry, the fishing industry, transport and offshore
- Cable machines for production of items such as optic fibre cables and installation cables
- Take-up winders aimed at customers with winding requirements.

Markets

Roblon Engineering exports to just under 100 countries worldwide. In the financial year 2005/06 Europe was the principal market, while the rest of Engineering's turnover was distributed broadly on large parts of the rest of the world.

The customer groups are manufacturers of rope, twisted products as well as cable and carbon fibre manufacturers.

Opportunities/risk factors

Sales of machinery are affected by economic cycles in individual sectors and geographical areas. Sales may vary considerably from year to year and are also affected by capacity adjustments and structural changes within the business areas.

The rope-making industry is furthermore influenced by price fluctuations for raw materials for rope-making. Roblon Engineering still has a large market share in the rope-making industry.

The future

An increase in the sale of machines to the rope-making industry is expected. In view of Roblon Engineering's very large market share, the general situation in the industry continues to have a significant impact on turnover.

Within the cable industry, a slight increase is expected, and the division expects to maintain the sale of cable machines during 2006/07.

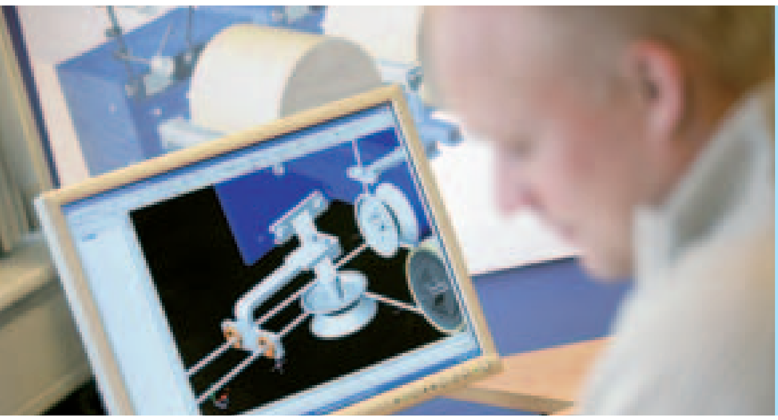
The continued development of the winder segment and close cooperation with strategic foreign partners are expected to contribute to increased turnover in 2006/07. At the beginning of the financial year of 2006/07, the volume of orders within this segment was high due to one large project sale.

The development of a new machine is now at a point where actual sales efforts have been initiated. The first contacts to potential customers have been very positive.

The development of the machine continues and is expected - as far as turnover is concerned - to become a larger product area within the division.

On the whole, Engineering is expecting an increasing turnover in 2006/07, and a result at the same level as 2005/06 is expected.

Increased efforts on the development side as well as increased sales and marketing efforts with introduction of the new machines at international fairs result in higher costs during the budgetary year.



(tDKK)	2005/06	2004/05
Turnover	57,173	50,705
Profit on primary activities before joint expenditure	5,323	2,120
Profit ratio (%)	9.3	4.2
Investments	1,768	1,476
No. of employees (average)	45	48

RISK FACTORS

Economic trends
Economic fluctuations are considered to have a significant impact on the financial results of the company.

Roblon A/S has generally achieved favourable diversification of products and markets. To counter geographically determined fluctuations in demand, all three divisions of Roblon A/S are working to globalise sales in all product areas. The individual divisions are also seeking to diversify their customer areas.

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

Financial risks
Foreign exchange risk:
The company's policy is to hedge all significant commercial exchange rate risks, and forward contracts are concluded on an ongoing basis. 90% of the company's net revenue is invoiced in DKK or EUR. Speculative forward contracts are not concluded.

Interest rate risk:
As of 31.10.06 the company has no interest-bearing debt. We do not expect that changes in the general level of interest rates on their own will have a significant impact on the profit for the coming year.

Credit risk:
The company's overall trade receivables are spread over many customers, countries and markets, representing good risk diversification. Risk is further limited by effective management and coverage of major receivables by credit insurance or alternative collateral. As a result of the above, the risk of significant losses is estimated to be limited.

IT risk:
The company's internal set of rules for IT security, including measures to prevent computer viruses and contingency plans for the restoration of computer systems in the event of any damage, is updated on an ongoing basis with reference to current IT usage.

Environment
The external environmental impact from Roblon Engineering is very limited and can be attributed primarily to energy consumption for illumination, heating and the painting process.

Roblon Industrial Fiber is environmentally certified to ISO 14001. Industrial Fiber has no emissions from processes that have an impact on the external aquatic environment. Emissions to air are limited and are subject to ongoing control.

Roblon Fiber Optics' environmental impact is caused primarily by heating and lighting. Energy is also used to control light sources. There are limited emissions to air in connection with the process of gluing fibre bundles.

Insurance
The company's policy is to take out insurance against risks which might be a threat to its financial position. In addition to statutory insurance cover, policies have been taken out to cover product liability and consequential losses. Properties, operating equipment and stocks are insured on an all-risk basis at their replacement value. Receivables from customers are insured to a certain degree.

Overall liquidity
The company has financed its activities via its operations, and as at 31.10.06 the company has a liquidity surplus. The company has unutilised ongoing credit facilities, and further financing is available by raising loans against buildings and machinery as collateral.

DEVELOPMENT
Each of the three divisions of Roblon A/S works within its own niche area, and each is among the world leaders in the product areas in which it operates.

New products are developed in close cooperation with customers, and in many cases the solving of specific problems at the customer's premises has a major influence on the extent of the development projects.

The divisions market a range of standard products which are often sold with modifications to make the product or machine optimal for its specific use. The development of these standard products constitutes the major projects in the development departments.

Another and possibly even more important task is the development of new innovative products to supplement the existing standard products.

At Roblon Engineering, the development of a new machine type is expected to be completed during 2007, and the actual marketing has been initiated at the end of 2006. The development takes place in close cooperation with potential customers.

The strong position held by Fiber Optics within fibre optic illumination systems is going to be extended during the coming year through launching a number of completely newly developed products, which in expression, form and function will make new standards within the trade.

EMPLOYEES AND ORGANIZATION

In the middle of 2006, a new development project was initiated across all three divisions under the title of "Innovative Management Training". The purpose of this project is to work with scenario-based strategy development.

All divisions have a competent, motivated staff, which enables the individual division to rapidly increase the level of activity if provided for by the trading conditions.

A principal objective for Roblon A/S is to provide the employees with the necessary internal and external training for them to possess the competence required to perform current and future tasks, and also to retain and develop each individual employee.

The company had 138 full-time employees on average during the year, compared to 139 in the previous year. The number of employees was 138 at the start of the new financial year against 137 one year ago.

CORPORATE GOVERNANCE

It is part of the Board of Directors' responsibilities to ensure that Roblon A/S is managed in such a way that it meets its obligations to shareholders, customers, employees, authorities and other stakeholders.

Overall management of Roblon A/S is arranged to ensure that the company can always handle its management tasks in the best possible way.

Roblon A/S emphasises the communication of open and relevant information to its shareholders and other stakeholders. Roblon's website therefore gives all stakeholders electronic access to information on the company – including stock exchange notifications, financial results etc.

Annual General Meeting of shareholders

All shareholders listed by name are invited by letter to the Annual General Meeting. All shareholders have the right to participate in and vote at the Annual General Meeting, and shareholders unable to attend can vote by proxy.

There are two share classes, A and B shares. A shares give entitlement to 100 votes for each DKK 1,000 share, and B shares give entitlement to one vote for each DKK 100 share. In view of the current ownership structure the Board of Directors has no immediate plans to merge the two share classes.

In the Management's view, the existing ownership structure has helped to create the basis for a consistent strategy for the company with ambitious, long-term financial goals. By achieving these goals, value will be created for shareholders, customers and employees.

Board of Directors

To a great extent, the Board of Directors' work is set out in Danish legislation. The Board of Directors thus undertakes the overall management of Roblon A/S and determines goals and strategies and decides on such matters as major investments, proposed company acquisitions and major development projects, key operational conditions and budgets and investment frameworks. The Board of Directors in the broad sense also supervises the company prudently and checks that it is in general managed responsibly in accordance with Danish legislation and the rules issued by the Copenhagen Stock Exchange.

One of the Board of Directors' control tasks is to ensure effective risk management, including identification of significant risks, and to make sure that risk management systems are built up, and that risk policies and frameworks are established. Operational and financial risk management policies are adopted by the Board of Directors, and reporting on key risks is part of the ongoing reporting to the Board of Directors.

The Board of Directors is kept updated on the company's situation.

The members of the Board of Directors are elected at the Annual General Meeting for one year at a time with the opportunity for re-election. According to the company's Articles of Association, the Board of Directors must consist of four to seven members. Currently the Board of Directors comprises four members elected by the AGM, each of whom is independent of the daily management, and two members elected by employees. The Board of Directors elects a Chairman and Deputy Chairman from among its number.

Five ordinary meetings of the Board of Directors are held per year. Furthermore an annual meeting is held at which the company's long-term plans and strategies are reviewed and discussed. The Board of Directors otherwise meets as necessary.

The Board of Directors is not subject to any fixed bonus agreements or incentive schemes, but is remunerated solely as set out in this annual report.

Management

The Board of Directors appoints the Executive Management and determines their employment conditions and the framework for their work. The Management is responsible for the ongoing operation of the company, including its activities, operational development and results as well as internal matters. The Board of Directors' delegation of responsibility to the Executive Management is set out in the rules of procedure for the Board of Directors.

At least one annual discussion between the Chairman of the Board of Directors and the Executive Management is an evaluation of the cooperation between the Board of Directors and Executive Management, and the procedure for and the details of the Executive Management's reporting to the Board of Directors are evaluated.

The employment terms of the Executive Management, including conditions of termination, are considered to adhere to normal practice for this area. The Executive Management and senior employees are not subject to fixed bonus agreements or incentive schemes, but are remunerated solely as set out in this annual report.

The Board of Directors and the Executive Management do not comprise the same people, and none of the members of the Board of Directors elected by the Annual General Meeting are involved in the day-to day management of the company.

SHAREHOLDERS

Dividend

At the Annual General Meeting on February 8, 2007 the Board of Directors will propose a dividend ratio of 50%, corresponding to DKK 17.7 million.

The extraordinary large dividend must be seen in the light of the company's 50th anniversary, which takes place on December 1, 2007.

In the current situation with prospects of a positive cash flow and reduced investments in the coming years, as well as continued large capital and reserves, the company's policy is to distribute the main proportion of the profit for the year as dividend to the shareholders. The final decision on dividend will take into account current investment requirements as well as an evaluation of the future development in liquidity.

The Board of Directors proposes dividend for 2005/06 amounting to 50%, against 30% in 2004/05, corresponding to distribution of 97.4% of the profit for the year. At a year-end price of DKK 855 per share of DKK 100, this implies a direct return of 5.8%.

Notifications to the stock exchange

January 5, 2006	Preliminary statement 2004/05
February 1, 2006	Announcement regarding sale of own shares
February 1, 2006	Statement of ES Holding Frederikshavn ApS' procurement of shares
June 22, 2006	Interim report 2005/06
September 4, 2006	Financial calendar 2006/07

Future information
Until further notice, interim statements will continue to be issued. A possible transition to quarterly statements will be subject to continuous assessment, and is not currently found to be appropriate.

Financial calendar

February 8, 2007	Annual General Meeting
June 14, 2007	Expected publication of interim report
January 3, 2008	Expected publication of preliminary statement 2006/07
February 7, 2008	Annual General Meeting

Ownership
The company's holding of own shares was sold during the year to ES Holding Frederikshavn ApS (hereafter referred to as Holding), which is wholly-owned by Erik Schou, who is the founder of Roblon A/S and previously transferred all his A shares with the control of the company to Holding. Holding was established as part of a future generational change, and the establishment was conditional upon acquisition of further shares in Roblon A/S so that Holding will own a total minimum of 25% of the share capital. This condition was fulfilled on the sale mentioned.

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

	Ownership interest %	Voting right %
ES Holding Frederikshavn ApS, Strandvej 98 DK-9970 Strandby	25.1	69.0
The Employees' Capital Pension Fund (LD) Vendersgade 28, 1., DK-1363 Copenhagen K	15.2	6.3
The Danish Labour Market Supplementary Pension Fund (ATP) Kongens Vænge 8, DK-3400 Hillerød	11.5	4.8
Danske Bank Group Holmens Kanal 2-12, DK-1092 Copenhagen K	5.6	2.3

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

Capital and reserves
At the end of the year the company's capital and reserves total DKK 169.8 million. In view of the current market and economic conditions the solvency ratio and substantial liquidity are a key strength.

CORPORATE INFORMATION

Roblon A/S
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Fax +45 96 20 33 99
E-mail: info@roblon.com
www.roblon.com
CVR-no. DK 57 06 85 15

Board of Directors
Man. Director Klaus Kalstrup (Chairman)
Director Niels Bach (Deputy Chairman)
Senior Master Ole Krogsgaard
Attorney H. J. Kaptain
Supervisor Kim Müller *)
Electrician Carsten Dahl Andersen *)
*) Elected by the employees

Management
Managing Director, CEO, Flemming K. Bertelsen

Accountants
Mortensen & Beierholm
State Authorized Public Accountants
Suensonsvej 75
DK-9900 Frederikshavn, Denmark

Attorney
Attorney H.J.Kaptain
Advokatfirmaet Hjulmand & Kaptain
Vestergade 1
DK-9300 Sæby, Denmark

Primary Bank
Danske Bank, Finanscenter Jylland Nord
DK-9000 Aalborg, Denmark

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

Klaus Kalstrup:
Managing Director of T&O Stelectric A/S.

Niels Bach:
Chairman of Frederikshavn Havn and Bornholms Erhvervsfond. Member of the Board of Københavns Havn A/S and Copenhagen Malmø Port AB.

H. J. Kaptain:
Chairman of: Nordjyske Bank A/S, B&H el-artikler A/S, BIA A/S, Hjallerup Maskinforretning A/S, Hydra Tech A/S, Jarnes A/S, Nordjysk Luftteknik A/S, Nordmark Maskinfabrik A/S, Skagerak 2000 A/S, Skagerak Holding A/S, Stiholt Holding A/S, Aktieselskabet Sæby Fiske-Industri, Aalborg System Transport A/S, Stampen Træ-Pak A/S, GKH Invest A/S and Dafolo Holding A/S.

Member of the Board of: Cosmos Trawl A/S, GMC Holding A/S, Rais A/S, Skagen Havn, Scandinavian Brake Systems A/S, Skanderborg Maskinforretning A/S, Sæby Storkøb A/S, Ejendomsselskabet Chrestensminde A/S, Infarm A/S and UniFish A/S.

Flemming K. Bertelsen:
Member of the Board of Stampen Træ-Pak A/S.

Financial Review

In continuation of the report of the Board of Directors and the Management, the financial review includes comments on the annual accounts for 2005/06 and the accounting policies.

The accounts are presented in accordance with the same accounting policies as last year.

IAS/ IFRS

Since the Annual Report for Roblon A/S contains no consolidated accounts the rules concerning presentation according to IFRS will not be applicable until from 2009.

Until further notice the accounts will be presented in accordance with the Danish Financial Statements Act. The transition to presentation according to IFRS is not expected to have any significant impact on the profits and capital and reserves.

Profit and loss Account

The turnover for the financial year totalled DKK 189.4 million, compared to DKK 171.8 million in the previous year and the turnover is higher in all divisions. In total an improvement of 10.2%.

The export ratio was 92.4% compared to 91.4% in the previous year.

Costs for raw materials and consumables and staff costs have increased as a result of higher activity, while other external costs have decreased. Continued focus on the costs has been maintained.

Roblon A/S' profit on primary activities was DKK 24.5 million compared to DKK 16.0 million in 2004/05.

Profit on primary activities in Industrial Fiber was DKK 13.1 million compared to DKK 10.0 million in the previous year; in Fiber Optics DKK 9.8 million compared to DKK 7.3 million in the previous year and in Engineering DKK 5.3 million against DKK 2.1 million in the previous year.

The profit before tax for Roblon A/S was DKK 25.3 million, compared to DKK 17.1 million in 2004/05.

Balance sheet

The company's balance sheet total has increased from DKK 180.8 million to DKK 211.8 million.

Tangible fixed assets decreased from DKK 69.4 million to DKK 63.1 million due to the fact that depreciations are considerably larger than the investments.

Stocks, debtors and cash at bank and in hand have all increased. Stocks increased from DKK 44.6 million to DKK 54.2 million, debtors increased from DKK 31.1 million to DKK 35.7 million and cash at bank and in hand increased from DKK 33.1 million to DKK 55.3 million.

The company's capital and reserves amount to DKK 169.8 million and the solvency ratio is 71.8% after dividend.

Cash flow statement

Cash flow from operating activities was DKK 24.0 million in the financial year, compared to DKK 32.2 million in the previous year. Profit on primary activities before depreciation amounts to DKK 32.7 million compared to DKK 25.5 million one year before. Increased stocks and debtors reduced liquidity by DKK 14.2 million, while it was improved by DKK 2.5 million in 2004/2005. Short-term creditors increased by DKK 5.7 million against DKK 2.0 million in the previous year.

Cash flow from investment activities shows tied-up capital of DKK 2.9 million compared to DKK 3.0 million in 2004/05.

Cash flow from financing activities consists of payment of dividend amounting to DKK 10.6 million and sale of own shares of DKK 11.6 million.

In the financial year, cash at bank and in hand increased by DKK 22.1 million to DKK 55.3 million.

Accounting Policies

The Annual Report for Roblon A/S for the period November 1, 2005 to October 31, 2006 is presented in accordance with the provisions of the Danish Financial Statements Act on class D companies, Danish accounting guidelines and Copenhagen Stock Exchange A/S's financial reporting requirements of listed companies.

The accounting policies are unchanged from the previous year and comprise the key recognition methods and measurement basis described below.

Recognition and measurement in general

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

Liabilities are recognised on the balance sheet if they are probable and the value of the liability can be measured reliably.

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

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

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

Translation of foreign currencies

Transactions in foreign currencies are translated when first recognised at the exchange rate applying on the transaction date. Differences between the exchange rate on the transaction date and the payment date are recognised under financial items in the profit and loss account.

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

Financial derivatives

Financial derivatives are initially recognised in the balance sheet at cost price and subsequently stated at fair value. Positive and negative fair values of financial derivatives are included under other debtors and creditors, respectively.

Changes in the fair value of financial derivatives, which are classified as and meet the criteria for hedging the fair value of a recognised asset or liability are recognised in the profit and loss account along with changes in the value of the hedged asset or liability.

Changes in the market value of financial derivatives which are classified as and meet the criteria for hedging future assets or liabilities are recognised directly in the capital and reserves. Income and expenses relating to such hedging transactions are transferred from the capital and reserves when the hedged asset or liability is realised and recognised under the same accounting item as the hedged asset or liability.

PROFIT AND LOSS ACCOUNT

Net turnover

Net turnover from sale of finished goods is recognised in the profit and loss account according to the invoicing principles in the year, when the delivery takes place. The net turnover is stated exclusive of VAT, taxes and discounts in connection with sales.

Financial income and expenses

Financial income and expenses comprise interest, capital gains and losses on securities and transactions in foreign currencies as well as supplements and reimbursements under the tax on-account scheme.

Tax on profit for the year

Tax for the year, comprising tax payable and changes in deferred tax, is included in the profit and loss account at the percentage attributable to the profit for the year.

BALANCE SHEET

Intangible fixed assets

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

Development projects which are clearly defined and identifiable, where the technical degree of utilisation, sufficient resources and a potential future market or development opportunity in the company can be demonstrated, and where the intention is to produce, market or utilise the project are recognised as intangible fixed assets, if the cost price can be reliably calculated and there is adequate security that future revenue will cover the development costs and other overheads. However, most of the company's development costs do not comply with the above mentioned criteria for recognition and are therefore recognised in the profit and loss account as expenses in the year in which they are incurred, having been spent on the continuous maintenance of earnings.

Capitalised development costs are valued at cost price less accumulated depreciation and write-downs or at recoverable value, whichever is lower.

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

Intangible fixed assets are written down to their recoverable value if this is lower than the book value. Annual write-down tests are performed for each asset.

Tangible fixed assets

Land and buildings, plant, machinery and other fixtures, tools and equipment are valued at cost price less accumulated depreciation.

The cost price is the acquisition price plus costs directly related to the acquisition until the time when the asset can be commissioned. For assets produced in-house the cost price comprises direct and indirect costs for materials, components, contractors and wages and salaries.

Tangible fixed assets are written down to the recoverable value if this is lower than the book value.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are as follows:

Buildings	25 years
Material building improvements	5 years
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-5 years

Investments at a cost price of less than DKK 25,000 per unit are charged to the profit and loss account in the year of acquisition.

Profits and losses on the sale of tangible fixed assets are calculated as the difference between the sales price less sales costs and the book value at the time of sale. The profit or loss is recognised in the profit and loss account under depreciation.

Stocks

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

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

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

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

Debtors

Debtors are valued at amortised cost price, and the necessary write-downs to meet expected loss are made.

Other securities

Other securities are stated at fair value at the balance-sheet date.

Subsidies
Subsidies received are set off against operating costs for the period in which the costs eligible for subsidies are incurred.

Dividend
Dividend expected to be paid for the year is shown as a separate item under capital and reserves.

Own capital investments
Acquisition and renunciation sums and dividend from own capital investments are recognised in the profit carried forward under capital and reserves.

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

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

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

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

Deferred tax assets, including the fiscal value of tax deficits to be carried forward, are recognised at the value at which they are expected to be used and balanced in deferred tax liabilities. Deferred tax is valued on the basis of the tax rules and tax rates under the legislation applying as at the balance sheet date, when the deferred tax is expected to be payable. Changes in deferred tax as a result of changes in tax rates are recognised in the profit and loss account.

Cash flow statement
The cash flow statement is presented according to the indirect method based on "Profit on primary activities before depreciation" in the profit and loss account. The cash flow analysis shows the impact of the following three activities on the liquidity for the year.

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

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

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

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

Segmental analysis
Information is given on business segments and geographical markets. The primary activities can be divided into the segments Industrial Fiber, Fiber Optics and Engineering. The business segment of the company is the primary segment and the geographical segment is the secondary segment. For geographical markets, only net turnover is stated. The segmental information observes the company's accounting policies and internal financial control.

Fixed and current assets in the segment comprise the assets used directly in the operation of the segment.

Segment liabilities comprise liabilities derived from the operation of the segment, including suppliers of goods and services and other creditors.

Outstanding corporation tax, cash at bank and in hand and deferred tax have not been distributed.

Non-distributed joint expenditure comprises expenditure on the finance function, auditing, Board of Directors, etc. as well as internal profits on machinery supplied by Roblon Engineering.

Key ratios
Key ratios have been calculated in accordance with the "Recommendations and Key Figures 2005" from the Danish Society of Investment Professionals.

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

Profit ratio:
Profit on primary activities as a percentage of turnover

ROIC/return on average invested capital.
Operating profit (EBIT) as a ratio of average invested capital. Invested capital includes capital and reserves and corporate tax less liquid items.

Equity ratio
Capital and reserves as a ratio of total assets, end of period.

Return on equity
Profit after tax as a ratio of average capital and reserves.

Earnings per share of DKK 100
Earnings measure for analysis purposes as a ratio of average number of shares (excluding own shares).

Price/earnings ratio (PE)
Stock exchange listing as a ratio of earnings per share of DKK 100.

Payout ratio
Total payout of dividend as a ratio of profit on ordinary activities after tax.

Cash flow per share of DKK 100
Cash flow from operating activities as a ratio of average number of shares (excluding own shares).

Intrinsic value of shares
Capital and reserves as a ratio of number of shares (excluding own shares), end of period.

The key figures are adjusted for capital augmentations.

Directors' Report

The Board of Directors and Management today considered and approved the annual report for November 1, 2005 – October 31, 2006.

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act on class D companies, Danish accounting guidelines and further Danish disclosure requirements for annual reports of listed companies. We consider the chosen accounting policies to be appropriate and find that the annual accounts give a true and fair view of the company´s assets, liabilities and financial position as at October 31, 2006 as well as the result of the company's activities and cash flow for the financial year November 1, 2005 – October 31, 2006.

The annual report is submitted for the approval of the Annual General Meeting.

Frederikshavn, January 4, 2007

Management

Flemming K. Bertelsen
Managing Director, CEO

Board of Directors

Klaus Kalstrup
Chairman

Niels Bach
Deputy Chairman

Ole Krogsgaard

Carsten Dahl Andersen

H.J. Kaptain

Kim Müller

Independent Auditors' Report

To the Shareholders of Roblon A/S
We have audited the Annual Report of Roblon A/S for the financial year 1 November 2005 – 31 October 2006, which comprises Management's Review, the Statement of the Board of Directors and Board of Executives on the Annual Report, a summary of significant accounting policies, the income statement, balance sheet, statement of changes in equity, cash flow statement for the year then ended and notes. The Annual Report has been prepared in accordance with the Danish Financial Statements Act, Danish Accounting Standards and additional Danish disclosure requirements for Annual Reports of listed companies.

The Board of Directors and Board of Executives' Responsibility for the Annual Report
The Board of Directors and Board of Executives are responsible for the preparation and fair presentation of this Annual Report in accordance with the Danish Financial Statements Act, Danish Accounting Standards and additional Danish disclosure requirements for Annual Reports of listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Basis of Opinion
Our responsibility is to express an opinion on this Annual Report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Annual Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and Board of Executives, as well as evaluating the overall presentation of the Annual Report.

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

Our audit has not resulted in any qualification.

Opinion
In our opinion, the Annual Report gives a true and fair view of the company's financial position at 31 October 2006 and of the results of the company's operations and cash flows for the financial year 1 November 2005 – 31 October 2006 in accordance with the Danish Financial Statements Act, Danish Accounting Standards and additional Danish disclosure requirements for Annual Reports of listed companies.

Frederikshavn, 4 January 2007

Mortensen & Beierholm
State Authorized Public Accountants

Søren P. Sønderby
State Authorized Public Accountant

Cash Flow Statement

Note	tDKK	2005/06	2004/05
	Profit on primary activities before depreciation	32,717	25,484
	Change in provisions for liabilities	90	0
	Change in stocks	-9,585	1,348
	Change in debtors	-4,627	1,142
	Change in short-term creditors	5,668	1,994
	Cash flow from operating activities before financial items	24,263	29,968
	Interest income	1,908	1,548
	Interest expenditure	-1,091	-17
	Cash flow from ordinary activities	25,080	31,499
	Corporate tax	-1,036	745
	Cash flow from operating activities	24,044	32,244
	Investment in intangible fixed assets	-1,403	-1,421
	Investment in tangible fixed assets	-1,656	-1,646
	Sales proceeds from tangible fixed assets	155	148
	Capital augmentation and sale of capital investment	0	-52
	Cash flow from investment activities	-2,904	-2,971
	Sale of own shares	11,599	0
	Payment of dividend	-10,615	-6,756
	Cash flow from financing activities	984	-6,756
	Change in cash at bank and in hand	22,124	22,517
	Cash at bank and in hand as at 1/11 2005	33,145	10,628
	Cash at bank and in hand and bonds as at 31/10 2006	55,269	33,145

Profit and Loss Account NOVEMBER 1, 2005 - OCTOBER 31, 2006

Note	tDKK	2005/06	2004/05
	Net turnover	189,403	171,825
	Change in stocks of finished goods and work in progress	4,758	201
	Work performed on own account and stated under assets	2,076	2,094
		196,237	174,120
	Costs for raw materials and consumables	-89,226	-76,197
	Other external expenses	-23,562	-24,143
1	Staff costs	-50,732	-48,296
	Profit on primary activities before depreciation	32,717	25,484
	Depreciation and write-downs of tangible and intangible fixed assets	-8,204	-9,507
	Profit on primary activities	24,513	15,977
2	Interest income	1,908	1,548
3	Interest expenditure	-1,091	-425
	Profit before tax	25,330	17,100
4	Tax on profit for the year	-7,175	-4,598
	Profit for the year	18,155	12,502
	Proposal for distribution of profits		
	Proposed dividend, 50% (30%)	17,691	10,615
	To profit carried forward	464	1,887
	Profit for the year	18,155	12,502

Balance Sheet as at October 31, 2006

Note	ASSETS (tDKK)	2005/06	2004/05
	Fixed Assets		
	Completed development projects	1,663	1,138
	Ongoing development projects	1,893	1,373
5	Total intangible fixed assets	3,556	2,511
	Land and buildings	50,467	53,742
	Plant and machinery	10,983	14,300
	Fixtures and fittings, tools and equipment	1,600	1,353
5	Total tangible fixed assets	63,050	69,395
	Total Fixed Assets	66,606	71,906
	Current Assets		
	Raw materials and consumables	31,462	26,635
	Work in progress	3,824	4,940
	Manufactured finished goods	18,938	13,064
	Stocks	54,224	44,639
6	Trade debtors	34,262	29,477
	Other debtors	1,310	1,460
	Accruals	134	142
	Total debtors	35,706	31,079
	Cash at bank and in hand	55,269	33,145
	Total Current Assets	145,199	108,863
	Total Assets	211,805	180,769

Balance Sheet as at October 31, 2006

Note	LIABILITIES (tDKK)	2005/06	2004/05
	Capital and Reserves		
	Share capital	35,383	35,383
	Profit carried forward	116,725	104,662
	Proposed dividend	17,691	10,615
	Total capital and reserves	169,799	150,660
	Provisions for liabilities		
7	Provisions for deferred tax	4,743	4,609
8	Other provisions for liabilities	690	600
	Total provisions for liabilities	5,433	5,209
	Short-term creditors		
	Customer prepayments received	3,357	1,019
9	Corporate tax	9,851	3,846
	Suppliers of goods and services	14,206	11,886
	Other debt	9,159	8,149
	Total short-term creditors	36,573	24,900
	Total Liabilities	211,805	180,769

10	Fees to auditors elected by the General Meeting
11	Transactions with closely related parties
12	Foreign exchange, credit and interest-rate risks
13	Segmental analysis

Capital and Reserves Statement

tDKK	Share capital	Profit carried forward	Proposed dividend	Total
Capital and reserves as at 1/11 2004	35,383	102,455	7,076	144,914
Dividend distributed			-6,756	-6,756
Dividend on own shares		320	-320	0
Profit for the year		12,502		12,502
Proposed dividend		-10,615	10,615	0
Capital and reserves as at 1/11 2005	35,383	104,662	10,615	150,660
Dividend distributed			-10,615	-10,615
Sale of own shares		11,599		11,599
Profit for the year		18,155		18,155
Proposed dividend		-17,691	17,691	0
Capital and reserves as at 31/10 2006	35,383	116,725	17,691	169,799

Changes in share capital:	
Share capital as at 1/11 2001	35,313
Capital augmentation employee shares 2003/04	70
Share capital as at 31/10 2006	35,383

The share capital of 35,382,500 consists of the following shares:

A shares :	5,555	of DKK	1,000, in total	DKK 5,555,000
B shares :	298,275	of DKK	100, in total	DKK 29,827,500

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

In accordance with the company's Articles of Association B shares are entitled to dividend of 8% before any other allocation is made.

Own shares (B shares):
The company's holding of own shares of 16,027 shares corresponding to a nominal value of tDKK 1,603 has been sold during the financial year. The shares sold represent 4.5% of the share capital.
The sales amount represents tDKK 11,599 and the acquisition amount represents tDKK 6,668. The sales amount has been recognised in capital and reserves.
Subsequently, the company no longer owns own shares.

Notes

Note	tDKK	2005/06	2004/05
1	**Staff costs**		
	Fees to the Board of Directors	470	273
	Wages, management	1,350	1,200
	Wages and salaries	44,874	43,146
	Pensions, management	254	230
	Pensions, others	3,063	2,764
	Other social security expenses	721	683
		50,732	48,296
	The Management hold the entitlement to company car.		
	Average number of full-time employees	138	139
2	**Financial income**		
	Other interest income	1,614	635
	Cash discounts	294	263
	Exchange rate gains and adjustments (net)	0	650
		1,908	1,548
3	**Financial expenses**		
	Interest costs	172	23
	Loss on sale of capital investment in associated company	0	402
	Exchange rate losses and adjustments (net)	919	0
		1,091	425
4	**Corporate tax for the year**		
	Tax payable	7,041	5,430
	Change in deferred tax	134	-832
		7,175	4,598
	Reconciliation of corporate tax:		
	28% tax on the profit before tax	7,092	4,788
	Permanent differences between recognition of income and expenditure for accounting and taxation purposes	83	173
	Deferred tax adjusted to 28%	0	-363
		7,175	4,598
	Effective tax rate	28.3	26.9

Note	tDKK					
5	**Intangible and tangible fixed assets**					
		Completed development projects	Ongoing development projects	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment
	Purchase price:					
	Balance as at 1/11 2005	1,794	1373	80,693	69,905	9,252
	Additions 2005/06	883	981	0	754	902
	Disposals 2005/06	0	(461)	0	-282	-1,516
	Balance as at 31/10 2006	2,677	1,893	80,693	70,377	8,638
	Depreciation and write-downs:					
	Balance as at 1/11 2005	656	0	26,951	55,605	7,899
	Concerning assets sold	0	0	0	-282	-1,516
	Depreciation of the year	358	0	3,275	4,071	655
	Balance as at 31/10 2006	1,014	0	30,226	59,394	7,038
	Net book value as at 31/10 2006	1,663	1,893	50,467	10,983	1,600

Cash value of land and buildings amounts to tDKK 74,139 according to the latest public evaluation.
Profit on sales of tangible fixed assets is set off against depreciation at tDKK 155 in the profit and loss account.

		2005/06	2004/05
6	**Trade debtors**		
	Trade debtors falling due after 1 year	2,016	1,245
7	**Provisions for deferred tax**		
	Deferred tax as at 1/11 2005	4,609	5,441
	Adjustment for the year	134	-832
	Deferred tax as at 31/10 2006	4,743	4,609
	The amount allocated for deferred tax relates to:		
	Current assets	452	133
	Intangible fixed assets	996	703
	Tangible fixed assets	3,333	3,811
	Provisions for liabilities	-38	-38
		4,743	4,609
	A tax rate of 28% has been used for calculating deferred tax,		
8	**Other provisions for liabilities**		
	Provisions for liabilities as at 1/11 2005	600	600
	Additions 2005/06	525	450
	Applied 2005/06	-435	-450
	Provisions for liabilities as at 31/10 2006	690	600

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

Note	tDKK	2005/06	2004/05
9	**Corporate tax receivable**		
	Balance as at 1/11 2005	3,846	-2,329
	Payment of corporate tax concerning previous year	-688	1,881
		3,158	-448
	Corporate tax payable	7,041	5,430
	Tax paid on account in 2005/06	-348	-1,136
	Balance as at 31/10 2006	9,851	3,846
10	**Fees to auditors elected by the General Meeting**		
	Audit Mortensen & Beierholm	155	222
	Audit KPMG	0	60
	Total for the year	155	282
	Other services Mortensen & Beierholm	64	41

11 **Transactions with related parties**

Related parties for Roblon A/S are the members of the Board of Directors and the Management.

Moreover, factory owner Erik Schou, Strandvej 98, DK-9970 Strandby through ES Holding Frederikshavn ApS owns the A shares of Roblon A/S and controls the company. Please refer to Shareholders where the sale of own shares to ES Holding Frederikshavn ApS is described.

During the year the company has not made any other exceptional transactions with significant shareholders, with the Board of Directors or Management, or with companies in which any of these hold financial interests.

12 **Foreign exchange, credit and interest-rate risks**

The company uses hedging instruments such as foreign exchange contracts and swaps in order to secure amounts included in and excluded from the accounts. The hedging of transactions included in the accounts covers receivables and creditors.

Foreign exchange risks (tDKK):

Currency	Payment/ Expiry	Debtors/ cash at bank and in hand	creditors	Forward foreign exchange contracts	Net position
EUR	< 1 year	23,717	-8,156	0	15,561
	> 1 year	1,908	0	0	1,908
USD	< 1 year	4,924	-210	0	4,714
GBP	< 1 year	1,500	-239	-2,180	-919
Others	< 1 year	1,003	-18	0	985
		33,052	-8,623	-2,180	22,249

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

Credit risks:

Debtors are partly covered by credit insurance. The risk of material losses on the total debtors is deemed to be insignificant.

Interest-rate risks:

Viewed separately, a fall/increase in the market rate of one percentage point is not deemed to have any material impact on corporate results.

Notes

13 **Segmental analysis**

Activities - primary segment

	Industrial Fiber		Fiber Optics		Engineering		Not distributed		Total company	
	05/06	04/05	05/06	04/05	05/06	04/05	05/06	04/05	05/06	04/05
Turnover	70,428	67,527	61,802	53,593	57,173	50,705	0	0	189,403	171,825
Profit on primary activities	13,135	10,008	9,808	7,263	5,323	2,120	-3,753	-3,414	24,513	15,977
Fixed assets	25,337	29,788	24,061	25,208	14,128	13,690	3,080	3,220	66,606	71,906
Current assets	32,035	23,091	24,435	23,810	32,656	28,672	56,073	33,290	145,199	108,863
Total segmental assets	57,372	52,879	48,496	49,018	46,784	42,362	59,153	36,510	211,805	180,769
Segmental liabilities	4,722	5,311	7,585	4,949	10,294	6,780	19,405	13,069	42,006	30,109
Investments in fixed assets	311	990	860	534	1,768	1,476	119	67	3,058	3,067
Average number of employees	40	41	49	46	45	48	4	4	138	139
Profit ratio	18.7	14.8	15.9	13.6	9.3	4.2			12.9	9.3

Geographical - secondary segment

	Rest of Europe		Rest of World		Denmark		Not distributed		Total company	
	05/06	04/05	05/06	04/05	05/06	04/05	05/06	04/05	05/06	04/05
Net turnover	119,640	98,518	55,352	58,490	14,411	14,817	0	0	189,403	171,825