



Press release from Protect A/S



Within seconds, the security fog becomes so dense in most of this Q8 service station's shop area that you cannot see your hand in front of your face.

Danish fog protection an export success

The Danish-based fog protection manufacturer Protect A/S has just posted impressive results, recording a 28% gross profit increase for 2010 as well as an increase in profit before tax of 45%. According to managing director Poul Dalsgaard, the results can, among other factors, be ascribed to an export boom, which means that exports currently account for 70% of the company's sales.

The Danish company Protect manufactures fog cannons for burglary protection. In just nine years, the company has expanded so heavily that it now ranks among the world's largest fog cannon manufacturers. Fog is used in combination with electronic burglar alarms to protect the valuables of companies and private individuals. The expansion is clearly evident from the company's recently published financial statements.

Continued expansion and earnings

At last year's ordinary general meeting (2009 financial year), Protect thus presented a record increase in sales of almost 50% and a growth in profits of 66% on the previous financial year.



At the ordinary general meeting just held, Protect was still able to present an additional increase in gross profit of 28% (from DKK 6.5 to DKK 8.3 million) and a profit before tax up by 45% (from DKK 2.2 to DKK 3.2 million). The solvency ratio is 37% (2010).

Increased exports and cost management

“Since we established the company, we have focused on both the Danish market and the export markets. Today, Protect’s fog cannons are sold in more than 40 countries. In the most recent financial year, we have also targeted the Spanish-speaking countries: Spain and a number of South American countries which show a tremendous potential,” says Poul Dalsgaard, managing director of Protect, and continues:

“In addition, we have focused even more on cost management in the company, which has enabled us to increase sales by 30% with the same sales and marketing staff of only ten employees.”

In addition to the Spanish-speaking countries, Poul Dalsgaard also mentions Italy and the UK as major growth markets in the previous year. Last year, in the wake of the financial crisis, Protect sustained losses on a couple of key accounts in the UK, but with a new distributor and its own sales force in the UK, far better results have been achieved this year in this huge market.

Agreements with large international chains

“In the UK, we have concluded agreements with a number of interesting customers, e.g. Sainsbury’s and Tesco, one of Europe’s largest supermarket chains, as well as the Post Office, which has post offices and cash machines all over the UK. In several countries, McDonald’s and the wholesale chain METRO have opted for Protect fog protection, while e.g. 7-Eleven, Q8 and the supermarket chain KIWI minimipris have chosen Protect fog protection in Denmark,” explains Protect’s managing director.

Only fog cannons on the market to meet new European requirements

In April 2010, the new European CENELEC standard for fog cannons was introduced. And Protect is the only manufacturer whose fog cannons have been tested and approved according to the new standard at an accredited test institute. The fog cannons have also been approved according to the insurance companies’ national standards in, among other countries, the Netherlands, Denmark and Norway.

“The approvals are important and critical for our collaboration with authorities and insurance companies. Following the approval in Norway, several insurance companies have demanded that high-risk shops like jeweller’s, opticians and camera shops have CENELEC-approved fog protection installed as fog is the only way of keeping burglars away from the valuables until the police or security personnel arrive. And in a country as large as Norway with very long response times, this is important.”

Small decrease in number of burglaries

Denmark saw a drop in the number of burglaries in the 2002-2005 period, after which it increased considerably from 2006 to 2009. In the last quarter of 2010, the Danes witnessed a 14% decline on the same period the year before, which means that Denmark is back at the 2008 level, but far above the 2001-2008 level.

“Many businesses and private home have valuables which are easily accessible to burglars and easy to sell to handlers of stolen goods. It is a sad development which is generally difficult to put an end to. You have to make it as hard as possible for the burglars, so that your business or home does not become the weakest link of the chain,” is the advice offered by Poul Dalsgaard.



In his opinion, the reason for the large number of burglaries in businesses and homes is that the most obvious targets for burglaries and robberies, banks and petrol stations, have been made cash-less or have been secured with locked cash registers, which means that burglars and robbers target less secure places.

“At the recent ordinary general meeting, the shareholders expressed their gratitude to employees and management for the year’s results – so we will follow the same strategy in 2011,” concludes Poul Dalsgaard.

Danish quality

Protect, a Danish company, is the world’s largest supplier of fog protection systems, with exports to more than 40 countries. Since 2001, the company has manufactured and installed more than 40,000 fog protection systems throughout the world for a variety of different customers, including educational institutions, opticians, jewellers, electronics dealers, petrol stations, private homes and luxury holiday houses.

Our international customers include 7-Eleven, SPAR, Metro, McDonalds, Expert, Sony, Bang & Olufsen, Sainsbury’s, Tesco and Q8.

The local customer contact is carried out by a nationwide network of certified alarm installation contractors and dealers with significant competencies and experience in the installation and operation of Protect’s products. They are trained and re-trained continuously by Protect.

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Facts:

Protect A/S

Owners: Mast Holding ApS, De2nator ApS and Danica-Elektronik A/S

Gross profit: DKK 8.3 million

Pre-tax profits: DKK 3.2 million

Equity: DKK 3.9 million

Number of employees: 10

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About PROTECT A/S

Protect A/S is Scandinavia's only developer and manufacturer of fog cannons for the protection of valuables from theft. Fog cannons are installed in combination with traditional burglar alarms. When the alarm is activated, the room is blanketed in fog so the burglar becomes disoriented. And if the burglar is in the room when the fog is released, it is impossible for him or her to find valuables to steal.

Protect A/S was established in 2001 and, today, has partnership agreements with most alarm installation contractors.

Protect A/S carries out the administration, development, sales and marketing as well as production of fog cannons in highly automated production facilities in compliance with the ISO9001-2008 quality management system.

Today, the selection comprises four basic models: FOQUS, PROTECT 600, PROTECT1100 and PROTECT 2200, which are dimensioned for spaces of different sizes. Protect's product portfolio also contains the PROTECT SECURITY STROBE – a strobe light that increases the effect of the fog.

More information on Protect A/S and fog cannons is available at www.ProtectGlobal.com.