

ANNUAL REPORT 2001/02

Gabriel[®]

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COMPANY DETAILS

Supervisory Board

Advokat Poul H. Lauritsen, lawyer and chairman
Direktør Kaj Taidal, director and deputy chairman
Claus Christensen, director
Karen Skott Mathiesen, director
Tina Mai Kristensen, marketing assistant
(elected by the employees)
Keld Frølund Nielsen, tackler
(elected by the employees)

CEO

Jørgen Kjær Jacobsen

Auditors

KPMG C. Jespersen, Aalborg
Audicon, Aarhus

Bankers

Sydbank A/S

Subsidiaries

Gabriel A/S, Hjulmagervej 55
9000 Aalborg

Registered office and representation

The registered office and production of the company (dyeing, finishing and distribution) are located in Aalborg.

Gabriel has its own representatives in Denmark, Sweden, Norway, Germany, the Netherlands, France and England.

The registered office is at the following address

Gabriel Holding A/S,
Registration No. 58868728
Hjulmagervej 55
DK-9000 Aalborg
Phone.: +45 96 30 31 00
Fax: +45 98 13 25 44
E-mail: mail@gabriel.dk
Web site: www.gabriel.dk

RESULTS FOR THE YEAR

- Gabriel's results were in line with the profit forecast stated in the Stock Exchange Announcement dated 19 September 2002.
- Gabriel's group revenue was DKK 192.9 million, which represents a 6% decline. Irrespective of this, Gabriel increased its share of the market, which faced a decline of approx. 30%.
- Profit after tax was DKK 10.5 million as against DKK 13.0 million a year earlier.
- The year's cash flows from operating activities rose to DKK 27.9 million as against DKK 17.6 million last year. The positive trend was, for the most part, attributable to the reduction in inventories after the outsourcing of spinning and weaving.
- Net profit ratio of 7.2% as against 9.5% last year.
- Return on investment of 20.8% compared with 28.4% a year earlier.
- Because of the capital resources of the group and expected, reasonable results for 2002/03, the Supervisory Board proposes that dividend for 2001/02 should be raised to 10% equivalent to DKK 10 per share as against 9% and DKK 9 per share in 2001/02.
- In 2002/03, the Management expects sluggish demand to persist and to report revenue and earnings in line with 2001/02. International, economic conditions may, as usual, have an adverse impact on the results.

DEFINITION OF GROUP FINANCIAL RATIOS

Invested capital

Total liabilities less non-interest bearing debt, deferred taxes and dividend proposed.

Net profit ratio

Profit/loss from operating activities before interest, etc. as a percentage of revenue.

Return on investment

Profit/loss from operating activities plus interest income and similar items as a percentage of average invested capital.

Earnings per share (EPS)

Profit/loss after tax per share calculated on the basis of total share capital (excluding treasury shares).

Return on equity

Profit/loss after tax as a percentage of average capital and reserves less dividend proposed.

Solvency ratio

Capital and reserves as a percentage of total assets.

Net asset value at year-end

Capital and reserves less dividend proposed as a percentage of share capital (excluding treasury shares).

Stock exchange price at year-end

Quoted prices at the Copenhagen Stock Exchange.

Price/net asset value

Stock exchange price in proportion to net asset value.

Price Earnings (PE)

Stock exchange price in proportion to earnings per share.

Price Cash Flow (PCF)

Stock exchange price in proportion to cash flow per share (excluding treasury shares).

Payout ratio

Dividend as a percentage of profit/loss after tax.

FINANCIAL HIGHLIGHTS FOR THE GROUP

Key figures	Unit	2001/02	2000/01	1999/00	1998/99	1997/98
Group revenue	DKK millions	192.9	204.4	184.4	155.4	138.9
	Index	139	147	133	112	100
Of which export	DKK millions	142.6	152.5	134.2	111.0	92.0
Export share	%	74	75	73	71	66
Operating profit (EBIT)	DKK millions	13.9	19.4	16.2	5.7	13.5
Net financials	-	1.1	(0.4)	0.0	(0.4)	(0.5)
Profit before tax	-	15.0	19.0	16.2	5.3	13.0
Tax	-	(4.5)	(5.6)	(5.2)	(1.5)	(4.5)
Profit after tax	-	10.5	13.4	11.0	3.8	8.5
Cash flow from operating activities	DKK millions	27.9	17.6	16.7	3.4	13.9
Net investments in property plant and equipment	-	4.2	10.6	6.3	9.4	14.8
Depreciation and impairment	-	8.0	8.1	8.0	7.9	5.4
Capital and reserves	-	71.4	64.3	53.8	48.3	47.3
Balance sheet total	-	109.7	108.1	105.8	97.4	98.1
Invested capital	-	74.5	76.6	69.7	70.3	59.8
Number of employees	Number	118	131	123	156	147
Revenue per employee	DKK'000	1,635	1,560	1,499	996	945
	Index	173	165	159	105	100
Financial ratios						
Net profit ratio	%	7.2	9.5	8.8	3.7	9.7
Return in investment (ROIC)	-	20.8	28.4	24.9	10.3	25.1
Earnings per share (EPS)*	DKK	27.5	35.3	29.0	9.5	21.1
Return on equity	%	16.4	24.2	23.0	8.5	20.0
Solvency ratio	%	61.3	56.0	47.6	46.6	45.3
Net asset value at year-end*	DKK	177	159	133	113	110
Stock exchange price at year-end	-	230	260	145	131	193
Price/net asset value*	-	1.3	1.6	1.1	1.2	1.6
Price earnings (PE)*	DKK	8.4	7.4	5.0	14.0	9.1
Price Cash Flow (PCF)*	-	3.1	5.6	3.3	15.4	5.6
Dividend per share of DKK 100	DKK	10	9	8	7	7
Payout ratio	%	40	28	30	76	35

The financial year 1997/98 is used as the base year for the index numbers. The financial ratios have been prepared in accordance with the Danish Society of Financial Analysts' guidelines for the calculation of financial ratios. Dividend proposed has been deducted from capital and reserves for purposes of analysis. The financial ratios have been restated according to the bonus issue in 2001/02 to ensure comparability.

* Excluding treasury shares.

GABRIEL PROFILE

MISSION STATEMENT

Innovation and value-adding co-operation are keywords of Gabriel's mission statement.

Gabriel is a niche company which develops, manufactures and sells furniture fabrics and related textile products to be used in fields of application where product features, design and logistics have to meet invariable requirements and where quality and environmental management must be documented.

Vision

With furniture fabrics as its competence area, Gabriel intends to be the preferred development partner for and supplier to leading international manufacturers of furniture, seats and upholstered surfaces.

Financial objectives

Gabriel is to continue to generate growth and profitability of a size which is attractive to its shareholders. The overall financial objective is to generate return on invested capital (ROIC) in excess of the cost of capital. The cost of capital has been fixed at 15% before tax under the current capital structure.

Provided that economic conditions are stable, the group aims at achieving

- an average annual 15% revenue increase
- an average annual 10% increase in results.

Strategy

Gabriel aims at realising its vision and achieving its objectives through group strategy, which is based on five core processes:

1. Global key account sales activities in the three sales divisions, Gabriel Contract – furniture fabrics for contract furniture; Gabriel Home – furniture fabrics for domestic furniture and Gabriel Transport – seat fabrics for trains, aircraft, busses and ships
2. Continuous enhancement of product and design development
3. Constant focus on the development of the product range
4. Ongoing efforts to optimise and enhance logistics
5. Ongoing efforts to ensure price competitiveness.

Gabriel is attentive to the potential for acquisitions and alliances to improve its competitiveness and value creation.

Innovation

Close collaboration with Gabriel's network of customers, users, suppliers, advisers and well-qualified employees ensures optimum evaluation of new ideas and business potential.

New products and designs should represent innovations creating additional value for customers and users.

Gabriel makes efforts to ensure that at least 30% of its revenue derive from products launched within the past five years and strives to reach that goal by the end of the financial year 2004/2005.

Market segments

Three sales divisions cover Gabriel's market segments:

- Gabriel Contract (office, conference facilities, hospitals, care institutions, hotels, restaurants, theatres, concert halls, cinemas, educational institutions, airports, etc.)
- Gabriel Transport (trains, aircraft, buses, cars and ships)
- Gabriel Home (upholstered furniture and chairs)

Raw materials

Wool is the most important raw material of Gabriel. The properties of wool fibre are unique and unsurpassed by any other natural or synthetic fibre when it comes to furniture fabrics.

Gabriel possesses or has access to the professional expertise and the special production plant required for a leading position in this niche area.

Employees

Gabriel's employees are aware of and work towards common goals.

Gabriel intends to attract and retain ambitious, well-qualified employees seeking and accepting challenges. Daily dialogue and delegation of responsibility foster dynamism and efficiency. Constant changes as well as the necessity for immediate action and adaptation require intellectual and professional flexibility of all employees.

Job expansion and relevant training is carried out to ensure that the qualifications and professional expertise of the individual employee are up-to-date.

Gabriel has a favourable and informal working environment based on trust, reliability, mutual respect and awareness of joint responsibility.

*Gabriel received The North Jutland
Business Award in December 2001.
The award is made on the basis
of the following criteria:
sound leadership, good initiative,
competence, a healthy workplace,
a safe workplace,
development-oriented.*



Social responsibility

Through close cooperation with the municipality of Aalborg, Gabriel regularly employs people in special need of training and support to become part of the labour market.

Quality and environment

Gabriel is a quality and environmentally conscious company exemplified by its ISO 9001: 2000 and 14001 certifications as well as its certification for the EU's Eco Management and Audit Scheme (EMAS).

Gabriel A/S is licensed to apply the EU flower eco-label, which ensures that the employees in production, the users of the furniture fabrics and the external environment are not exposed to unhealthy conditions.

Gabriel's environmental and quality-related objectives are as follows:

Services from Gabriel are strictly to meet its customers' needs and expectations. During production and distribution, Gabriel is to strive to reduce its consumption of resources and discharges harmful to the external environment.

Do things right the first time – is the standing motto for planning and carrying out corporate activities.



SHAREHOLDER INFORMATION

Price movements in 2001/02

The share price was 520 at the beginning of the year. The Annual General Meeting held on 20 December 2001 adopted an increase of the capital from DKK 21 million to DKK 42 million by means of a bonus issue at the ratio of one to one. The bonus issue took place in January 2002. Following the increase, trading in the share commenced at a price of 250 corresponding to an unchanged level of prices. The closing price was 230 – which, after conversion, was equivalent to a 12% decline. Market capitalisation was DKK 88 million (excluding treasury shares).

Shares

Gabriel Holding A/S has one class of shares. No shares carry special rights. The shares are freely negotiable securities.

The Management intends to provide its shareholders with regular information on the company and therefore encourages all shareholders to register their shares in Gabriel Holding A/S.

Shareholders

The following shareholders have reported holdings of more than 5% of the share capital:

- Gabol A/S, Aarhus, Denmark 31.3% ownership interest and voting rights
- Fulma A/S, Aarhus, Denmark 25.0% ownership interest and voting rights
- S. Thygesen A/S, Ikast, Denmark 7.5% ownership interest and voting rights

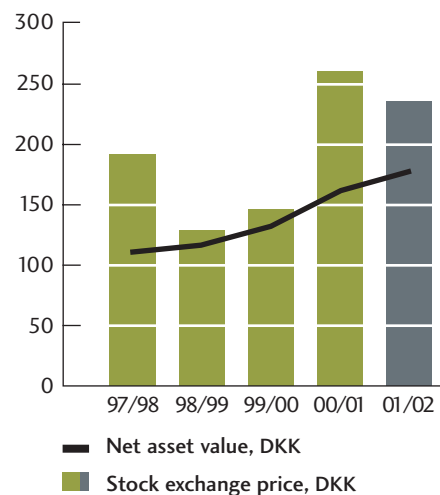
Treasury shares

Gabriel's holding of treasury shares numbered 39,300 at the end of the year, equivalent to 9.3% of the share capital. The market price of treasury shares totalled DKK 9.0 million at 30 September 2002 as against DKK 10.3 million last year.

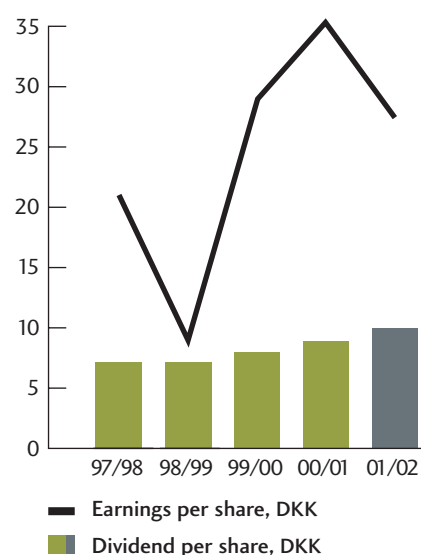
Stock Exchange Announcements in 2001/02

- 20.11.01 No. 32/2001 Announcement of the financial statements – the profit for 2001/02 expected to be in line with 2000/01
- 21.11.01 No. 33/2001 Financial calendar for 2001/02
- 04.12.01 No. 34/2001 Notice of Annual General Meeting
- 20.12.01 No. 35/2001 Profit forecast remains unchanged
- 20.12.01 No. 36/2001 Minutes of general meeting
- 09.01.02 No. 37/2002 Bonus issue
- 14.02.02 No. 38/2002 Date of publishing quarterly report
- 28.02.02 No. 39/2002 Quarterly report – Q1 – profit forecast remains unchanged
- 16.05.02 No. 40/2002 Date of publishing interim report, 6 months
- 30.05.02 No. 41/2002 Interim report, 6 months – downward revision of the profit forecast to a profit after tax of approx. DKK 12 million
- 13.08.02 No. 42/2002 Date of publishing quarterly report
- 22.08.02 No. 43/2002 Quarterly report – Q3
- 19.09.02 No. 44/2002 Downward revision of the profit forecast to a profit after tax of approx. DKK 10 million
- 18.10.02 No. 45/2002 Gabriel sets up a representative office in China

STOCK EXCHANGE PRICE AND NET ASSET VALUE



DIVIDEND AND EARNINGS PER SHARE



Financial calendar

The printed financial statements for 2001/02 will be available on	04.12.02
Announcement prior to the general meeting	18.12.02
Minutes of the general meeting	18.12.02
Payment of dividend	27.12.02
Quarterly report, Q1	27.02.03
Interim report, 6 months	22.05.03
Quarterly report, Q3	28.08.03
Announcement of the financial statements	20.11.03
Announcement prior to the general meeting	18.12.03
Minutes of the general meeting	18.12.03

Corporate governance

The Supervisory Board of Gabriel Holding has assessed the recommendations for corporate governance put forward by Nørby-udvalget (a committee appointed by the Copenhagen Stock Exchange dealing with best practice for board work) and generally takes up sympathetic attitude towards those. The Supervisory Board generally finds Gabriel's Articles of Association, attitudes and intentions to be in line with the recommendations.

Investor relations

Gabriel Holding aims at providing a satisfactory and uniform volume of information to investors and analysts with a view to ensuring that the movement in its share price is stable and reflects expected corporate development at any time.

Gabriel's web site, www.gabriel.dk, is regularly updated with information on and financial highlights of the Gabriel group. Furthermore, the homepage of the Copenhagen Stock Exchange, www.xcse.dk, contains updated prices and analyses regarding share trading and price movements. Gabriel Holding is registered under industry group index 2520 – Consumer Durables and Clothing.

For queries regarding Stock Exchange Announcements, annual reports and matters in respect of Gabriel Holding A/S, please contact:

Jørgen Kjær Jacobsen, CEO
Phone: +45 96 30 31 00
E-mail: joergen.jacobsen@gabriel.dk

Dividends

At the Annual General Meeting, the Supervisory Board proposes that dividend of DKK 10 per share of DKK 100 should be paid, which is equivalent to 10% and corresponds to a payout ratio of 40% as against 28% last year. The dividend will be available on 27 December 2002.

Annual General Meeting

The Annual General Meeting will be held at the company's offices, Hjulmagervej 55, Aalborg, on Wednesday, 18 December 2002 at 2 pm.

The Gabriel share is monitored by:
Peter Andersen, an analyst at Danske Securities
E-mail: peter.andersen@securities.com

FINANCIAL REVIEW

Profit for the year before tax came in at DKK 15.0 million as against DKK 19.0 million in 2000/01. Profit after tax was DKK 10.5 million as against DKK 13.4 million in 2000/01, which is in line with the profit forecast announced to the Copenhagen Stock Exchange on 19 September 2002.

The initial profit forecast for 2001/02 presented by the Management was in line with the one for 2000/01. However, the Management pointed out that the uncertainty surrounding international, economic conditions could affect the Gabriel group's ability to meet the expectations expressed in the forecast.

On the basis of ongoing, sluggish international demand for contract furniture and the major uncertainty surrounding the short-term intake of orders, the Management revised its profit forecast downwards to DKK 12 million in connection with the interim report announced on 30 May 2002. The sagging trend aggravated in August and September, which triggered the revised profit forecast communicated in Gabriel's announcement to the Copenhagen Stock Exchange dated 19 September 2002.

Profit for the year was affected by sluggish international demand, which prompted the 6% reduction in revenue to DKK 192.9 million. The decline was less significant than the one facing the company's customers and competitors which the Management has chosen to interpret as a strengthening of Gabriel's position on a difficult market.

The activities produced by Gabriel's core processes had a positive impact on the profit for 2001/02 and at the same time enhanced the possibilities of future sales and earnings growth.

As a result of the above factors, 21% return on investment and highly enhanced cash flows, the Supervisory Board considers the results for the year satisfactory.

Full implementation of the Danish Financial Statements Act

The group chose to fully implement the Danish Financial Statements Act from and including the financial year 2001/02. As a consequence, the following changes have been made in accounting policies:

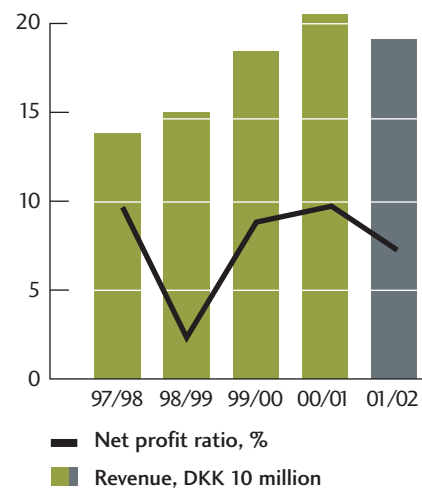
Indirect production overheads have been allocated to the cost of work in progress and finished goods.

Prior to its adoption at the Annual General Meeting, dividend proposed is recognised as a separate item under capital and reserves. Upon adoption, dividend is recognised as a liability. The accumulated effect of the change in accounting policies was a reduction of the profit for the year of DKK 119 thousand. The balance sheet total was increased by DKK 1,456 thousand and capital and reserves by DKK 5,219 thousand.

In addition, with effect from the financial year 2002/03, the subsidiary, Gabriel A/S, will implement a system for entries making up the basis of the capitalisation of development costs.

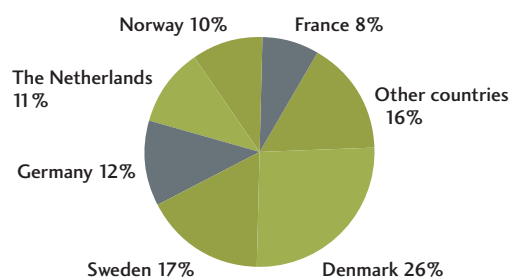
Comparative figures and financial highlights have been restated.

REVENUE AND NET PROFIT RATIO

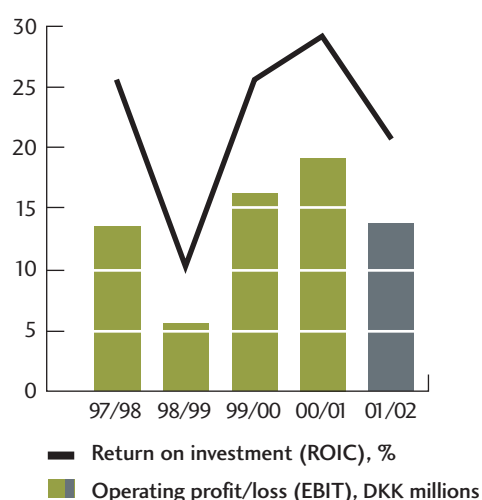


DEVELOPMENT OF SELECTED ITEMS

TURNOVER BY COUNTRY



OPERATING PROFIT/LOSS (EBIT) AND RETURN ON INVESTMENT (ROIC)



Revenue – fell by 6%

Gabriel generated revenue of DKK 192.9 million, which represents a 6% decline on revenue for 2000/01 of DKK 204.4 million. Revenue from exports came in at DKK 142.6 million as against DKK 152.5 million last year equivalent to a 7% decline. The Danish market saw a 3% decline – generating revenue of DKK 50.3 million. The company's exports accounted for 74% as against 75% in 2000/01.

Germany, France, the UK and Sweden saw the most significant decline abroad reporting an average 13% decline. These markets accounted for 43% of total revenue. The sale to Holland, Belgium, Norway and Finland, which accounted for approx. 25% of total revenue, remained practically unchanged. Exports to other countries, including the USA, Italy and Poland, rose by an average of 46%, but only accounted for approx. 6% of total revenue.

The primary reason for the reduction in total revenue was a major decline in international demand for contract furniture. The most important sales division of the group, Gabriel Contract (75% share), which is directed at the business sector, reported revenue of DKK 144.0 million, which represents a 10% decline on revenue for 2000/01 of DKK 160.9 million. The sales division, Gabriel Home (18% share), enjoyed 24% growth and produced revenue of DKK 35.1 million. The sales division, Gabriel Transport (7% share), saw a decline in revenue from DKK 15.3 million in 2000/01 to DKK 13.7 million in 2001/02 equivalent to a 10% decline.

The development of the three sales divisions is described in the operating review.

Other operating income – remains at the same level

Other operating income remains at the same level as last year. Similar to previous years, the item consists, for the most part, of rental income from productive equipment. This activity is expected to generate similar income in the coming year.

Cost of sales – affected by outsourcing

The outsourcing of weaving has transferred costs from internal staff costs to external subsuppliers triggering an increase in cost of sales. As expected, the ongoing outsourcing of the company's production had an overall positive impact on the operating profit for 2001/02.

Staff costs – reduction in the number of employees in production

The average number of employees was reduced from 131 in 2000/01 to 118 in 2001/02. As a result of the ongoing outsourcing, payroll costs were brought down and the number of workers paid by the hour reduced from 52 to 38 in the primary production processes. The number of workers paid by the hour in other functions was reduced from 24 to 22, while the number of salaried employees rose from 55 to 58.

Other external costs – restraint

External costs were DKK 1.9 million down on 2000/01 because of the company's general restraint in relation to the sluggish demand characterising the year under review.

Interest income and expense and similar items – positive trend

Interest income and expense and similar items comprised income of DKK 1,152 thousand as against expenses of DKK 454 thousand last year. The positive trend is attributable to net exchange gains of DKK 820 thousand triggered by the favourable movement in Norwegian and Swedish kroner and declining interest expenses due to the highly positive movement in group cash flows.

Balance sheet – 17% reduction in inventories

The group balance sheet total came in at DKK 109.7 million as against DKK 108.1 million at 30 September 2001. During the year under review, inventories were reduced on an ongoing basis, which is in accordance with the expectations of last year. As expected, inventories were 17% down on last year. Trade receivables remained at the same level as last year.

Cash flows – positive liquidity

As a result of the cash flows for 2001/02, no bank loans were outstanding at 30 September 2002. By contrast, the group held bank deposits of DKK 14.5 million.

The upward trend was attributable to positive cash flows from operating activities of DKK 27.9 million as against DKK 17.6 million last year.

Net investments in non-current assets amounted to DKK 4.5 million compared with DKK 6.3 million a year earlier.

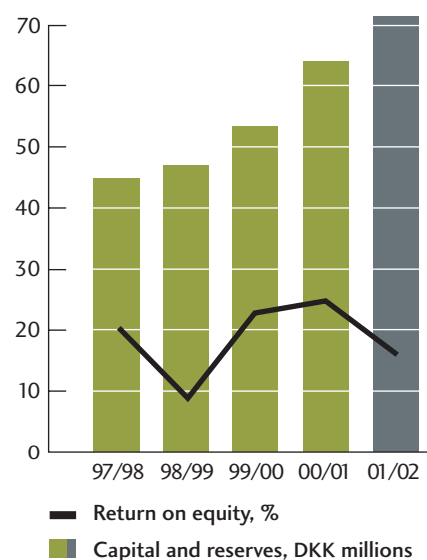
The group reduced its external financing by DKK 8.4 million and distributed a dividend of DKK 3.5 million to its shareholders.

Investments at a lower level

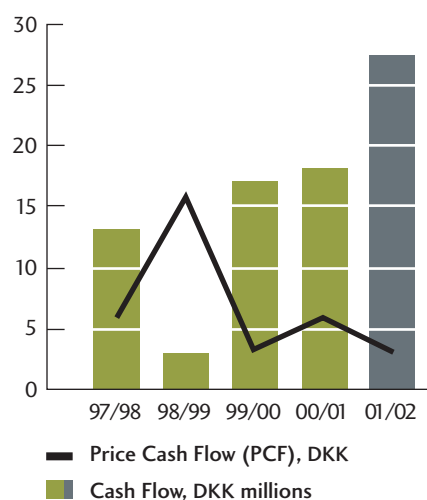
Investments for 2001/02 were at lower level than for the past five years, which is in line with expectations. This is, among other things, to be seen in the light of the major investments of the past five years in, for instance, dyeing and finishing equipment forming part of Gabriel's own primary production processes in Denmark. As a consequence of the outsourcing of spinning and weaving, the company will not have to make any future investments therein.

Group investment in property, plant and equipment for 2001/02 amounted to DKK 3.0 million for plant and machinery, fixtures and fittings, tools and equipment and DKK 1.5 million for buildings as against DKK 7.4 million and DKK 3.5 million respectively in the financial year 2000/01.

CAPITAL AND RESERVES AND RETURN ON EQUITY



CASH FLOW AND PRICE CASH FLOW



OPERATING REVIEW

GABRIEL CONTRACT – 10% decline – STRENGTHENED MARKET POSITION

Gabriel Contract has directed its core processes towards the leading contract furniture manufacturers. Gabriel generates additional value and competitiveness to the manufacturers marketing their furniture programmes with customised furniture fabric designs.

The most important industrial clients are continuously reducing their number of suppliers and are developing their co-operation with the principal suppliers of the future. Gabriel's strategy is based on this trend. The trend seen in 2001/02 confirms that the strategy strengthens Gabriel's market position.



Of total revenue, Gabriel Contract accounted for 75% as against 79% last year. Sales were reduced by 10% to DKK 144.1 million as against DKK 160.9 million in 2000/01. Sale to new customers and sale of new products could not compensate for the decline in the sale to especially major key customers, who generally reported revenue declines of approx. 25-35% for the year under review. Accordingly, the revenue generated by Gabriel Contract reflects the fact that Gabriel is capturing market shares. Revenue generated by Gabriel Contract is in line with the Management's profit forecast after Q3 of the financial year.

Following the closing of accounts at 30 September 2002, Gabriel's most important market segment continues to produce sluggish demand.

It is the Management's expectations as expressed in August that sluggish international demand for contract furniture will persist in 2002/03.

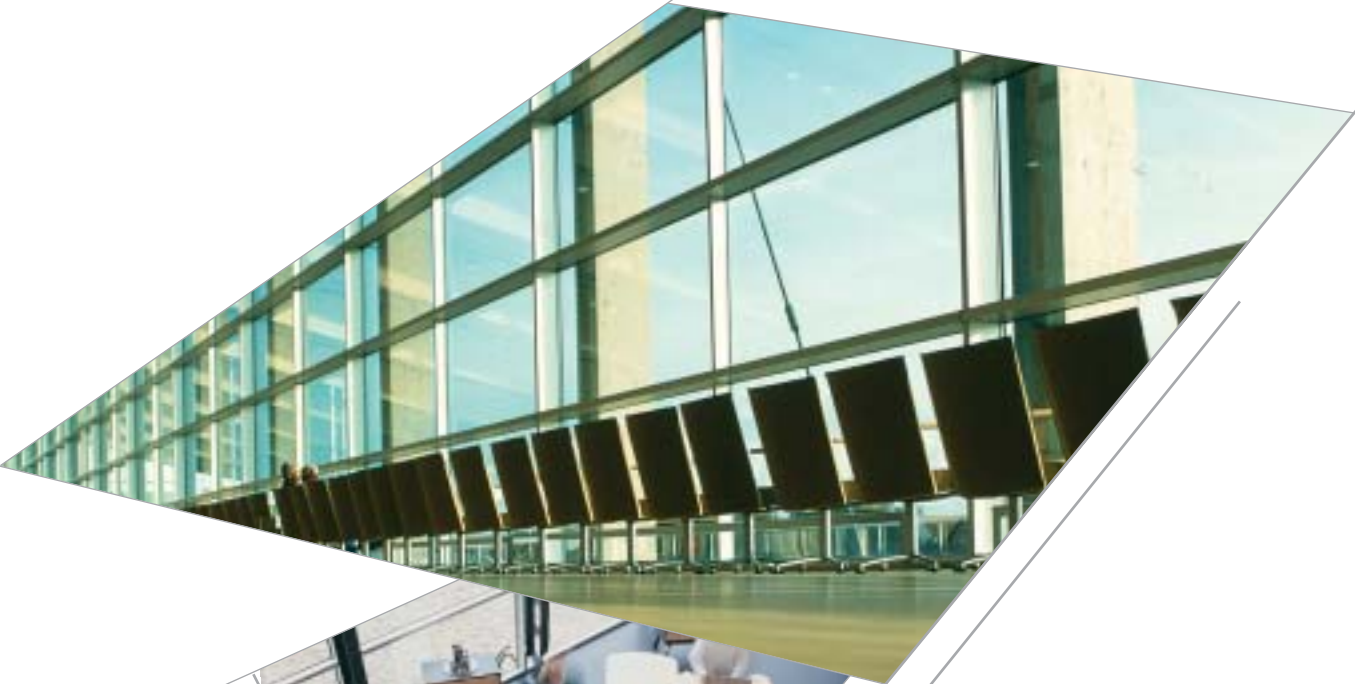
For the tenth time, Gabriel Contract was represented at the world's largest and most international contract furniture fair, Orgatec, in Cologne in Germany, which was held at the end of October 2002. The furniture displayed showed a wide range of Gabriel's furniture fabrics, and Gabriel Contract's strong market position as one of the principal suppliers to the leading international contract furniture manufacturers was confirmed.

Gabriel Contract launched new furniture fabrics at the trade fair which had been developed on the basis of market analyses and close co-operation with designated furniture manufacturers. For instance, the new products comprise a series of fire-retardant and washable fabrics expected to generate growth within new price segments in the contract sector.

As mentioned, Gabriel Contract has developed a strong relationship with one of the most important US distributors of furniture fabrics on the American market for contract furniture. In the year under review, a product programme was developed which received a positive market response. The launch of the product programme is expected to have a positive effect on sales and earnings in this financial year.

Despite the entry of new customers and the launch of new products, the Management expects to face sluggish and declining demand from the international contract furniture sector, whose investments have almost come to a standstill. Against this background, the budget of Gabriel Contract for 2002/03 shows a revenue decline of approx. 10% to approx. DKK 130 million.

Gabriel Contract will again be able to achieve its average 15% growth target once the steep decline in demand has been levelled out and stabilised.





GABRIEL HOME – 24% GROWTH

– MARKET AND PRODUCT DEVELOPMENT

The core processes of the sales division, Gabriel Home, are directed at leading domestic furniture manufacturers. Gabriel's product range is based on woollen furniture fabrics designed and developed for this segment. In addition, Gabriel Home markets, with an increasing degree of success, an advanced micro fibre product under the name "Comfort".

In 2001/02, Gabriel enjoyed a 24% increase in revenue to DKK 35.1 million as against DKK 28.2 million the year before. Sales were more favourable than anticipated by the Management after Q3. The sales division accounted for 18% of Gabriel's total revenue as against 14% the year before.

Gabriel Home's share of the market for domestic furniture is insignificant. However, the Management is of the opinion that Gabriel Home offers an interesting growth potential. Gabriel Home launches and develops new products for both new and existing customers within the segment for domestic furniture, which is expected to have a positive impact on revenue.

New Gabriel products exhibited by leading European furniture manufacturers at the international domestic furniture fair in Cologne in January 2002 have thereby had a positive impact on sales. Furthermore, a number of Italian furniture manufacturers exhibited new furniture fabrics from the Gabriel Home collection at the trendsetting fair in Milan held in April of this year. The latter also contributed to the sales increase in 2001/02.

Gabriel's niche and competence consist of the application of wool as a raw material. With its natural fibres and special user-friendly properties, wool is a sustainable and an environmentally friendly textile fibre. However, wool still has to stand the test on the Central European market for domestic furniture, which so far has applied cotton and synthetic fibres for the most part.

Heavy demands are placed on the continuous development of new designs for the market for domestic furniture, which in return offers great potential for the furniture fabrics which reach the end users. Gabriel's woollen furniture fabrics are competitive in terms of prices on a global scale.

The Management expects to report revenue of Gabriel Home for 2002/03 which is at the same level as for 2001/02 or moderately on the increase.



GABRIEL TRANSPORT – 10% DECLINE – SALES BY PROJECT

Revenue of Gabriel Transport for 2001/02 came in at DKK 13.7 million as against DKK 15.3 million the year before. In its announcement to the Copenhagen Stock Exchanged after Q3, the Management maintained its revenue forecast for the entire year. However, these expectations were not met. A few projects involving trains were not completed at the expected time and have not been recognised until this financial year. Gabriel Transport continues to account for 7% of total revenue.



The market potential still offers some interesting perspectives and is to be realised through co-operation with designated key customers. During 2001/02, Gabriel Transport further popularised Gabriel's products and services by means of trade visits as well as participation in relevant fairs and symposia in several countries.

Gabriel Transport made its competence visible within the individual market segments trains, aircraft, buses, ships and cars where technical properties, quality and price competitiveness are important parameters.

Gabriel possesses the competence and competitive power to utilise a higher degree of its market potential. The growth potential of Gabriel Transport exceeding Gabriel's average annual 15% growth target is deemed to be achievable within two to three years. However, time is needed for the efforts to be successful, and therefore the Management expects to report revenue of Gabriel Transport for 2002/03 which is in line with 2001/02 or moderately on the increase.





Set-up of representative office in China

As part of its efforts to maintain and develop its global competitiveness, Gabriel studied the possibilities of establishing a foundation for business in China in 2001/02.

In its stock exchange announcement dated 18 October 2002, Gabriel stated that a representative office is to be set up in the capital of China, Beijing, at the beginning of 2003. A head and Business Development Manager has been employed as of 1 January 2003, who will be responsible for establishing and developing Gabriel's activities in China.

The activities in China are expected to play an important role in each of Gabriel's five core processes mentioned below.

Growth through the acquisition of European companies has so far been limited within Gabriel's niche, furniture fabrics. In recent years, Gabriel has assessed various companies for acquisition purposes, but no company seemed to represent any sound investment. By contrast, Gabriel has been very successful in terms of widening its product range and enhancing its development potential through alliances with various partners.

The establishment of Gabriel in China should be seen as a long-term investment in one of the world's largest and fastest growing economies. China is expected to become a full member of WTO (the World Trade Organisation) in 2005, which will allow Gabriel to establish a representative office in China and at the same time maintain its high environmental performance.

GABRIEL'S STRATEGY IMPLEMENTED VIA FIVE CORE PROCESSES

As mentioned under the financial review, Gabriel implements and maintains its strategy through five core processes. The year's activities within the processes are as follows:

1. Key Account Management (the KAM process) from potential customer to regular customer relations

In order to achieve Gabriel's objective and to implement the key account strategy under the motto "Gabriel grows with the largest", Gabriel's key account managers and other employees involved in the KAM process took part in a competence development project in 2001/02.

Leading key account prospects are targeted and cultivated globally in order to establish or maintain value-adding partnership agreements. The co-operation involves the delivery of furniture fabrics, joint product development, design, logistics agreements, IT integration, competence development, etc. Gabriel strives to obtain the largest part of each key account's purchase of furniture fabrics.



2. Product development process – from idea to a product ready for sale

Customised product development is an invariable core competence of Gabriel in order to achieve its objective of becoming the preferred development partner.

Gabriel's development department has had its present form for two years. In 2001/02, the development department completed a competence development project (CRP – customer-related product development) for the purpose of identifying the need for and carrying out education and training of designers and product developers.

Competence development comprises development and enhanced efficiency of Gabriel's product development process requiring development projects to be prioritised and involving cross-organisational co-operation.

Product development is based on the needs of users and customers and takes place in co-operation with at least one leading furniture manufacturer in the sales divisions, Gabriel Contract and Gabriel Home. Product development for Gabriel Transport is based on actual transport projects.

Gabriel's process-oriented product development is outward looking and supports Gabriel's key account management (the KAM process). In addition, new development projects are aligned with the price competition and logistics processes.

The new products contain new fibres. The development department has launched a new product line in the permanently fire-retardant Trevira CS fibre, which has improved Gabriel's cover of price groups possessing major sales volume with existing customers and ensured access to new ones.

Gabriel continued to work with intelligent fibres and initiated co-operation for development purposes with designated major customers on self-sustaining and transparent properties.

Woollen furniture fabrics continue to be important for the development of new products for each of the three sales divisions. The existing collection is continuously being developed in order to prolong the life of the products. However, this work is not characterised as the development of new products.

At the closing of accounts at 30 September, products developed during the past five years accounted for only 8%. It may prove difficult for Gabriel to achieve its objective of new products accounting for at least 30% of total revenue in 2004/05 as the old products continue to capture market shares. However, Gabriel maintains its objective because of its intensified product and product range development and its objective of becoming the preferred development partner.

3. Development of the product range – from component or finished product to product ready for sale

Several major customers want to conduct a higher degree of one-stop shopping and therefore conclude more extensive agreements on supply chain management.

The increasingly close co-operation with major customers of each of the three sales divisions has enhanced Gabriel's sales potential in terms of furniture fabrics, related textile products and services.

Development of the product range is a new core process which is being established. The future activities in China are expected to play an important role in this connection.



4. Logistics process – from order to product supplied

The efforts towards logistics had a positive impact on both earnings and liquidity in 2001/02.

Gabriel's ability to supply is assessed by the company itself and by major industrial customers on an ongoing basis. Even though there were minor variances in 2001/02, Gabriel's ability to supply continues to be a competitive parameter and one of the best within the industry.

The outsourcing of Gabriel's spinning and weaving processes, which has taken place during the past two to three years, was completed at the end of March 2002, enabling Gabriel to reduce its extraordinary buffer stock and to further optimise its inventories. As a consequence, in 2001/02 inventories were reduced by 17% equivalent to an improvement in liquidity of DKK 6.4 million.

The agreements with and the co-operation with the principal suppliers of raw materials and semi-manufactured products developed into actual partnerships based on openness, integration and close co-operation on product development.

Gabriel initiated co-operation with two new carriers, meaning that services have been materially enhanced in the form of shorter delivery times and higher reliability in terms of delivery. Gabriel is capable of delivering its products to practically all European countries with one to two days of transport. As a result, Gabriel's inventories and those of its customers were reduced.

5. Price competitiveness – enhanced through outsourcing and purchasing

In 2001/02, the price competitiveness of Gabriel was strengthened through the outsourcing of weaving from Aalborg to Lithuania.

Gabriel constantly optimises and enhances the quality and price of its raw materials, semi-manufactured products and finished goods through its global network of co-operators.

Contracts with suppliers are continuously maintained and developed in order to strengthen Gabriel's price competitiveness, which is measured internally by means of a cost price index.

Gabriel's supporting processes

Determining Gabriel's value creation through its core processes is a suitable basis for assessing whether it would be beneficial to insource or outsource supporting processes.

Competence development of workers paid by the hour

Workers paid by the hour within production, inventory and test production take part in extensive educational projects and training which are supported financially by the European Social Fund (Objective 3) and which are to allow the company's level of competence to match corporate strategy and activities and to ensure the realisation and completion thereof.

In addition, the competence level of the individual employee will be enhanced in relation to the requirements made by Gabriel and the labour market in general.

The project, which runs from May 2002 to January 2003, involves active participation in process and quality enhancement, command of numerous process competences, technical and administrative assignments and understanding of corporate strategy.

Quality management

In September 2002, Dansk Standard (the Danish Standards Association) performed an audit. Accordingly, Gabriel's ISO 9001 certification was converted into the 2000 standard. The quality management system underwent major changes and enhancements in 2001/02 and now has a process-oriented structure in accordance with Gabriel's strategy and other management systems.

Environmental management

We refer to the environmental statement, see page 46.

IT developments – outsourcing – IT-based management system

Gabriel continued to develop the group IT systems in 2001/02. Logistics and financial control systems were updated to latest release.

The group's data warehouse solution was further strengthened for the purpose of the decision-making regarding sales, purchasing and inventory build-up.

In 2001/02, Gabriel analysed the aspects of outsourcing its operation of IT and decided to commence this activity as from Q2 of the financial year 2002/03.

A pre-analysis and specification was made of an IT system supporting the group's management, core and supporting processes in a network structure comprising both internal as well as external users and partners. The system is developed in a project supported by Det Digitale Nordjylland (The Digital North Denmark). The first part of the project comprising the development of a software program devoted to the management of individual competences will be introduced before the end of 2002.



RISK ASSESSMENT

Customers/markets/segments

Gabriel's strategy is to achieve growth through leading, global manufacturers of furniture, seats and upholstered surfaces. In 2001/02, no individual customer accounted for more than 10% of revenue.

Gabriel aims at diversifying risk through growth in the three sales divisions, Gabriel Contract, Gabriel Home and Gabriel Transport. Gabriel Contract is the one most sensitive to market fluctuations and accounted at the same time for the most important share (75%) in 2001/02. Gabriel's strategy and market activities aim at utilising the growth potential of and to diversify the risk of the three segments.

Products

As a consequence of its increasing sale of existing products, it is difficult for Gabriel to reach its goal of at least 30% of revenue originating from products introduced within the past five years.

The number of new designs is, however, on the increase, and new products offering satisfactory sales potential is being developed. During periods of economic slowdown as seen in 2001/02, products for the contract furniture segment require a longer penetration period.

The Management maintains its goal of new products generating at least 30% of revenue before the end of 2004/05.

Currency exposure

Because of the fact that foreign customers account for approx. 75% of group sales, the company is regularly to manage its foreign-exchange positions. Invoicing is primarily effected in the customer's currency. Settlement in euro is preferred for non-West European countries. The majority of group purchases are settled in Danish kroner or euro.

The most important currency exposure – in monetary terms – is linked to Swedish and Norwegian kroner. Future receivables denominated in these currencies are hedged by means of forward contracts.

Interest rate risk

Because of the positive cash flows for the year, group financing at 30 September 2002 consists of a minor long-term, fixed-rate mortgage loan only. Cash is regularly paid into fixed-term deposit accounts. Any changes in the overall societal interest level will generally not have any significant impact according to the forecast for the coming year.

Credit risks

Receivables of the group are distributed on numerous customers, countries and markets, ensuring a high degree of risk diversification. The group aims at reducing the risk through effective management and hedging of major receivables by means of credit insurance or alternative security. Against this background, the risk of material losses is deemed to be limited.

Capital resources

In the year under review, the group further strengthened its capital resources, allowing it to hold positive net liquidity of approx. DKK 10 million at the balance sheet date. In addition, the group has undrawn open credit facilities and a holding of treasury shares of approx. DKK 9 million. Additionally, the group may obtain further funding through the raising of loans secured upon buildings as well as fixtures and fittings.

Environmental risks

Certifications for the Environmental Management Standard ISO 14001, the Eco Management and Audit Scheme (EMAS) and the EU flower eco-label scheme as well as ISO 9001 certification ensure that neither the activities nor the products of the company are subject to any material environmental risks. The objective of Gabriel's environmental strategy is to prevent spillage and to ensure that no products contain unhealthy substances harmful to the user.

We refer to the environmental statement, see page 46.

IT risks

The group updates its internal IT rules, including measures against computer viruses and a contingency plan for the re-establishment of information systems in case of damage, considering the present use of information technology.

Trade risks

The majority of raw materials and semi-manufactured products used by Gabriel can be supplied by alternative suppliers in case of non-delivery by its usual suppliers.

Readiness

Gabriel has taken preventive measures to avoid fire and environmental pollution at its premises in Aalborg. In accordance with the quality and environmental management systems, emergency plans have been prepared for fire-fighting and pollution control.

Other risks

Other business risks are analysed and assessed on an ongoing basis in accordance with the group's established management systems. Risks which are disclosed are countered through proactive action and through the maintenance and realisation of the group's long-term strategy.

OUTLOOK FOR 2002/03

The Gabriel group maintained its targeted strategy and enhanced its competitiveness within all important areas during the year under review. As announced to the Copenhagen Stock Exchange on 19 September 2002, the group took measures to reduce costs, the effect of which will begin to show from the beginning of the new financial year.

In 2002/03, the Management expects sluggish demand to persist and to report revenue and earnings in line with 2001/02. International, economic conditions may, as usual, have an adverse impact on the results.



STATEMENT BY THE SUPERVISORY BOARD AND THE CEO

The Supervisory Board and the CEO have today discussed and adopted the annual report of Gabriel Holding A/S for 2001/02.

The annual report has been prepared in accordance with the Danish Financial Statements Act, Danish accounting standards and the Copenhagen Stock Exchange's financial reporting requirements for listed companies. We consider the accounting policies applied to be appropriate. Accordingly, the annual report gives a true and fair view of the group's and the parent company's assets, liabilities, financial position and profit for the year.

The supplementary environmental statement of the group gives a true and fair view within the scope of the generally accepted guidelines for such reports.

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


Aalborg, 20 November 2002

CEO



Jørgen Kjær Jacobsen

Supervisory Board



Poul H. Lauritsen



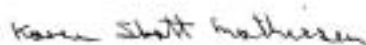
Kaj Taidal



Claus Christensen



Tina Mai Kristensen



Karen Skott Mathiesen



Keld Frølund Nielsen

BOARD MEMBERS' EXTERNAL MANAGEMENT POSITIONS

Poul H. Lauritsen, lawyer and chairman

Directorships:

2Krogh A/S
BKI Kaffe A/S
Dantax A/S
Defco-Food A/S
Gabol A/S
JOC-Nyborg A/S
Poul Sørensen Holding A/S
Poul Rasmussen Bilcenter Århus A/S
Poul Rasmussen Holding A/S
Raskier A/S
Seculla Invest A/S
Silva Holding A/S
Stanesø A/S
Stentor A/S
Svend Mathiesen A/S
Tamaco Food A/S
Tamaco International A/S
Tamaco Trading A/S
Aalborg Kaffeimport A/S

Kaj Taidal, director and deputy chairman

Executive position:

Amrop Hever A/S

Directorships:

Danfysik A/S, Jyllinge
A/S V. Sørensen, Aalborg

Karen Mathiesen, director

Executive position:

Svend Mathiesen A/S
Fulma A/S
Gabol A/S

Directorships:

BKI Kaffe A/S
Svend Mathiesen A/S
Fulma A/S
Gabol A/S

Claus Christensen, director

Executive position:

HCH A/S
HC Projects A/S

Directorships:

HCH A/S
HC Projects A/S
EnoLogic A/S
ComLog A/S
Judex A/S
PhaseOne A/S
Sense IT A/S
On-Air A/S
Hacker Snacks A/S
PhoTronic A/S
Mobital A/S

AUDITORS' REPORT

To the shareholders of Gabriel Holding A/S

We have audited the annual report of Gabriel Holding A/S for the financial year 2001/02, pages 1-45. Our audit did not comprise the supplementary environmental statement, pages 46-48. The sections "basis of opinion" and "conclusion" do therefore not cover the report mentioned.

The annual report is the responsibility of the company's Supervisory Board and CEO. Our responsibility is to express an opinion on the annual report.

Basis of opinion

We conducted our audit in accordance with Danish and international auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit includes assessing the accounting policies used and significant estimates made by the Supervisory Board and the CEO as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not result in any qualification.

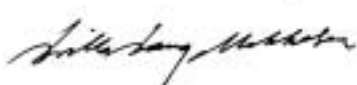
Opinion

In our opinion, the annual report gives a true and fair view of the group's and the company's assets, liabilities and financial position at 30 September 2002 and of the results of the group's and the company's operations and cash flows for the financial year 2001/02 in accordance with the Danish Financial Statements Act and Danish Accounting standards.

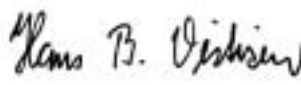
Aalborg, 20 November 2002

KPMG C.Jespersen

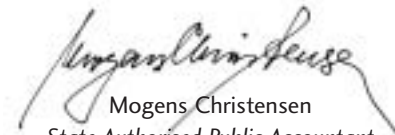
Audicon



Britta Bang Mikkelsen
State Authorised Public Accountant



Hans B. Vistisen
State Authorised Public Accountant



Mogens Christensen
State Authorised Public Accountant

ACCOUNTING POLICIES

The annual report of Gabriel Holding A/S for 2001/02 has been prepared in accordance with the provisions applying to class D enterprises under the Danish Financial Statements Act, Danish accounting standards and the Copenhagen Stock Exchange financial reporting requirements for listed companies.

Changes in accounting policies

As a result of the new Danish Financial Statements Act, the accounting policies have been changed in the following areas:

The cost of work in progress and finished goods now comprises raw materials, consumables, direct wages/salaries and indirect production overheads. Under the former accounting policy, cost consisted of raw materials, consumables and direct wages/salaries only. The effect of the change in accounting policies was a reduction of the profit for 2001/02 of DKK 119 thousand (profit for 2000/01 was reduced by DKK 17 thousand). The balance sheet total as well as capital and reserves were increased by DKK 1,456 thousand and DKK 1,019 thousand at 30 September 2002 (increased by DKK 1,626 thousand and DKK 1,138 thousand at 30 September 2001).

Prior to adoption at the Annual General Meeting, dividend proposed is recognised as a separate item under capital and reserves. Upon adoption, dividend is recognised as a liability. Dividend was previously recognised under short-term liabilities other than provisions prior to adoption. The effect of the change was an increase of capital and reserves of DKK 4,200 thousand at 30 September 2002 (DKK 3,780 thousand at 30 September 2001) and an equivalent reduction of short-term liabilities other than provisions.

The accumulated effect of the change in accounting policies was a reduction of the profit for the year of DKK 119 thousand. The balance sheet total was increased by DKK 1,456 thousand and capital and reserves by DKK 5,219 thousand.

In addition, with effect from the financial year 2002/03, the group will implement a system for entries making up the basis of the capitalisation of development costs.

Comparative figures and financial highlights have been restated.

Except for the above areas, the accounting policies applied are consistent with those of last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In connection with the recognition and measurement of assets and liabilities,

any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Gabriel Holding A/S, and the subsidiary, Gabriel A/S.

The consolidated financial statements has been prepared on the basis of the parent company's and the subsidiary's audited financial statements, which both have been presented in accordance with group accounting policies.

At consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Foreign currency translation

At initial recognition, transactions denominated in foreign currencies are translated at the exchange rates ruling at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as interest income or expense and similar items.

Gains on forward contracts hedging expected earnings in foreign currencies are recognised in the financial statements when the hedged item has been realised.

INCOME STATEMENT

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year-end and that the income can be reliably measured and is expected to be received. Revenue is measured ex VAT, taxes and discounts in relation to the sale.

Other operating income

Other operating income comprises items secondary to the principal activities of the company, including rents, grants as well as gains and losses on disposal of non-current assets.

Grants towards non-current assets are recognised as deferred income other than provisions and are subsequently recognised as income under other operating income concurrently with the depreciation of the asset.

Other external costs

The majority of other external costs stems from sales, distribution, maintenance, premises and administration.

Profits/losses from investments in subsidiaries

The proportionate share of the results before tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses. The share of the taxes and extraordinary items of subsidiaries is recognised as tax on profit/loss from ordinary activities and extraordinary profit/loss after tax, respectively.

Interest income and expense and similar items

Interest income and expense and similar items comprise interest income and expense, market gains and losses in respect of securities, payables and transactions denominated in foreign currencies as well as surcharges and allowances under the on-account tax scheme, etc.

Tax on profit/loss for the year

Gabriel Holding A/S is jointly taxed with the subsidiary, Gabriel A/S. The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with allowances for tax losses). The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in capital and reserves is recognised directly in capital and reserves.

BALANCE SHEET

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to the company's development activities.

Development projects that are clearly defined and identifiable, where the technical utilisation degree, sufficient resources and a potential future market or development opportunities in the company is evidenced, and where the company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling and administrative expenses and development costs. Other development costs are recognised in the income statement when incurred.

Capitalised development costs are measured at the lower of cost less accumulated amortisation/impairment and the recoverable amount.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years and is not to exceed 20 years.

Development costs are written down to the recoverable amount if this is lower than the carrying amount. Impairment tests are conducted annually of each individual asset or group of assets.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The cost of leases is stated at the lower of fair value and net present value of the future lease payments. For the calculation of net present value, the interest rate implicit in the lease or an approximation thereof is used as discount rate.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	10-25 years
Plant and machinery	3-8 years
Fixtures and fittings, tools and equipment	3-5 years

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount. Impairment tests are conducted annually of each individual asset or group of assets.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportionate share of the companies' net asset values calculated in accordance with the parent company's accounting policies minus or plus unrealised intra-group profits and losses.

Net revaluation of investments in subsidiaries is transferred to the reserve for net revaluation under capital and reserves according to the equity method to the extent that the carrying amount exceeds the cost of acquisition.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials as well as consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages/salaries and indirect production overheads. Indirect production overheads comprise indirect materials, wages/salaries and maintenance as well as depreciation of productive equipment, buildings and equipment as well as factory administration and management. Borrowing costs are not recognised.

Net realisable value of inventories is calculated as the sales price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost. Provision is made for anticipated losses.

Other securities

Listed securities and investments recognised as current assets are measured at fair value at the balance sheet date.

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Dividend

The expected dividend payment for the year is disclosed as a separate item under capital and reserves.

Treasury shares

Cost of acquisition, consideration received and dividends received from treasury shares are recognised directly as retained earnings in capital and reserves. Accordingly, gains and losses from sale are not recognised in the income statement. Capital reductions from the cancellation of treasury shares are deducted from the share capital at an amount corresponding to the nominal value of the shares.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Financial liabilities

Amounts owed to mortgage credit institutions and banks are recognised at the date of borrowing at net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities, comprising trade payables, amounts owed to affiliates and associates as well as other payables, are measured at amortised cost.

CASH FLOW STATEMENT

The cash flow statement shows the group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisition and disposal of property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Figures given in brackets represent negative results and deductions.

INCOME STATEMENT FOR

01.10.01 - 30.09.02 (DKK'000)

Note		Group		Parent company	
		2001/02	2000/01	2001/02	2000/01
1	Revenue	192,880	204,376	4,296	4,294
	Movement in the inventories of finished goods, work in progress and goods for resale	(5,388)	1,840	-	-
2	Other operating income	1,135	1,173	-	212
	Cost of raw materials and consumables	(100,343)	(110,953)	-	-
3	Other external costs	(24,401)	(26,280)	(814)	(938)
4	Staff costs	(42,015)	(42,561)	(1,195)	(975)
8	Depreciation of property, plant and equipment	(7,984)	(8,135)	(2,320)	(2,136)
	Operating profit/loss (EBIT)	13,884	19,460	(33)	457
9	Profit from investment in subsidiary before tax	-	-	14,955	19,084
5	Interest income and similar items	1,858	1,282	494	-
6	Interest expense and similar items	(706)	(1,736)	(380)	(535)
	Profit before tax	15,036	19,006	15,036	19,006
7	Tax on profit for the year	(4,572)	(5,569)	(4,572)	(5,569)
	Profit for the year	10,464	13,437	10,464	13,437
	Proposed profit appropriation				
	Dividend proposed, 10% (9%)			4,200	3,780
	Transferred to reserve for net revaluation according to the equity method			(2,563)	1,437
	Retained earnings			8,827	8,220
				10,464	13,437

BALANCE SHEET at 30.09.02 (DKK'000)

ASSETS

Note	Group		Parent company	
	2001/02	2000/01	2001/02	2000/01
	Non-current assets			
8	Property, plant and equipment:			
	16,709	17,574	16,709	17,574
	13,041	15,490	-	-
	4,985	5,441	-	-
	<u>34,735</u>	<u>38,505</u>	<u>16,709</u>	<u>17,574</u>
	Investments:			
9	-	-	47,062	49,639
	18	18	18	18
	<u>18</u>	<u>18</u>	<u>47,080</u>	<u>49,657</u>
	<u>34,753</u>	<u>38,523</u>	<u>63,789</u>	<u>67,231</u>
	Total non-current assets			
	Current assets			
	Inventories:			
	12,125	13,175	-	-
	5,487	9,476	-	-
	14,235	15,634	-	-
	<u>31,847</u>	<u>38,285</u>	<u>-</u>	<u>-</u>
	Receivables:			
	27,739	27,718	-	-
	-	-	16,193	6,059
	828	980	88	101
	<u>28,567</u>	<u>28,698</u>	<u>16,281</u>	<u>6,160</u>
	14,542	2,631	7	184
	<u>74,956</u>	<u>69,614</u>	<u>16,288</u>	<u>6,344</u>
	<u>109,709</u>	<u>108,137</u>	<u>80,077</u>	<u>73,575</u>

BALANCE SHEET at 30.09.02 (DKK'000)

EQUITY AND LIABILITIES

Note	Group		Parent company	
	2001/02	2000/01	2001/02	2000/01
	Capital and reserves			
	42,000	21,000	42,000	21,000
	-	1,009	-	1,009
	-	-	12,912	15,489
	25,220	38,554	12,308	23,065
	4,200	3,780	4,200	3,780
	<u>71,420</u>	<u>64,343</u>	<u>71,420</u>	<u>64,343</u>
	Provisions			
11	2,480	2,719	808	434
	<u>4,362</u>	<u>5,508</u>	<u>4,362</u>	<u>5,508</u>
12	Long-term liabilities other than provisions			
	4,362	5,508	4,362	5,508
	541	436	-	-
	<u>4,903</u>	<u>5,944</u>	<u>4,362</u>	<u>5,508</u>
	Short-term liabilities other than provisions			
	1,675	1,361	1,146	1,084
	-	7,633	-	-
	18,080	14,624	655	-
	733	1,085	733	1,085
	10,418	10,428	953	1,121
	<u>30,906</u>	<u>35,131</u>	<u>3,487</u>	<u>3,290</u>
	Total liabilities other than provisions			
	35,809	41,075	7,849	8,798
	<u>109,709</u>	<u>108,137</u>	<u>80,077</u>	<u>73,575</u>
10	Treasury shares			
13	Currency exposure, credit and interest rate risks			
14	Operating leases			
15	Contingent liabilities and security			
16	Transactions with group companies, major shareholders, the Supervisory Board and the Management			

STATEMENT OF CHANGES IN CAPITAL AND RESERVES (DKK'000)

	Share capital	Revaluation reserves	Net revaluation according to the equity method	Retained earnings	Dividend proposed	Capital and reserves
Capital and reserves at 01.10.2000	21,000	1,009	897	26,279	0	49,185
Changes in accounting policies	-	-	13,155	(12,000)	3,360	4,515
Restated capital and reserves at 01.10.2000	21,000	1,009	14,052	14,279	3,360	53,700
Dividend distribution	-	-	-	-	(3,034)	(3,034)
Dividend, treasury shares	-	-	-	326	(326)	0
Disposal of treasury shares	-	-	-	240	-	240
Profit for 2000/01	-	-	1,437	8,220	-	9,657
Dividend proposed	-	-	-	-	3,780	3,780
Capital and reserves at 30.09.2001	21,000	1,009	15,489	23,065	3,780	64,343
Dividend distributed	-	-	-	-	(3,424)	(3,424)
Dividend, treasury shares	-	-	-	356	(356)	0
Disposal of treasury shares	-	-	-	51	-	51
Bonus issue	21,000	(1,009)	-	(19,991)	-	0
Profit for 2001/02	-	-	(2,563)	8,827	-	6,264
Value adjustments of hedging instruments at year-end	-	-	(14)	-	-	(14)
Dividend proposed	-	-	-	-	4,200	4,200
Capital and reserves at 30.09.2002	42,000	0	12,912	12,308	4,200	71,420

The share capital consists of 420,000 shares of DKK 100 each.

CASH FLOW STATEMENT OF THE GROUP (DKK'000)

	1997/98	1998/99	1999/00	2000/01	2001/02	Total
Cash flows from operating activities						
Profit before tax	12,961	5,359	16,155	19,006	15,036	68,517
Adjustment for non-cash items:						
Depreciation	5,406	7,936	7,979	8,135	7,984	37,440
Changes in inventories	(7,630)	3,629	(3,243)	(2,322)	6,438	(3,128)
Changes in receivables	(5,315)	539	(8,335)	2,123	71	(10,917)
Changes in trade payables and other payables	11,963	(11,403)	8,917	(4,653)	3,432	8,256
Corporation tax paid	(3,500)	(2,641)	(4,807)	(4,667)	(5,103)	(20,718)
	<u>13,885</u>	<u>3,419</u>	<u>16,666</u>	<u>17,622</u>	<u>27,858</u>	<u>79,450</u>
Cash flows from investing activities						
Net investments in non-current assets:						
Land and buildings	(1,080)	(4,125)	(2,821)	(3,284)	(1,455)	(12,765)
Plant and machinery	(6,274)	(6,409)	(2,049)	(4,705)	(1,271)	(20,708)
Fixtures and fittings, tools and equipment	(4,272)	(2,015)	(727)	(3,350)	(1,488)	(11,852)
Prepayments for plant in the course of construction	(3,195)	3,195	(749)	749	0	0
Deposits and other securities	(59)	0	0	8	0	(51)
	<u>(14,880)</u>	<u>(9,354)</u>	<u>(6,346)</u>	<u>(10,582)</u>	<u>(4,214)</u>	<u>(45,376)</u>
Cash flows from financing activities						
External financing:						
Changes in debt to mortgage credit institutions	(867)	(917)	(971)	(1,027)	(1,084)	(4,866)
Changes in debt to credit institutions	5,372	10,874	(4,517)	(3,381)	(7,276)	1,072
Shareholders:						
Acquisition/disposal of and dividend on treasury shares	(2,612)	126	(2,718)	566	407	(4,231)
Dividend distributed	(2,100)	(2,940)	(2,940)	(3,360)	(3,780)	(15,120)
	<u>(207)</u>	<u>7,143</u>	<u>(11,146)</u>	<u>(7,202)</u>	<u>(11,733)</u>	<u>(23,145)</u>
Changes in cash and cash equivalents for the year	(1,202)	1,208	(826)	(162)	11,911	10,929
Opening cash and cash equivalents	<u>3,613</u>	<u>2,411</u>	<u>3,619</u>	<u>2,793</u>	<u>2,631</u>	<u>3,613</u>
Closing cash and cash equivalents	<u>2,411</u>	<u>3,619</u>	<u>2,793</u>	<u>2,631</u>	<u>14,542</u>	<u>14,542</u>

NOTES TO THE FINANCIAL STATEMENTS (DKK'000)

Note		Group		Parent company	
		2001/02	2000/01	2001/02	2000/01
1	Nettoomsætning				
	Denmark	50,307	51,902	4,296	4,294
	EU	115,283	125,604	-	-
	Sundries	27,290	26,870	-	-
		<u>192,880</u>	<u>204,376</u>	<u>4,296</u>	<u>4,294</u>
	Revenue broken down by the individual sales divisions is specified as follows:				
	Gabriel Contract	144,067	160,899	-	-
	Gabriel Home	35,092	28,190	-	-
	Gabriel Transport	13,719	15,287	-	-
	Miscellaneous	2	-	4,296	4,294
		<u>192,880</u>	<u>204,376</u>	<u>4,296</u>	<u>4,294</u>
2	Other operating income				
	Grants	387	-	-	-
	Rents	736	774	-	-
	Gain on the disposal of non-current assets	12	399	-	212
		<u>1,135</u>	<u>1,173</u>	<u>-</u>	<u>212</u>
3	Other external costs				
	Fees to auditors appointed by the Annual General Meeting were recognised under other external costs at the following amounts:				
	Audit, KPMG	195	182	35	31
	Audit, Audicon	23	25	23	25
	Non-audit services, KPMG	77	107	28	64
		<u>295</u>	<u>314</u>	<u>86</u>	<u>120</u>

Note	Group		Parent company		
	2001/02	2000/01	2001/02	2000/01	
4	Staff costs				
	Wages/salaries, emoluments, etc.	(38,716)	(40,604)	(1,195)	(975)
	Pensions	(1,459)	(1,334)	-	-
	Other social security costs	(398)	(396)	-	-
	Other payroll-related costs	(247)	(227)	-	-
		<u>(42,015)</u>	<u>(42,561)</u>	<u>(1,195)</u>	<u>(975)</u>
	Executive remuneration	(1,586)	(1,346)	(820)	(600)
	Emoluments for the Supervisory Board	(475)	(475)	(375)	(375)
		<u>(2,061)</u>	<u>(1,821)</u>	<u>(1,195)</u>	<u>(975)</u>
	Average number of employees	<u>118</u>	<u>131</u>	<u>-</u>	<u>-</u>
5	Interest income and similar items				
	Cash discounts	728	965	-	-
	Interest income, etc.	310	317	32	-
	Net exchange gains	820	-	-	-
	Interest income from subsidiary	-	-	462	-
		<u>1,858</u>	<u>1,282</u>	<u>494</u>	<u>-</u>
6	Interest expense and similar items				
	Banks	(330)	(875)	(4)	(64)
	Mortgage credit institutions	(376)	(439)	(376)	(439)
	Net exchange losses	-	(422)	-	-
	Interest expense, subsidiary	-	-	-	(32)
		<u>(706)</u>	<u>(1,736)</u>	<u>(380)</u>	<u>(535)</u>

Note	Group		Parent company		
	2001/02	2000/01	2001/02	2000/01	
7	Tax on profit for the year				
	Current tax on taxable income for the year	(5,048)	(5,868)	67	(88)
	Adjustment of deferred tax	476	141	(121)	128
	Tax in subsidiary	-	-	(4,518)	(5,647)
	Reduction of the corporation tax rate from 32% to 30%	-	158	-	38
		<u>(4,572)</u>	<u>(5,569)</u>	<u>(4,572)</u>	<u>(5,569)</u>
	Specified as follows:				
	Tax on profit for the year before tax, 30%	(4,511)	(5,702)	(4,511)	(5,702)
	Tax effect of:				
	Non-deductible costs	(71)	(61)	(71)	(61)
	Non-taxable income	10	36	10	36
	Reduction of the corporation tax from 32% to 30%	-	158	-	158
		<u>(4,572)</u>	<u>(5,569)</u>	<u>(4,572)</u>	<u>(5,569)</u>
	Effective tax rate	<u>30.4%</u>	<u>29.3%</u>	<u>30.4%</u>	<u>29.3%</u>

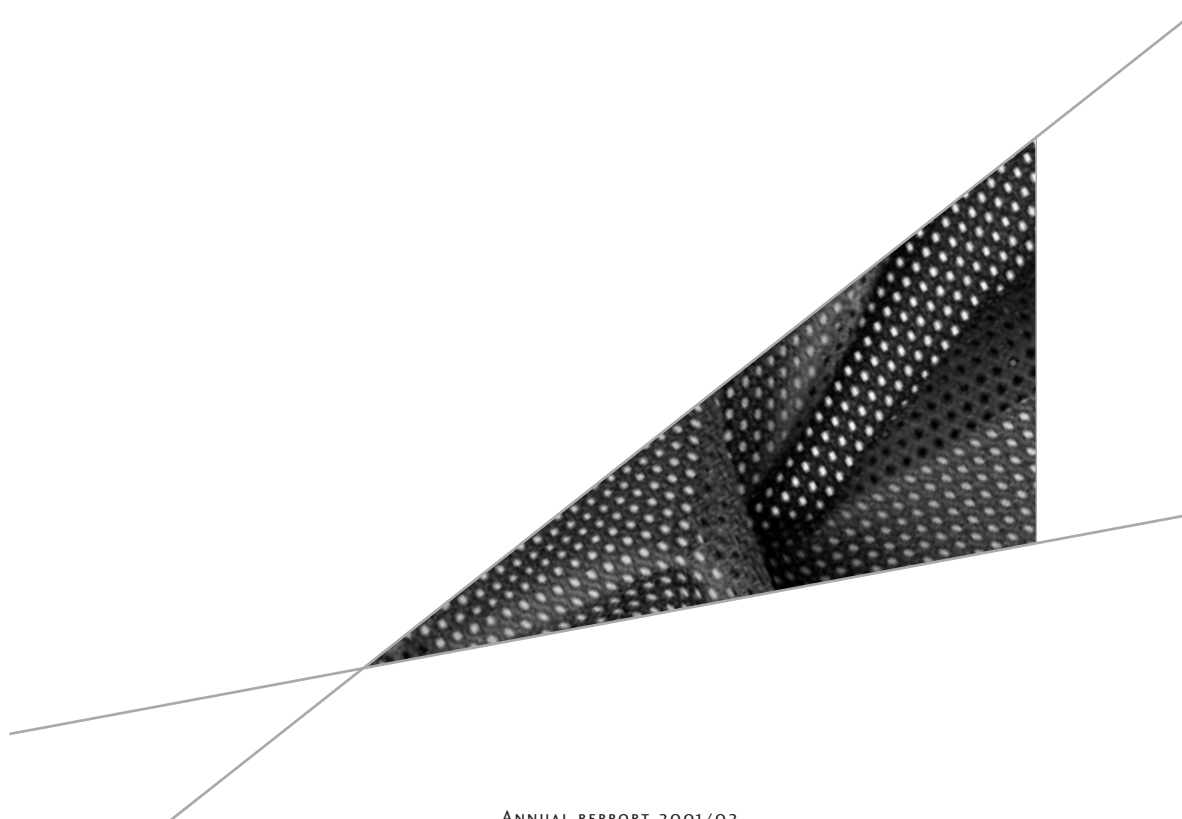
The group and the parent company paid corporation tax at an amount of DKK 5,103 thousand during the year under review.

8 **Property, plant and equipment**

	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 01.10.2001	38,174	60,623	19,881	118,678
Additions during the year	1,455	1,271	1,724	4,450
Disposals during the year	-	-	(466)	(466)
Cost at 30.09.2002	39,629	61,894	21,139	122,662
Revaluation at 01.10.2001	1,009	-	-	1,009
Depreciation at 01.10.2001	21,609	45,133	14,440	81,182
Disposals during the year	-	-	(230)	(230)
Depreciation during the year:				
- cost	2,280	3,720	1,944	7,944
- revaluation	40	-	-	40
Depreciation at 30.09.2002	23,929	48,853	16,154	88,936
Carrying amount at 30.09.2002	16,709	13,041	4,985	34,735
Of this amount, assets held under finance leases	-	-	1,049	1,049
Depreciated over	10-25 years	5-8 years	3-5 years	

41

The public land assessment at 1 January 2002 was DKK 19,495 thousand.



- 9 **Investments in subsidiary**
The investment solely comprises the wholly-owned subsidiary, Gabriel A/S, Aalborg.

	2001/02	2000/01
Cost at 01.10.	<u>34,150</u>	<u>34,150</u>
Revaluation and depreciation at 01.10.	15,489	897
Changes in accounting policies	-	13,155
Profit for the year before tax	14,955	19,084
Tax on profit for the year	(4,518)	(5,647)
Dividend received in the financial year	(13,000)	(12,000)
Adjustments to capital and reserves	<u>(14)</u>	<u>-</u>
Revaluation and depreciation at 30.09.	<u>12,912</u>	<u>15,489</u>
Carrying amount at 30.09.	<u>47,062</u>	<u>49,639</u>

10 **Treasury shares**

	Number of shares	Nominal value	Cost	Share price at 30.09.01	% of share capital
Portfolio of shares at 01.10.2001	19,753	1,975	5,576	9,086	9.4%
Sale before bonus issue	(25)	(2)	(7)	(11)	-
Injection from bonus issue	19,728	1,973	-	-	-
Sale after bonus issue	<u>156</u>	<u>(16)</u>	<u>(22)</u>	<u>(36)</u>	<u>-</u>
Portfolio of shares at 30.09.2002	<u>39,300</u>	<u>3,930</u>	<u>5,547</u>	<u>(9,039)</u>	<u>9.4%</u>

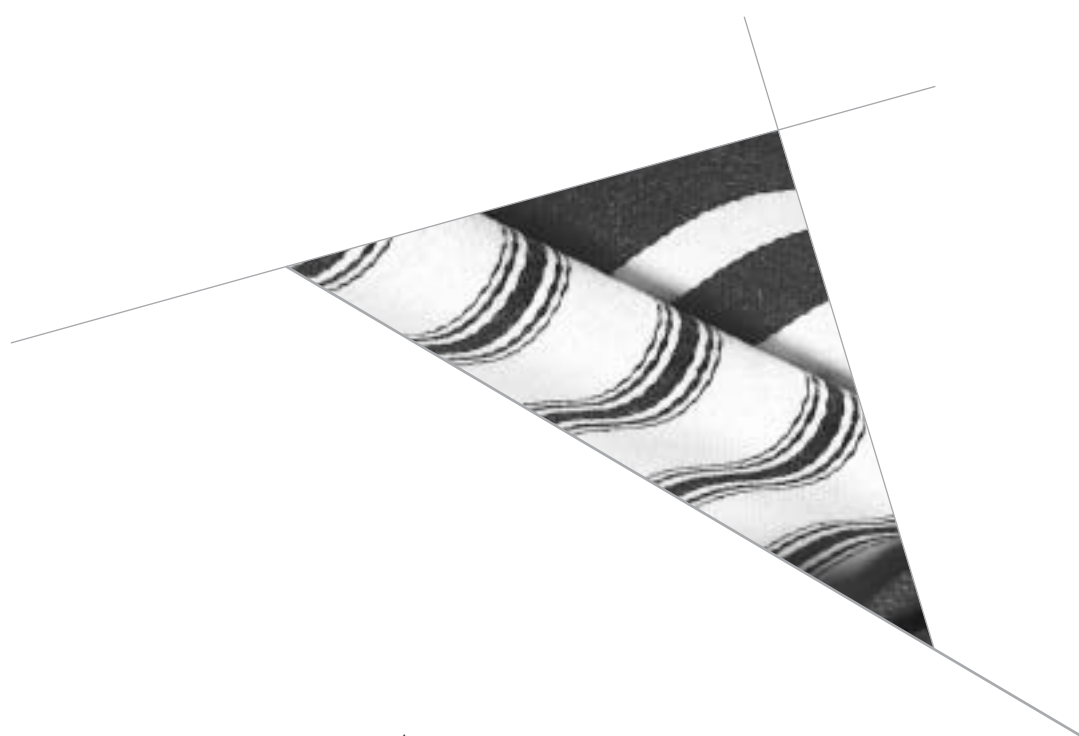
11 **Deferred tax**

	2001/02	2000/01
Deferred tax at 01.10.	2,719	2,523
Adjustment due to changes in accounting policies	-	495
Adjustment regarding previous years	237	-
Deferred tax for the year	(476)	(141)
Reduction of the corporation tax rate from 32% to 30%	-	(158)
Deferred tax at 30.09.	<u>2,480</u>	<u>2,719</u>
Deferred tax in respect of:		
Land and buildings	808	434
Plant and machinery, etc.	1,529	1,919
Current assets	143	366
	<u>2,480</u>	<u>2,719</u>

12 **Long-term liabilities other than provisions**

Nominal unpaid debts under the mortgage loan amounted to DKK 5,508 thousand at 30 September 2002, on which date its market price was DKK 5,708 thousand. The nominal interest rate of the loan is 4% per annum resulting in an effective rate of interest of 5.62 per annum. The loan has a remaining life of four years and five months.

The debt to credit institutions is of a long-term nature and involves assets held under finance leases. The debt is to be repaid no later than three years after the financial year-end.



Note

13 Currency exposure, credit and interest rate risks

Currency exposure

The group's foreign exchange positions in Danish kroner at 30 September 2002 are as follows:

Currency	Trade receivables/cash at bank and in hand	Trade payables/bank loans/longterm liabili. other than provisions	Hedging (forward contracts)	Net position
DKK	17,337	11,278	-	6,059
EUR	16,852	6,503	-	10,349
SEK	2,275	194	2,453	(372)
NOK	4,250	2	5,004	(756)
Miscellaneous	1,567	103	-	1,464
	<hr/>	<hr/>	<hr/>	<hr/>
Overseas	24,944	6,802	7,457	10,685
	<hr/>	<hr/>	<hr/>	<hr/>

The group's trade receivables and trade payables usually fall due no later than three months after delivery.

Credit risks

All major, foreign outstanding accounts were covered by credit insurance at 30 September 2002.

The risk of material losses on receivables is deemed to be insignificant.

Interest rate risk

The group's financing consists of floating-rate bank loans and a fixed-rate mortgage loan.

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

14 Operating leases

At 30 September 2002, the group held operating leases on which the obligation for future lease payments totalled DKK 375 thousand.

15 **Contingent liabilities and security**

The parent company has issued a letter of subordination to the bankers of its subsidiary with regard to the subsidiary's bank loans at any time.

As part of usual group operations, the group has entered into purchase agreements on the supply of raw materials, amounting to a total of DKK 6,000 thousand, the objective of which is to ensure the future supply of raw materials.

The group do not incur major expenses owing to complaints and warranty commitments. This is the result of the setting up of an ISO 9001 quality management system in 1991 and the certification for the Environmental Management Standard ISO 14001 since 1996.

The group and the parent company have no guarantees and warranty commitments.

16 **Transactions with group companies, major shareholders, the Supervisory Board and the Management**

The parent company's related parties comprise the subsidiary, Gabriel A/S, as well as its Supervisory Board and Management. Further, related parties comprise companies in which the above persons have substantial interests.

No related parties have a controlling interest in Gabriel Holding A/S.

The parent company's rent receipts and interest from the subsidiary amounted to DKK 4,294 thousand and DKK 462 thousand respectively

In the year under review, the group companies did not conduct any unusual transactions with related parties.

ENVIRONMENTAL STATEMENT

The subsidiary, Gabriel A/S, has been certified for the Environmental Management Standard DS/EN ISO 14001 since 1996 and certified for the EU's Eco Management and Audit Scheme (EMAS) since 1998.

Gabriel's environmental activities are managed through the annual environmental review, which focuses on the areas deemed to have the most significant environmental impact. The primary objective is to ensure that all regulatory requirements are observed and that corrective action is initiated if departures are disclosed.

ENVIRONMENTAL ACTION PROGRAMME FOR 2001/02

The annual environmental report, which is published at the same time as annual report, comprises an assessment of the implementation of Gabriel's environmental action programme for 2001/02 and any environmental impact during the year under review. This year, the following areas were in focus:



EU flower eco-label

As the first global manufacturer of furniture fabrics, Gabriel A/S has been licensed to apply the EU flower eco-label on most of its range of piece-dyed woollen furniture fabrics.

The criteria for eco-labelling are based on the life cycle of the product from raw material to waste. To become certified for the EU flower eco-label scheme, companies must meet specific requirements with regard to e.g. the type and contents of pesticides in pure new wool, discharge of residual products into wastewater and heavy metal impurities in dyestuff.

The EU flower eco-label is a symbol of products with no harmful effect for environmental purposes on the employees in production, the users of the furniture fabrics and the external environment.

The flower eco-label may, for instance, be applied to test fabrics or furniture on display, allowing the customer to easily choose an environmentally friendly furniture fabric.

Energy consumption

Relative energy consumption was 6% down on last year. The primary reason for the energy conservation was the extensive use of new dyeing machines.

Water consumption

The relative quantity of wastewater was down by 18% on last year, which represented a 8% positive budget variance. This was the outcome of the activities under the environmental action programme for 2001/02, which, for instance, involved the use of environmentally friendly spinning oils and detergents. As a result, washing is no longer required in the piece-dyeing process.

Because of the enhanced washing and dyeing processes, the frequency of re-dyeing has been reduced. The dyeing department aims at applying piece-dyeing machines with minor water consumption.

Consumption of chemicals

The consumption of chemicals was 10% down on last year, but represented a 3% negative budget variance. The budget variance is attributable to the fact that contrary to expectations more products were fireproofed at the request of the customers.

The consumption of chemicals was reduced by means of process optimisation reducing the frequency of re-dyeing.

In the year under review, recipes were optimised, and the use of chemicals was minimised.

Waste

The relative quantity of waste was 11% down on last year, which is in accordance with budget 2001/02.

Ventilation system in the dyeing department

A new ventilation system will be put into service shortly after the closing of accounts. The system has been designed in such a way that waste heat recovery and working environment are optimised by means of local exhaust ventilation directly from the dyeing machines, allowing steam to be removed efficiently.

Measures taken in respect of the environmental awareness of sub-suppliers
In the year under review, Gabriel took measures to follow up on the environmental awareness of its principal suppliers, involving visits to spinning mills, weaving mills, dye-works and suppliers of wool.

One of the objectives of this work was to specify dyestuff and chemicals, thereby ensuring that deliveries do not contain any substances harmful to the environment.

Emergency plan

The company's emergency plans have been improved and all employees take part in relevant training programmes.

Working environment

The safety, health and well-being of its employees are top priorities of Gabriel A/S.

Employee involvement

The delegation of responsibility and project-oriented working procedures ensure the individual employee a higher degree of influence on his/her working situation at Gabriel.

Environmental approvals

Gabriel A/S is environmentally certified pursuant to part 5 of the Danish Environmental Protection Act and is permitted to discharge wastewater into public sewage systems and to abstract river water for process purposes.

ENVIRONMENTAL ACTION PROGRAMME FOR 2002/03

The environmental action programme comprises the following sub-programmes:

- Enhanced knowledge on applying the EU flower eco-label: The employees are trained in applying the EU flower eco-label, and the label is marketed to users and customers.
- Changes of technical installations prompted by a new connection to a municipal sewage system. The existing sewage pumps will be disassembled, and a new sewage pipe will be installed which will be connected to a new municipal pumping station. The installation will allow the risk of spillage to be kept at a minimum.
- New licensing of wastewater discharges. In co-operation with the Municipality of Aalborg, new licensing of wastewater discharges is prepared based on the changed sewage connection, ensuring an improved basis for ongoing productivity enlargement.
- Reduction of the consumption of chemicals by means of process optimisation: The objective is to reduce the consumption from 113g to 110g per meter.



Additional information

The environmental report for 2001/02 can be accessed on and requisitioned from the company's web site, www.gabriel.dk, after 4 December 2002.