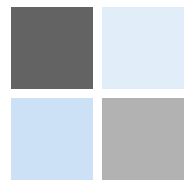


# ANNUAL REPORT

2013/14





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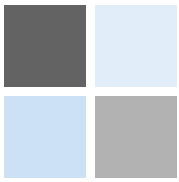
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## RIAS A/S – Part of ThyssenKrupp Plastics

### ThyssenKrupp Plastics

Consists of 13 companies distributed all over Europe with approximately 1,500 employees.

ThyssenKrupp Plastics is a part of the large ThyssenKrupp Group which operates worldwide.

The ThyssenKrupp Group has a total of 152,000 employees and sells for approximately EUR 40 billion.



## Highlights for the year

The financial year 2013/14 was concluded with very satisfactory results. Despite a number of years with slowdown in the economy, RIAS has been able to expand its market shares in important areas.

We have maintained a firm focus on our customers' needs which, among other things, became evident in connection with the damaging storm Bodil that resulted in the need for major repair work. Already in connection with the first warnings, we placed orders with our manufacturers to make sure that we would be able to deliver to our customers. Moreover we continue to strengthen our opportunities of cross selling acknowledging that our customers may benefit from becoming acquainted with the entire width of the RIAS range.

Our wide range is also one of the reasons for our success in the Swedish market. RIAS is still a small player in Sweden, but we can see that we are able to offer our Swedish customers products to which they would otherwise not have access. In this way, we may begin by being a supplement to other suppliers with the possibility of later expanding the cooperation.

As in previous years, the financial year 2013/14 has also been characterised by close cooperation with other companies in ThyssenKrupp Plastics. The total expertise of the 13 companies of ThyssenKrupp Plastics also benefits RIAS.

### Financial Statements 2013/14

RIAS continues its profit-making track and has moreover been significantly strengthened in 2013/14.

Profit before tax is DKK 9.5 million based on revenue of DKK 279.3 million. The revenue increase compared to last year is DKK 41.1 million corresponding to a growth rate of 17.3%.

Whereas administrative expenses decreased in the financial year, distribution expenses have increased. This is due partly to the intensive sales efforts, partly to the increased number of staff in warehouses and production.



## We are concentrating on our own strengths

In the past year the market has been of no help. We have now for a number of years been used to a slowdown of the economy, and we expect this to continue for yet some years to come. The logical consequence is that we will have to help ourselves to perform better than is immediately possible in a flat market. And that is what we have done.

This means that we are able to close the financial year 2013/14 by establishing that we have performed very satisfactorily. The figures of this Annual Report are clear: Profit before tax increased from DKK 2.4 million in 2012/13 to DKK 9.5 million in 2013/14. Revenue increased by DKK 41.1 million from DKK 238.2 million to DKK 279.3 million, which corresponds to a 17.3% increase.

The Financial Statements are however also affected by increased sales which followed the heavy winter storm that at the beginning of December brought great destruction in Denmark and Sweden. But it is important to note that also without the storm, we would have presented impressive results.

When I say that the market is flat, it is, among other things, due to the level of activity in the building of single-family homes being the lowest since World War II. The number of newly built houses was 3,000 in 2013. I could mention other examples of the activity slowdown, but I would rather focus on the fact that during the financial and economic crises, we have explored the market and have looked at our own strengths to see how we might optimise RIAS.

We asked ourselves: How can we grow? One answer is the Swedish market. Naturally, it is another country and another language, but it is also a country in which we may relatively easily present our product range to the customers. RIAS actually has the widest product range in the Swedish market today. Our entry into Sweden was marked by participation in the Nordbygg fair in Stockholm on April, 1st to 4th. We were met with great interest, and we have continued our targeted effort since then by adding new layers to our build-up of RIAS's Swedish activities. We want to be considered "Swedish" suppliers which means that we must in all areas – from website to brochures and customer services – be able to communicate at eye level with our Swedish customers.

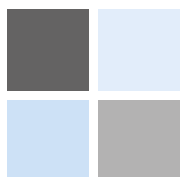
We have spent a year on developing our Swedish organisation, and we have seen high levels of growth, which is very satisfactory.

Another growth challenge has been to focus on our own performance both as individuals and as a team. Already last year, we decided to review all routines with a view to acting even more customer-oriented and breaking away from any internal silo mentality as well as strengthening our focus on quick changes when customers want new solutions. In such situations an organisation demonstrates its actual flexibility.

I am proud to be able to say that our organisation has met a large number of the targets which we had set ourselves. Our ability to supply our customers after the storm in December is a good example of this. When we realised what was about to happen, we placed large orders with our suppliers as we realised that the demand for building materials would be high. This implied that long after the storm, we were able still to guarantee deliveries to existing and new customers. Experience and the ability to act quickly were decisive factors for us to be able to be a reliable supplier, also in this situation.

Now we need to maintain our position and to further develop our organisation. We have demonstrated that we are able to grow in a flat market, and we have demonstrated that our strong commitment to understanding our customers and meeting their needs has had the intended effect. These efforts will continue unabated in the new financial year.

Henning Hess  
CEO  
RIAS A/S

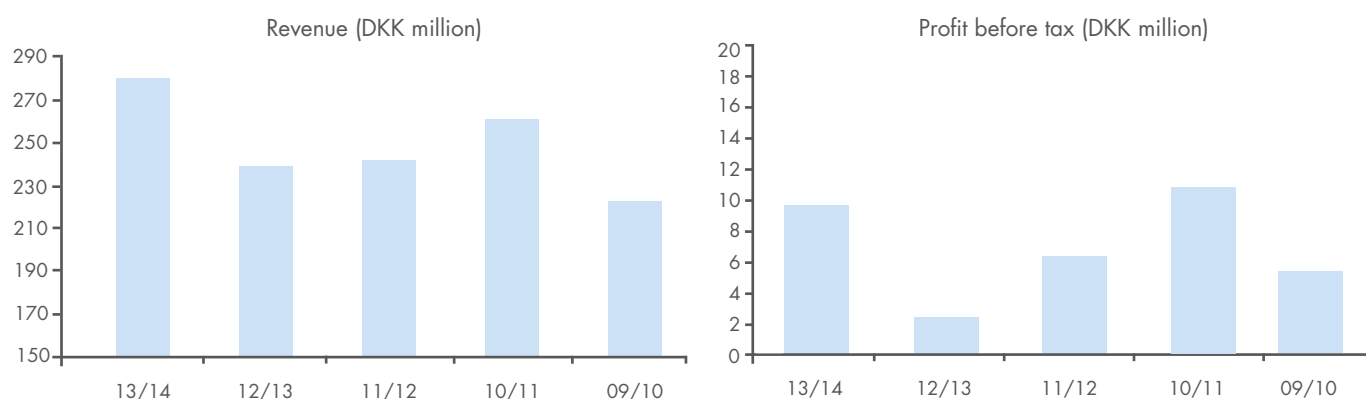


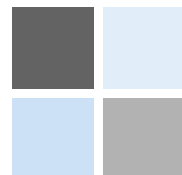
# Management's Review

## Financial highlights

	2013/14	2012/13	2011/12	2010/11	2009/10
<b>Income statement (DKK million)</b>					
Revenue	279.4	238.2	240.1	261.1	223.5
Cost of sales	195.7	165.1	164.4	182.0	154.6
Gross profit	83.7	73.1	75.7	79.1	68.9
Capacity costs	69.8	65.7	64.8	62.4	57.7
Depreciation and amortisation	4.2	4.9	4.6	5.4	5.3
Profit before financial income and expenses	9.7	2.5	6.3	11.3	5.9
Net financials	-0.2	-0.2	-0.1	-0.4	-0.4
Profit before tax	9.5	2.3	6.2	10.9	5.5
Corporation tax	-2.3	-0.5	1.9	2.7	1.5
<b>Net profit for the year</b>	<b>7.2</b>	<b>2.8</b>	<b>4.3</b>	<b>8.2</b>	<b>4.0</b>
<b>Balance sheet at 30 September (DKK million)</b>					
Non-current assets	102.6	104.7	109.6	114.0	110.5
Current assets	103.0	98.7	87.8	91.1	93.1
<b>Assets</b>	<b>205.6</b>	<b>203.4</b>	<b>197.4</b>	<b>205.1</b>	<b>203.6</b>
Equity	160.7	158.1	157.6	155.6	148.6
Deferred tax	10.0	10.3	11.8	12.0	10.1
Short-term liabilities	34.9	35.0	27.9	37.5	44.9
<b>Liabilities and equity</b>	<b>205.6</b>	<b>203.4</b>	<b>197.4</b>	<b>205.1</b>	<b>203.6</b>
<b>Cash flows (DKK million)</b>					
Cash flows from operating activities	4.3	10.1	10.6	24.3	4.3
Cash flows from investing activities	-1.8	0.2	-0.1	-8.9	-2.2
Including investments in property, plant and equipment of	-1.9	-0.3	1.0	-2.1	-2.6
Cash flows from financing activities	-4.6	-2.3	-3.0	-15.6	-0.5
<b>Total cash flows</b>	<b>-2.1</b>	<b>8.0</b>	<b>7.5</b>	<b>-0.2</b>	<b>1.6</b>
<b>Average number of fulltime employees</b>	<b>90</b>	<b>92</b>	<b>89</b>	<b>88</b>	<b>91</b>

At 1 October 2010, the Parent Company RIAS A/S merged with the Company's only subsidiary, Nordisk Plast A/S; consequently, RIAS A/S is no longer a group. For accounting purposes, the merger was made under the uniting of interests method. Comparative figures and financial ratios have been restated.





# Management's Review

## Ratios

	2013/14	2012/13	2011/12	2010/11	2009/10
<b>Gross margin</b>					
Gross margin	30%	31%	32%	30%	29%
Profit margin	3%	1%	3%	4%	3%
Return on assets	5%	1%	3%	6%	3%
Profit per DKK 100 share	31	12	19	35	17
Dividend per DKK 100 share	20	20	10	10	5
Equity value per DKK 100 share	697	686	683	674	644
Return on equity before tax	6%	1%	4%	7%	4%
Return on equity after tax	4%	2%	3%	5%	3%
Solvency ratio	78%	78%	80%	76%	73%
Market price per DKK 100 share at 30 September	503	495	475	410	400

The ratios have been calculated in accordance with the "Recommendations and Ratios 2010" issued by the Danish Society of Financial Analysts, except for profit per share which has been calculated in accordance with IAS 33.

### Definition of financial ratios:

**Gross margin** is calculated as gross profit in percentage of revenue.

**Profit margin** is calculated as profit before financials in percentage of revenue.

**Return on assets** is calculated as profit before financials in percentage of average operating assets for the year, ie of total assets less cash at bank and in hand and fixed asset investments.

**Profit per DKK 100 share** is calculated as profit for the year divided by 1/100 of the share capital after deduction of the Company's holding of treasury shares at 30 September.

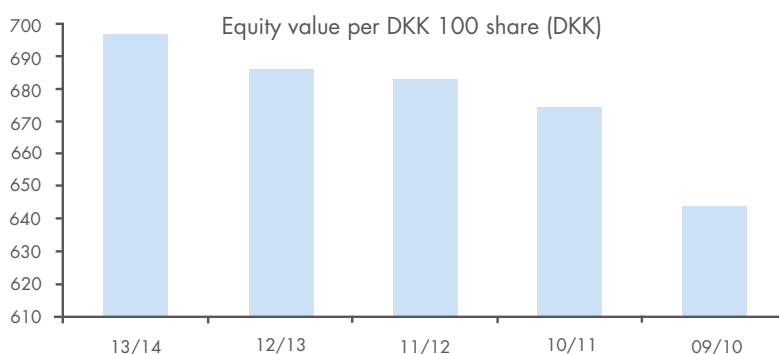
**Dividend per DKK 100 share** is calculated as dividend divided by 1/100 of the share capital after deduction of the Company's holding of treasury shares at 30 September.

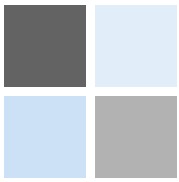
**Equity value per DKK 100 share** is calculated as equity at 30 September divided by 1/100 of the share capital after deduction of the Company's holding of treasury shares at 30 September.

**Return on equity before tax** is calculated as profit before tax in percentage of average equity for the year.

**Return on equity after tax** is calculated as net profit for the year in percentage of average equity for the year.

**The solvency ratio** is calculated as equity at 30 September in percentage of total assets at 30 September.





# Management's Review

## Board of Directors



**Jürgen Westphal**

Chairman

Joined the Board of Directors in January 2010.

Directorships in other companies:

CEO, ThyssenKrupp Plastics

Chairman of the Board of Directors of: Röhm Italia S.r.l., Milano, Neomat AG Luzern, Notz Plastics AG Biel/Bienne, ThyssenKrupp Ibérica SL, Valencia.

Member of the Board of Directors of: ThyssenKrupp Otto Wolff N.V./S.A. Mechelen, Feron Thyssen Plastics s.r.o. Olomouc, Indu-Light AG Luzern.



**Steen Raagaard Andersen**

Vice-chairman, Partner, Lund Elmer Sandager, Copenhagen

Joined the Board of Directors in January 2011.

Directorships in other companies:

Member of the Board of Directors of: Action International A/S, Audio Media A/S, Brdr. Rønje Holding A/S, Copenhagen Partners A/S, Dansk Farm Management A/S, Frank Sæbø Hansen Holding A/S, Genius Access A/S, IHR Holding A/S, John Kirketerp Jensen A/S, Junker Projektudvikling A/S, Kapitalformidlingsinstituttet A/S, Kongeegen A/S, Kontant Foto A/S, Lægeforeningens Boligers Fond, M. Goldschmidt Holding A/S, Nensius A/S, Santropa A/S.

Member of the Executive Board of: Ejendomsselskabet Nørrebrogade 43 A/S.



**Peter Swinkels**

Member of the Board of Directors

Joined the Board of Directors in January 2011.

Directorships in other companies:

Member of the Board of Directors of: ThyssenKrupp Materials Netherlands B.V., the Netherlands.

Member of the Executive Board of: ThyssenKrupp Otto Wolff N.V., Belgium.



**Dieter Wetzel**

Member of the Board of Directors

Joined the Board of Directors in January 2010.

Directorships in other companies:

Financial Manager, ThyssenKrupp Plastics.

Member of the Board of Directors of: ThyssenKrupp Otto Wolff N.V./S.A., Mechelen, Belgium.



**June Svendsen**

Member of the Board of Directors, employee representative

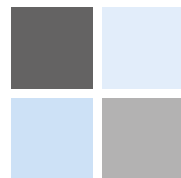
Joined the Board of Directors in December 2014.



**Søren Koustrup**

Member of the Board of Directors, employee representative

Joined the Board of Directors in December 2011.



# Management's Review

## Management



**Henning Hess**  
CEO



**Anders Topp**  
Division Manager, Building &  
Construction Division



**Michael Finderup Jensen**  
Division Manager,  
Industry/Viskom/RIPRO



**Kim Wahl Christensen**  
CFO



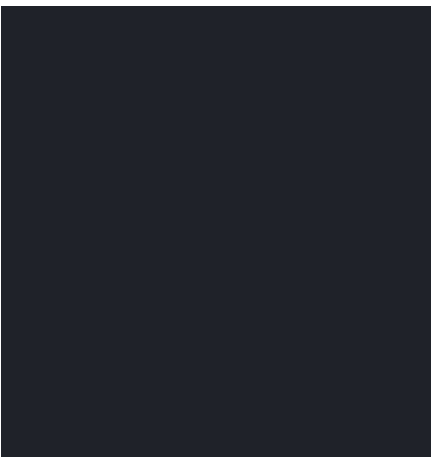
**Michael Reinhold Jensen**  
Production Manager



**Laila Buhl-Madsen**  
Manager,  
Purchasing & Technical Services



Selected activities in the year



# Speedy action and reliable service

The ability to react quickly was a decisive factor for RIAS to be able to sustain the deliveries to our customers for a very long period of time despite the autumn and winter storms. When DMI (Danish Meteorological Institute) began sending out storm warnings, we placed extra large orders with our manufacturers for trapezoidal sheets. Consequently, the RIAS warehouses were well stocked when the repair of the extensive damage caused by the storm was to commence.

- We knew from previous situations with storms and hurricanes that we were to act quickly, and we can see that our ability to deliver for a long period of time after the storms is one of the explanations for our growth, says Anders Topp, Division Manager, RIAS Building & Construction.

## Do-it-yourself

Whereas the new-building activity has been low in Denmark, the activity relating to DIY products has, on the other hand, been high. This has not only been due to the damage caused by the storm but has also been connected with the change of ownership of properties where a number of the products offered by RIAS are needed. Moreover, very often the house owners who have hesitated to sell their property due to the low prices have chosen instead to renovate the property, for example by putting new roofing sheets on the patio or on the canopy or by changing the gutters.

- This year, we have sold PLEXIGLAS® to dealers that we have not previously sold or marketed products to. We have moreover gained new customers that have previous had other suppliers. This again shows that we have been able to guarantee delivery when others have had to give up.

Anders Topp adds that two other factors have contributed to the good year: The strong focus on cross selling where the attention of the customer is directed to other RIAS products and RIAS's possibility of offering processing.

## Visibility

Again this year, RIAS has participated in the BYGGERI '14 fair in Fredericia, where we had the opportunity of presenting a number of new products to the market:

## RIATHERM® LUX thermal roofing



A strong transparent thermal roofing in 16 mm with a wide distance between ribs so that light comes through unhindered. It is manufactured from extra strong polycarbonate and with extra UV protection; customers get a 20-year warranty on this roof compared to the normal 10 years.

## RODNA thermal roofing



A competitive 16 mm thermal sheet with a low weight and a structure that makes it extra resistant against the weight of snow.

## SUNLUX® HI-PVC greca



A good sheet in opaque which ensures a pleasant light coming through the sheet and which prevents blinding. The composition of the sheet allows RIAS to provide a 10-year warranty against both breakage and light coming through.



# RIAS has been well received by the Swedes

Three decisive factors contributing to RIAS's successful entry into the Swedish market have been: a product range which is wider than that of our competitors, thorough preparation and a good deal of humility towards customer preferences.

The fact that RIAS has the widest product range in the market has in itself contributed to our success in the first period in Sweden.

- As a new supplier, we should be aware that the customers we get into contact with have often been in long-term cooperation with their existing suppliers and that they may moreover be very satisfied with this cooperation. Therefore, our message is that we would be pleased to provide a supplement to the customers' present suppliers because we have a wider range of products. This strategy has contributed to our success in entering the market, says Anders Topp who is the head of RIAS Building & Construction. Together with colleagues in Denmark and Sweden, he has planned the activities in Sweden.

- We chose the Nordbygg fair in Stockholm as the right place to put focus on our presence. At the beginning of April, we participated for the first time in the fair which is the largest of its kind in Scandinavia. Our stall was certainly not the largest at the fair, but we had the pleasure of attracting many people who wanted to learn more about RIAS and our product range.

## Strong growth

In the financial year, RIAS saw strong growth of 38% in Sweden, and one of the key elements has been thorough preparation and planning of sales material that provides both an overview of our product range and the necessary installation guides for the DIY people.

- We are very customer-focused in our communication. This applies to our website and to our brochures, which are in Swedish and comprise the entire product range so that the customer who may immediately be looking for just one product also becomes inspired by other products, says Anders Topp.

- Previously, we provided separate brochures for each individual product, but now all products are in one brochure. This has contributed to increasing the knowledge of our wide range. Moreover, intensive efforts have been put into the preparation of the Swedish website, and also the roof calculator for thermal roofing has been fully implemented in Swedish. Furthermore, RIAS has Swedish employees who ensure efficient customer service.

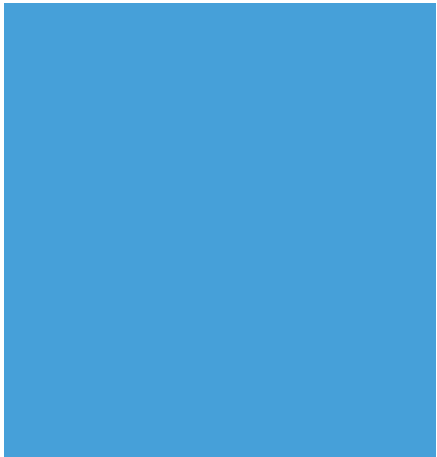
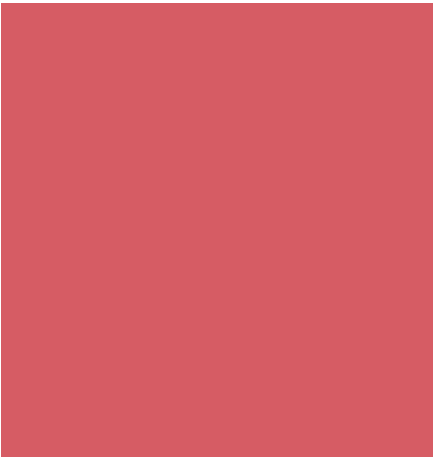
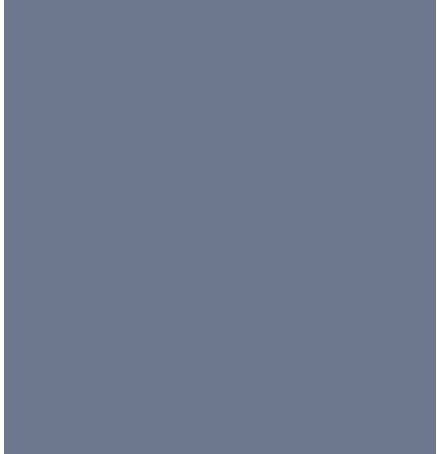
## New products

Among the new products offered to our Swedish customers are UniSoft rubber tiles which are, among other things, used as a soft basis for playground surfaces. Also the Onduline and OnduVilla roofing sheets are new products in the Swedish market. Onduline has however previously been sold in Sweden, but the previous supplier discontinued deliveries. Following the re-launching, RIAS has seen major customer interest in the product. This also applies to RIATHERM® LUX, which is a transparent thermal roof with a good insulation ability. Apart from it being a new product, it has attracted attention by providing a 20-year warranty.

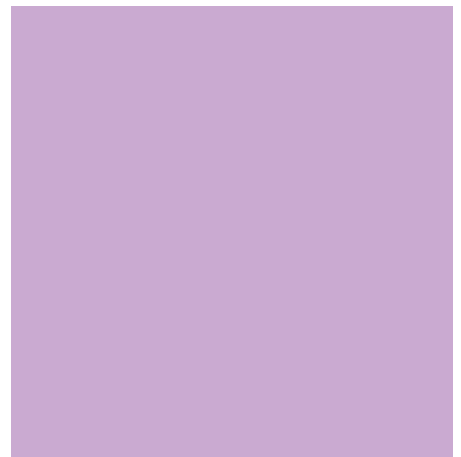
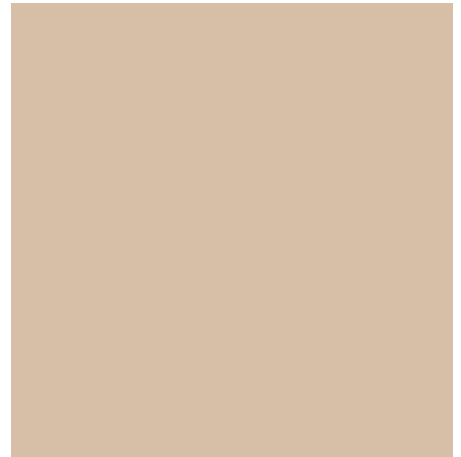
Anders Topp considers the first period in the Swedish market very positive.

- It has been a very good experience to build up our new organisation in Sweden. We get many inquiries through our website and directly in our sales department, and we have seen that our systematic contacts to DIY markets has contributed to increasing the knowledge about what we can offer.









# Growth in a flat market

It seized the headlines when the European Song Contest was held at Holmen in Copenhagen this year. This was due both to the show itself and to the financial fallout. Moreover, the design of the stage attracted much attention, and there was broad consensus that the event had presented an unprecedented high level of advanced design.

RIAS played a central role in the construction of the stage through the delivery of the acrylic elements which to a high extent characterised the design.

Michael Finderup Jensen, Division Manager, RIAS Industry, calls the assignment very successful.

- We dimensioned the elements in our production hall and participated in the construction of the stage in the large concert hall at Holmen.

- Acrylic is a very useful medium for this kind of design. The material is very durable, and the many light effects which are used for this kind of show interact perfectly with the acrylic, says Michael Finderup Jensen.

## The Theater "Gasværket"

One of the places where RIAS has also had a large audience is the Copenhagen theatre Østre Gasværk where the set designers on the show *The Three Musketeers* wanted to create a spectacular backdrop to the actors' performance. The entire back wall of the up-tempo musical is made up of a large number of acrylic sheets mounted as a semi-sphere shaped shell. LED lights mounted at the edges of the individual sheets make it possible to change the look of the back wall from being plain coloured one moment to being for example chequered the next.

- This has been one of the special assignments where we have benefited from having the expertise workmanship of RIPRO in the house, says Michael Finderup Jensen.



Photo: Robin Skjoldborg/Østre Gasværk Theater



Foto: Robin Skjoldborg/Østre Gasværk Teater

## Part of the history

Acrylic is inextricably linked with the history of RIAS. When RIAS was founded in 1959, acrylic sheets were our first product, and today, 55 years on, RIAS still sees the sale of acrylic increase in a market where otherwise the material shows a declining tendency. One of the explanations of RIAS's success when it comes to acrylic is our thorough knowledge of the product, the market and the variety of applications.

Michael Finderup Jensen has no doubt whatsoever that the employment of Henrik Ladegaard, Product Manager, one year ago has contributed to the success in respect of acrylic which RIAS has seen in the past year. – We have distinctly sought – and found – a capacity who is able to get an overall view from the basic product to the final application. Only the sky is the limit for the use of acrylic. The material is used for showcases, signs, fish tanks, skylights and lamps, and the possibility of using acrylic in connection with LED lighting constitutes one of the exciting areas of development which we follow very closely.

## The experience of others

In this connection, Michael Finderup Jensen points out RIAS's possibility of drawing on the experience of the ThyssenKrupp Group:

- We have seen that our German colleagues have been successful in combining top quality acrylic with LED lighting. Our business can benefit from this experience.

# RIAS in the middle of the People's Meeting

The specialists from RIAS's processing department RIPRO came to play a central role when at the People's Meeting 2014 on Bornholm Boligselskabernes Landsforening (Danish Social Housing Sector) chose to construct a very unusual dome.

The dome had been constructed previously, but in 2014 it was decided to make it permanent. The unusual construction was to have thermal windows, and it became clear that a standard solution was not in the cards since as many as 52 window variations had to be produced.

The architects Kristoffer Tejlgaard and Benny Jepsen, who have designed the dome, have previously designed the highly praised Dome of Visions, which is today located in Copenhagen. For this, RIAS provided the climate screen of polycarbonate.

## Challenging architecture

Through the project on Bornholm, the architects have further developed the traditional dome structure into a construction in which the elements have literally "erupted" and extrude from the original body. Pointed peaks mix with dome shaped structures and from the great variations springs a house with niches and common rooms. 280 sqm with room for holding exactly the kind of meetings for which the Bornholm initiative has become known.

## Low environmental impact

The Product Specialist of RIPRO, Michael Markussen, was the first to be contacted by the architects.

- Acrylic was chosen as the material to be used for the window panes. Among other things, acrylic is characterised by having a very low environmental impact, which was right in line with the entire project being as environmentally sound as possible. We produced the thermal panes by gluing two sheets of acrylic together with a very strong tape.

## Time pressure

We only had a short time to produce the order. RIPRO was first contacted in January, which naturally provided the time to ensure that the correct acrylic was available. However, Michael Markussen and his colleagues did not see the drawings of the dome until 15 May. This was less than a month before the People's Meeting. Not until then could the work begin.

All processing of the acrylic sheets was performed at the workshop of RIPRO in Roskilde. One of the factors to be taken into consideration was the effect of the changing temperature on the acrylic. The largest pane of the dome expands within a range of 25 mm. The problem of preparing the acrylic sheets to withstand the large temperature variations was solved by milling oval screw holes in the panes making them able to move with the climate. Durability was obtained by choosing acrylic with a special coating on one side.

## Follows the project closely

Kristoffer Tejlgaard, Architect, who continues to follow the dome on Bornholm closely together with his colleague Benny Jepsen, sees great potential in replacing heavy materials such as steel, concrete and glass with light materials such as wood, fabric and plastic.

- We are working on achieving buildings which are as sustainable as at all possible. In my opinion we can, for example, replace 80 to 90 per cent of the glass which we use in buildings today by plastic materials. Plastic makes it possible to work with lighter constructions and moreover permits the buildings to expand and contract as the plastic has a flexibility which glass does not have. There is moreover the important factor that, as opposed to glass, plastic may be re-melted and recycled.

Kristoffer Tejlgaard adds that the major breakthrough of the plastic materials will come when it becomes possible to relinquish the oil based plastic products and use plastic which is fully produced from organic materials.

- It is our clear objective continuously to aim at achieving the lowest possible environmental impact, says Kristoffer Tejlgaard.

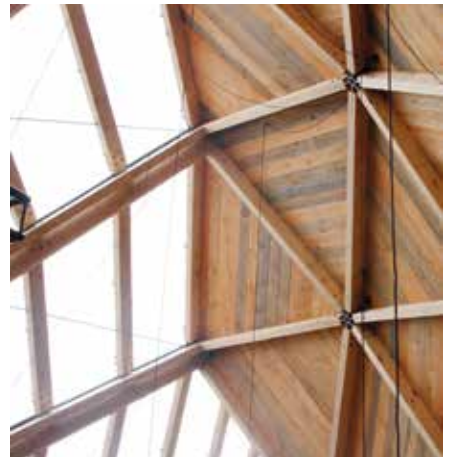
## The strength of RIPRO

Michael Markussen sees the dome as a typical example of the type of assignment which has increased in number during the year and which has contributed to the processing department having increased sales by 23%.

- Thanks to our specialists and advanced machinery, we are able to meet our customers' requests for customised products. There are many other examples apart from the dome. We have for example developed an exhibition stand for a European automotive manufacturer which has been composed of show cases, light boxes and shelves which, in combination with LED lighting, presents the customer's products in an advanced hi-tech design. The construction is precision work which requires the best craftsmen to operate the machinery.

- Parts of the stand have been manufactured by one of our fellow subsidiaries in Austria where they have particularly large furnaces which were able to solve this part of the assignment. This is a good example of the cooperation we have with the other companies of ThyssenKrupp Plastics, says Michael Markussen.







# Staying close to the customer

Ammeraal Beltech in Vejle provides the automotive industry, the food industry and a number of other industries with conveyor belting of top quality. The company is located East Jutland and forms an important part of a Dutch owned group with more than 2,100 employees in 26 countries and with eight manufacturing facilities. Ammeraal Beltech has become a good example for RIAS of the development of close customer relations.

- We listened carefully to what Ammeraal Beltech requested. They were intent on being able to keep up production without having to wait for delivery of the materials which we supply, says Michael Finderup Jensen, Division Manager, RIAS Industry. RIAS provides the materials which are, among other things, used for the gear wheels which form part of the conveyor belts.



## Consignment stock

The solution was a warehouse next to the factory in Vejle, which was established two years ago.

- Instead of having to stock the products which contribute to keeping up Ammeraal Beltech's production, we chose, in cooperation with the customer, to place a warehouse next to the company. This makes it possible for them quickly to obtain the necessary parts without having to wait for our distribution which, although being quick, naturally cannot compete with a warehouse directly next to the customer's production facility, says Michael Finderup Jensen.

We moreover have an agreement on close consulting cooperation. This implies that Ammeraal Beltech has the possibility of communicating directly with the very specialised technicians at RIAS's supplier.

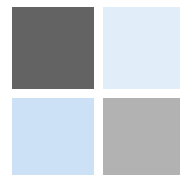
Ammeraal Beltech's access to the product knowledge of the manufacturer is pivotal. We have established a strong triangular cooperation under which the production staff of Ammeraal Beltech may contact the manufacturer directly. All sorts of technical questions may arise and they should be answered quickly. By providing the communication possibility, we create additional value for our customer, says Michael Finderup Jensen.

## The customer takes centre stage

He emphasises that RIAS is not making itself superfluous.

- This is a large inventory, and we guarantee that the inventory is up to date at all times so that the products required are in fact available. Moreover, Ammeraal Beltech can count on RIAS being prepared to provide any additional consulting services at all times. However, the general objective is for our customer to take centre stage. This is the most important thing and, at the same time, ensures the growth we experienced during the past year.





# Management's Review

## Management's Review

### Mission

RIAS's mission is to provide plastic materials of high quality in Scandinavia.

The Company operates in the two following product areas:

- Sale, processing and distribution of semi-finished plastic products to all sectors of the building and construction industry.
- Sale, processing and distribution of semi-finished plastic products to the industrial and the public sector.

### Long-term objective

The long-term objective of RIAS A/S is to increase our market value through organic growth and to give our shareholders a competitive return on invested capital.

It is the Company's objective to maintain our position as the largest supplier within semi-finished plastic products in Denmark.

### Operations

In total, revenue increased by 17.3% compared to 2012/13. Revenue increased by DKK 41,151k from DKK 238,195k in 2012/13 to DKK 279,346k in 2013/14.

In the year, the Company made a number of cost reductions; however, at the same time staff expenses increased due to increased sales activities.

In 2013/14, the Company realised a profit before tax of DKK 9,541k compared to DKK 2,360k in 2012/13, which corresponds to an increase of 304.3%.

A summary of our expectations to 2013/14 published in the Annual Report for 2012/13 and in the Stock Exchange Announcement for the third quarter of 2013/14 shows that the Company has met the announced profit expectations. This should be seen not least in the light of increasing sales to the building sector and a positive development of the Company's industry products.

### Financing

In 2013/14, the Company's operating cash flows were positive at DKK 4,336k, and at 30 September 2014 the Company remains free of any debt to credit institutions.

### Investments

In 2013/14, the Company made a number of current investments in fixtures and fittings, tools and equipment to ensure the continued development of the Company's activities. The investments amount to DKK 2,070k.

### Expectations to 2014/15

Despite the continued low level of activity in the economy, we will continue to focus on optimising the organisation and maintaining growth in market shares and earnings in the financial year 2014/15. Based on this, the Board of Directors expects a profit before tax in the range of DKK 8-11 million for the financial year 2014/15.

### Special risks

#### Operating risks

Unforeseen price fluctuations and discontinuation of trade with major customers may affect the Company adversely with regard to expected earnings for the year, but such risks are normal in a trading enterprise.

#### Financial risks

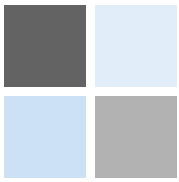
The Company does not speculate in financial risks, and the Company's management of such risks focuses exclusively on managing financial exposures that are a direct consequence of the operations and financing of RIAS A/S. The Company has no derivative financial instruments.

#### Interest rate risks

The Company does not enter into interest rate positions to hedge against interest rate exposures as moderate changes in the interest rate level will have no material effect on earnings.

#### Credit risks

The Company's credit risks relate to trade receivables.



# Management's Review

## Review

The Company's policy is to take out credit insurance in respect of trade receivables to the extent possible. Trade receivables are assessed on a current basis, and provisions are made to the extent necessary.

### Foreign exchange risks

The Company is only to a limited extent exposed to foreign exchange movements. Almost all trading takes place in DKK or EUR. As the foreign exchange risk relating to DKK/EUR is considered very low, the Company does not hedge its net debt in foreign currency.

### Liquidity risks

The Company only has debt which falls due within one year, cf. the balance sheet. The payment of this debt, DKK 34.9 million, can be fully covered by payments from receivables.

### Intellectual capital

The Company has specific knowledge and competencies within the area of trade in semi-finished plastic products.

The Company attaches importance to attracting, retaining and contributing to the development of well-educated and motivated employees who can contribute to safeguarding one of our core values, namely that of providing our customers with the best service.

On average, the Company has employed 90 fulltime employees in 2013/14, which is two less than in 2012/13. The Company had 93 fulltime employees at 30 September 2014, which is three more than at 30 September 2013.

### The environment

The Company strives to limit its environmental impact at any time.

The environmental impact in itself is, however, insignificant as the Company's activities comprise mainly distribution and sale of semi-finished plastic products but not any production.

The Company is not involved in any environmental cases.

### Research and development activities

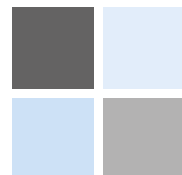
The Company has no separate research activities but develops its business and competencies on a current basis.

### Incentive programmes

The Company does not have any incentive programmes.

### Subsequent event

No events materially affecting the Company's Financial Statements for 2013/14 have occurred after the balance sheet date.



# Management's Review

## Financial Review

### Income statement

#### Revenue

Revenue increased by DKK 41,151k from DKK 238,195k in 2012/13 to DKK 279,346k in 2013/14.

Revenue in the Industry Division increased by DKK 10,648k from DKK 162,414k in 2012/13 to DKK 173,062 in 2013/14. The market was low but stable at the beginning of the year. This formed the basis of an activity increase, partly in the processing area, which has increased its activities during the year, but also generally for industry products where activities have increased both due to increased domestic demand and particularly due to sales to export oriented industrial enterprises.

Revenue in the Building & Construction Division increased by DKK 30,503k from DKK 75,781k in 2012/13 to DKK 106,284k in 2013/14, corresponding to an increase of 40.3%. The increase is due to a general increase in the Building & Construction Division both in DIY and with respect to timber merchants, but also due to the autumn storms in 2013.

#### Gross profit

Gross profit increased by DKK 10,505k from DKK 73,145k in 2012/13 to DKK 83,650k in 2013/14, corresponding to an increase of 14.4%. The gross profit margin decreased by 0.8% point from 30.7% in 2012/13 to 29.9% in 2013/14. Thus, the profit margin is still affected by a competitive market.

#### Distribution and administrative expenses

Expenses increased by DKK 3,300k from DKK 70,675k in 2012/13 to DKK 73,975k in 2013/14, corresponding to an increase of 4.7%. This is partly attributable to the intensified sales effort and partly to the increase in warehouse and production staff.

#### Financial income and expenses

Financial income decreased by DKK 105k from DKK 240k in 2012/13 to DKK 135k in 2013/14.

Financial expenses decreased by DKK 81k from DKK 350k in 2012/13 to DKK 269k in 2013/14.

Net financials showed an expense of DKK 110k in 2012/13 compared to DKK 134k in 2013/14.

#### Tax on profit for the year

The effective tax rate for 2013/14 is 24.4% compared to 27.7% in 2012/13. Adjustment of deferred tax is not included in the 27.7% due to the reduction of the tax rate.

#### Net profit for the year

The net profit for 2013/14 is DKK 7,212k compared to DKK 2,840k in 2012/13.

### Balance sheet

#### Intangible assets

Intangible assets have decreased from DKK 60,304k at 30 September 2013 to DKK 59,413k at 30 September 2014. The most important intangible asset is goodwill of DKK 53,085k, which relates to the acquisition of the activities of Rodena A/S and Nordisk Plast A/S. The goodwill values have been subjected to an impairment test, which is described in detail in note 10 to the Financial Statements.

Software amounts to DKK 5,740k at 30 September 2014 compared to DKK 6,568k at 30 September 2013.

#### Property, plant and equipment

Property, plant and equipment have decreased from DKK 44,427k at 30 September 2013 to DKK 43,220k at 30 September 2014. The changes relate both to depreciation and new investments.

#### Inventories

Inventories increased by DKK 3,909k from DKK 28,567k at 30 September 2013 to DKK 32,476k at 30 September 2014, corresponding to an increase of 13.7%. The Company focuses on a current basis on adjustment inventories to match the existing market.

#### Receivables

Receivables increased by DKK 828k from DKK 45,954k at 30 September 2013 to DKK 46,782k at 30 September 2014, which primarily is attributable to the increased activity level in the second half of the year.

#### Liabilities

Liabilities decreased by DKK 451k from DKK 45,293k at 30 September 2013 to DKK 44,842k at 30 September 2014, corresponding to a decrease of 1%. The reduction primarily relates to a decline in trade payables and other debt.

#### Cash flows

##### Operating activities

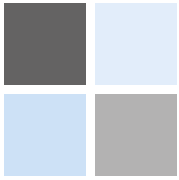
Cash flows from operating activities decreased by DKK 5,748k from DKK 10,084k in 2012/13 to DKK 4,336k in 2013/14. The change in cash flows relates to changes in the working capital.

##### Investing activities

Cash flows from investing activities increased by net DKK 2,083k from net sales of DKK 200k in 2012/13 to a net investment of DKK 1,883k in 2013/14.

##### Liquidity resources

The Company's total cash at bank and in hand has been reduced by DKK 2,160k from a deposit of DKK 21,758k at 30 September 2013 to a deposit of DKK 19,598k at 30 September 2014.



# Management's Review

## Shareholder Information and Corporate Governance

### Shareholder information

#### Statutory Statement on Corporate Governance under section 107b of the Danish Financial Statements Act

Company Management believes that corporate governance is a key element and currently seeks to improve the Company's management structure. The overall framework for the Management of RIAS A/S has been planned with a view to ensuring that the Company meets its obligations towards shareholders, customers, employees, authorities and other stakeholders in the best possible way and that long-term value creation is supported.

The Board of Directors of RIAS A/S currently works on ensuring that the Company complies with the policies and procedures laid down by the Committee of Corporate Governance which NASDAQ OMX Copenhagen requires be applied. The Board of Directors discusses how the Company's corporate governance in practice at any time ensures that the management of RIAS A/S meets the highest standard and that the work of the Board of Directors supports the Company's future business potential. Openness is a key factor.

The Board of Directors has chosen to publish the Statutory Statement on Corporate Governance under section 107b of the Danish Financial Statements Act on the Company's website.

#### Links to the Statutory Statement on Corporate Governance:

Current Statement (2014): <http://www.riasnordic.com/cg/2014/>

Committee of Corporate Governance:

<http://corporategovernance.dk/file/522921/anbefaling-er-for-god-selskabsledelse-2013-senest-opdateret-november-2014.pdf>

Thus, the Board of Director's overall position on the recommendations for corporate governance of NASDAQ OMX Copenhagen may be found on RIAS A/S's website. The Statutory Statement on Corporate Governance covers the financial period 1 October 2013 to 30 September 2014 and forms a part of Management's Review.

In this connection, RIAS A/S has chosen to compare the Company's Statutory Statement on Corporate Governance with the recommendations issued by the Committee on 6 May 2013 in order to provide the best possible overview of the recommendations with which RIAS A/S fully complies and the recommendations which the Company has chosen not to follow or which are still in the implementation process.

#### Work and responsibilities of the Board of Directors

The work of the Board of Directors has been laid down in rules of procedure which are assessed at least once a year. Thus, RIAS A/S meets the recommendations for members and the rules of procedure to be aligned with the requirements of the Company. The Board of Directors holds meeting four times a year or more frequently, if required. This process ensures that Management is able to react quickly and efficiently to external factors. In the financial year 2013/14, five meetings were held, including the Company's Annual General Meeting.

#### Composition of the Board of Directors

The Board of Directors consists of six members of whom two are employee representatives. The board members elected at the General Meeting are elected for one year at a time.

The Board of Directors has considered the personal capacity of each board member and finds that they perform their work on the Board of RIAS A/S in an appropriate manner – despite the fact that none of the board members elected at the General Meeting are independent as defined by the recommendations.

### Executive Board

The Executive Board is appointed by the Board of Directors, and the Board of Directors determines the employment terms of the Executive Board. The Executive Board is responsible for the day-to-day operation of RIAS A/S, including the Company's development and results of activities and operations as well as internal affairs. The Board of Directors' delegation of responsibilities to the Executive Board has been laid down in the Company's rules of procedure and by the rules of the Danish Companies Act. The Executive Board of RIAS A/S consists of one person.

#### Remuneration to the Board of Directors and the Executive Board

The Board of Directors has adopted a very simple remuneration policy for both the Board of Directors and the Executive Board. The remuneration policy does not comprise any incentive programmes or other variable components.

The Board of Directors of RIAS A/S is not comprised by any bonus or option schemes. The total annual remuneration to the Board of Directors is approved by the General Meeting in connection with the adoption of the Annual Report.

In 2013/14, the remuneration to the Executive Board consisted of a base salary including the usual benefits such as company car, telephone and a bonus scheme. The bonus is determined discretionarily by the Board of Directors based on an overall assessment.

The employment terms of the Executive Board, including remuneration and resignation terms, are considered in accordance with the general standards for such positions.

### Audit Committee

The Board of Directors of RIAS A/S also acts as Audit Committee.

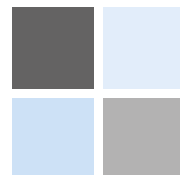
The overall purpose of the Audit Committee is to minimise the risk of material misstatement of financial information – internally and externally. In practice, this is done by analysing the internal control environment, financial reporting, audit, accounting policies applied and presentation of interim financial statements and financial statements in general.

The Audit Committee focuses on a continued development of the control environment and a continuous assessment of procedures and financial and accounting issues of material importance to the financial information. The external auditors may be called in to participate in a meeting with the Audit Committee.

#### Statutory Statement on Corporate Social Responsibility under section 99(a) and (b) of the Danish Financial Statements Act

RIAS A/S wants to carry on its activities in a responsible manner and continuously works on creating a linkage between the Company's strategy and responsibility with respect to the society in which the Company operates. For RIAS A/S, the work relating to corporate social responsibility is an ongoing process, and in 2013/14 the Company continued to focus on such work and to structure the required internal processes.

Based on an assessment of materiality, the Company is working on areas such as staff, environment, suppliers and anti-corruption. On the next page, we describe the overall policy for how the policy has been turned into action and, where possible, what has been achieved.



# Management's Review

## Shareholder Information and Corporate Governance

### Social conditions

Securing good social conditions for its employees is an important element for the Company. Each month, we follow up on absence due to illness to improve job satisfaction. Overall, the Company is working on currently ensuring the best possible working environment. As in previous years, the Company is very aware of employee health due to a number of coincided long-term periods of illness which have specifically resulted in the Company contributing to a health insurance scheme.

### Environment

The Company's impact on the environment is limited and mainly consists of PVC waste from products and CO<sub>2</sub> consumption related to the Company's buildings. The Company is making a targeted effort to reduce the environmental impact from PVC waste, and the Company cooperates with the Wuppi organisation which collects and disposes of PVC waste in a sustainable way. RIAS's share is included together with other plastic distributors in Denmark. No specific figures per distributor are available and, therefore, we are not able to state any result.

Moreover, the Company has initiated a project with a view to reducing the energy consumption by introducing various cost reduction measures both in warehouses, production and the administration. A total measurement of the CO<sub>2</sub> consumption has not yet been made and, therefore, we are not able to state any result.

### Suppliers and human rights

The Company typically enters into long-term supplier relations, and the suppliers are primarily located in Europe. Apart from financial and quality assessments, the overall assessment of a supplier also includes an assessment of whether the supplier shows general social responsibility, including that the supplier does not use child labour etc.

### Anti-corruption

The Company has implemented a whistle-blower hotline where employees have the possibility of informing impartial persons in a law firm about breach or suspicion of breach of law, including corruption or cartel formation. The hotline has not received any calls in 2013/14.

### Policy on the composition of the Board of Directors and the Executive Board

The members of the Board of Directors are elected based on their overall competencies; however, the Board of Directors also aims at a gender composition which is more equal and at having 15% women on the Board of Directors within four years from now. As the Executive Board currently consists only of one member, no target has been set for the gender composition of the Executive Board.

It is the staff policy of RIAS A/S that the ratio of women in other management bodies is to be increased.

RIAS A/S intends to take the following action to obtain a more equal gender composition in the other management bodies:

- Work towards having minimum 25% female executives in the Company within four years. At 30 September 2014 the ratio is 0%.
- Make the Company attractive to executives of both genders, eg by ensuring a staff policy which promotes the career opportunities of women and men.
- Create a framework for the career development of the individual person through networks with executives in other companies.

### Share capital

The Company's share capital of DKK 23,063k is distributed on DKK 3,125k A-shares and DKK 19,938k B-shares.

The A-shares, which are non-negotiable, carry 10 votes per DKK 100 share, see clause 11 of the articles of association.

The B-shares, which are negotiable, carry 1 vote per DKK 100 share, see clause 11 of the articles of association.

The B-shares are listed on NASDAQ OMX Copenhagen, and at 30 September 2014 the price corresponding to the market price of the B-shares was DKK 100.3 million.

The Company has more than 170 shareholders registered by name.

The following shareholders have stated that they own 5% or more of the total capital:

ThyssenKrupp Facilities Service GmbH, Germany, a nominal amount of DKK 3,125,000 A-shares and a nominal amount of DKK 9,363,000 B-shares, corresponding to 54.15% of the total capital. ThyssenKrupp Facilities Service GmbH holds 79.34% of the votes.

SmallCap Danmark A/S, a nominal amount of DKK 6,681,800 B-shares, corresponding to 28.97% of the total capital. SmallCap Danmark A/S holds 13.05% of the votes.

The Board of Directors and the Executive Board do not hold any shares in the Company.

According to authorisation of the General Meeting, the Company may acquire treasury shares for up to 10% of the share capital until 18 January 2018. The purchase price for these shares cannot deviate by more than 10% from the market price from time to time.

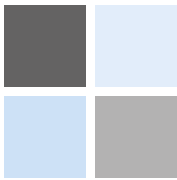
### "Change of control" clauses

The Company has an agreement with ThyssenKrupp about the use of SAP. If the control of the Company changes due to an implemented takeover bid, the Company expects however to be able to re-establish an appropriate new agreement about the use of SAP in such a situation.

Agreements between the Company and its Management imply that if they resign or are dismissed without valid reason or if their position is cut due to a takeover bid, the period of notice will be extended by six months.

### Amendment of the articles of association

An amendment of the Company's articles of association requires that 2/3 of the share capital is represented at the General Meeting and that the proposed amendment is adopted by both 2/3 of the votes cast and of the share capital represented at the General Meeting.



# Management's Review

## Shareholder Information and Corporate Governance

### Annual General Meeting

The Annual General Meeting will be held on 28 January 2015, at 10.00 am CET, at the Company's address, Industrivej 11, Roskilde, Denmark.

### Proposals for the General Meeting:

- The Board of Directors proposes that for the financial year 2013/14 dividend be distributed to the shareholders in the amount of DKK 20 per DKK 100 share of the share capital at 30 September 2014 of DKK 23,063,000, corresponding to a total proposed dividend of DKK 4,612,600.
- The Board of Directors proposes to the General Meeting that the present elected board members be re-elected.

### Expected Stock Exchange Announcements in 2014/15

RIAS A/S expects to publish the following Stock Exchange Announcements:

16 December	2014: Announcement of financial results 2013/14
27 January	2015: Announcement of interim results
28 January	2015: Annual General Meeting
13 May	2015: Announcement of results for the first six months
12 August	2015: Announcement of interim results

### Contact person – Investor relations

Inquiries concerning investor relations and the share market may be directed at:  
Henning Hess, CEO  
Telephone: +45 46 77 00 00  
E-mail: hh@rias.dk

## Company information

RIAS A/S  
Industrivej 11  
DK-4000 Roskilde

Telephone: +45 46 77 00 00  
Facsimile: +45 46 77 00 10  
Website: [www.rias.dk](http://www.rias.dk)  
Email: [info@rias.dk](mailto:info@rias.dk)  
CVR No: 44 06 51 18  
Founded: 1 February 1959  
Municipality of registered office: Roskilde

### Board of Directors

Jürgen Westphal (Chairman)  
Steen Raagaard Andersen (Vice-chairman)  
Peter Swinkels (Board Member)  
Dieter Wetzel (Board Member)  
June Svendsen (Employee Representative)  
Søren Koustrup (Employee Representative)

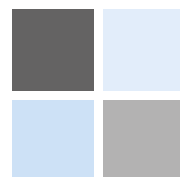
### Executive Board

Henning Hess, CEO

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup





# Statement of Comprehensive Income

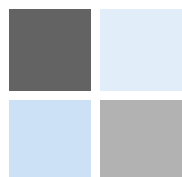
Statement of Comprehensive Income 1 October to 30 September

Amounts in DKK '000

## Note

		<b>2013/14</b>	<b>2012/13</b>
3	Revenue	279,346	238,195
	Cost of sales	195,696	165,050
	<b>Gross profit</b>	<b>83,650</b>	<b>73,145</b>
4-5	Distribution expenses	56,639	52,623
4-5	Administrative expenses	17,336	18,052
	<b>Profit before financial income and expenses</b>	<b>9,675</b>	<b>2,470</b>
6	Financial income	135	240
7	Financial expenses	269	350
	<b>Profit before tax</b>	<b>9,541</b>	<b>2,360</b>
8	Corporation tax	-2,329	480
	<b>Net profit for the year</b>	<b>7,212</b>	<b>2,840</b>
	Other comprehensive income	0	0
	<b>Total comprehensive income</b>	<b>7,212</b>	<b>2,840</b>
	<b>Proposed distribution of profit</b>		
	Proposed dividend	4,613	4,613
	Retained earnings	2,599	-1,773
9	<b>Earnings per share</b>		
	Earnings per DKK 100 share	<b>31.27</b>	<b>12.31</b>
	Earnings per DKK 100 share, diluted	<b>31.27</b>	<b>12.31</b>



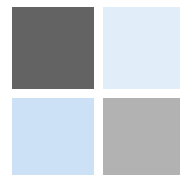


# Balance Sheet

Balance sheet assets at 30 September

Amounts in DKK '000

Note		2014	2013
	<b>Assets</b>		
	<b>Non-current assets</b>		
	<b>Intangible assets</b>		
10	Goodwill	53,085	53,085
	Customer relations	588	651
	Software	5,740	6,568
		<b>59,413</b>	<b>60,304</b>
11	<b>Property, plant and equipment</b>		
	Land and buildings	35,028	35,775
	Plant and machinery	4,376	3,329
	Other fixtures and fittings, tools and equipment	3,816	5,323
		<b>43,220</b>	<b>44,427</b>
	<b>Total non-current assets</b>	<b>102,633</b>	<b>104,731</b>
	<b>Current assets</b>		
12	Inventories	32,476	28,567
13	Receivables	46,782	45,954
	Prepayments	4,095	2,424
	Cash at bank and in hand	19,598	21,758
	<b>Total current assets</b>	<b>102,951</b>	<b>98,703</b>
	<b>Total current assets</b>	<b>205,584</b>	<b>203,434</b>

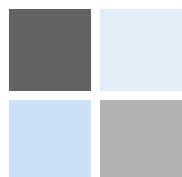


# Balance Sheet

Balance passiver pr. 30. september

Amounts in DKK '000

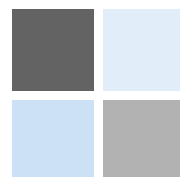
Note		2014	2013
	<b>Liabilities and equity</b>		
14	<b>Equity</b>		
	Share capital	23,063	23,063
	Revaluation reserve	1,898	1,898
	Retained earnings	131,166	128,567
	Proposed dividend	4,613	4,613
	<b>Equity</b>	<b>160,740</b>	<b>158,141</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
15	Deferred tax	9,970	10,305
	<b>Total non-current liabilities</b>	<b>9,970</b>	<b>10,305</b>
	<b>Current liabilities</b>		
16	Trade payables and other payables	32,210	33,924
	Corporation tax	2,664	1,064
	<b>Total current liabilities</b>	<b>34,874</b>	<b>34,988</b>
	<b>Total liabilities</b>	<b>44,844</b>	<b>45,293</b>
	<b>Total liabilities and equity</b>	<b>205,584</b>	<b>203,434</b>
17	Contingencies and other financial commitments		
18-22	Other notes		



# Statement of Changes in Equity

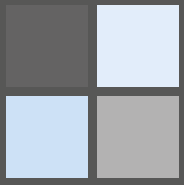
Amounts in DKK '000

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend	Total
<b>2013/14</b>					
Equity at 1 October 2013	23,063	1,898	128,567	4,613	158,141
<b>Change in equity in 2013/14</b>					
Total comprehensive income	0	0	7,212	0	7,212
Dividend paid to shareholders	0	0	0	-4,613	-4,613
Proposed dividend to shareholders	0	0	-4,613	4,613	0
<b>Total changes in equity in 2013/14</b>	<b>0</b>	<b>0</b>	<b>2,599</b>	<b>0</b>	<b>2,599</b>
Equity at 30 September 2014	23,063	1,898	131,166	4,613	160,740
<b>2012/13</b>					
Equity at 1 October 2012	23,063	1,898	130,340	2,306	157,607
<b>Change in equity in 2012/13</b>					
Total comprehensive income	0	0	2,840	0	2,840
Dividend paid to shareholders	0	0	0	-2,306	-2,306
Proposed dividend to shareholders	0	0	-4,613	4,613	0
<b>Total changes in equity in 2012/13</b>	<b>0</b>	<b>0</b>	<b>-1,773</b>	<b>2,307</b>	<b>534</b>
Equity at 30 September 2013	23,063	1,898	128,567	4,613	158,141

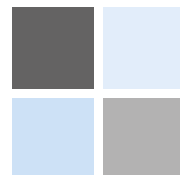


# Cash Flow Statement

	Cash Flow Statement	
	2013/14	2012/13
Net profit for the year	7,212	2,840
Adjustment for non-cash operating items etc:		
Tax on profit for the period	2,329	-480
Depreciation and amortisation	4,168	4,950
Profit or loss on sale of property, plant and equipment and financial assets	-187	-285
Financial income	-135	-240
Financial expenses	269	350
<b>Cash flows from operating activities before changes in working capital</b>	<b>13,656</b>	<b>7,135</b>
Changes in inventories	-3,909	2,497
Changes in receivables (and prepayments)	-2,498	-4,150
Changes in trade payables and other payables	-1,715	6,518
<b>Cash flows before financial income and expenses and tax</b>	<b>5,534</b>	<b>12,000</b>
Financial income, paid	135	240
Financial expenses, paid	-269	-350
Corporation tax paid	-1,064	-1,806
<b>Cash flows from operating activities</b>	<b>4,336</b>	<b>10,084</b>
Purchase of intangible assets	-89	-87
Purchase of property, plant and equipment	-1,981	-267
Sale of property, plant and equipment	187	554
<b>Cash flows from financing activities</b>	<b>-1,883</b>	<b>200</b>
Cash and cash equivalents at 30 September	-4,613	-2,306
<b>Cash flows from financing activities</b>	<b>-4,613</b>	<b>-2,306</b>
<b>Cash flows for the year</b>	<b>-2,160</b>	<b>7,978</b>
<b>Cash and cash equivalents at 1 October</b>	<b>21,758</b>	<b>13,780</b>
<b>Cash and cash equivalents at 30 September</b>	<b>19,598</b>	<b>21,758</b>



Notes



# Notes

## Note 1. Accounting policies

RIAS A/S is a public limited company registered in Denmark. The Annual Report covers the period 1 October 2013 – 30 September 2014.

The Annual Report of RIAS A/S for 2013/14, which comprises Management's Review and Financial Statements for the period 1 October 2013 – 30 September 2014, is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

On 16 December 2014, the Board of Directors and the Executive Board discussed and adopted the Annual Report of RIAS A/S for 2013/14. The Annual Report will be presented to the shareholders of RIAS A/S for adoption at the Annual General Meeting on 28 January 2015.

### Basis of preparation

The Annual Report is presented in DKK rounded off to the nearest DKK 1,000.

The Annual Report is prepared under the historical cost convention.

The accounting policies described below have been applied consistently for the financial year and for the comparative figures.

### Change of accounting policies

RIAS A/S has implemented the standards and interpretations effective for the period 1 October 2013 – 30 September 2014.

None of the new standards and interpretations have affected recognition and measurement in 2013/14; thus, profit, diluted earnings per share and balance sheet items have not been affected.

We are in the process of assessing the consequences of IFRS 15, and at the present time it is not considered to have any effect on the recognition of revenue for RIAS A/S.

### Description of accounting policies

#### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction or at an approximate rate. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the date of contracting the receivable or payable or the rates in the latest Annual Report are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are translated at the exchange rates at the transaction date.

### Income statement

#### Revenue

The sale of goods for resale and finished goods is recognised in revenue provided that delivery and transfer of risk have been made to the buyer before year end and provided that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and indirect taxes collected on behalf of a third party. All types of discounts provided are recognised in revenue as deductions.

#### Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. This includes direct and indirect costs for raw materials and consumables.

#### Distribution expenses

Distribution expenses comprise expenses incurred for the distribution of goods sold during the year and for sales campaigns etc conducted in the year. This includes expenses for sales staff, advertising and fair costs as well as depreciation and impairment losses.

#### Administrative expenses

Administrative expenses comprise expenses incurred in the year for Management and administration, including expenses for administrative staff and office premises as well as depreciation and impairment losses. Also provisions for bad debts are included.

#### Financial income and expenses

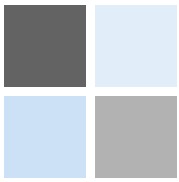
Financial income and expenses comprise interest, price/exchange gains and losses as well as impairment of securities, debt and transactions in foreign currencies. Also extra payments and repayments under the on-account taxation scheme are included.

#### Tax on profit for the year

RIAS A/S is jointly taxed with all Danish companies in the ThyssenKrupp Group. The current Danish corporation tax is distributed among the jointly tax companies in proportion to their taxable incomes.

The jointly tax companies are comprised by the joint taxation scheme.

The tax for the year consists of current tax and movements in deferred tax for the year. The tax relating to the profit for the year is recognised in the income statement, whereas the tax directly relating to items recognised in equity is recognised directly in equity.



# Notes

## Balance Sheet

### Intangible assets

Goodwill is recognised initially at cost in the balance sheet. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Company's cash generating units at the date of takeover.

Other intangible assets are measured at cost less accumulated amortisation and less any accumulated impairment losses. Other intangible assets are amortised on a straight-line basis over the expected useful lives, which are:

Customer relations 16 years  
Software 5-10 years

### Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Subsequent expenses, eg. to replace parts of an item of property, plant and equipment, are recognised in the carrying amount of the asset in question when it is probable that payment will result in future economic benefits to the Company. The replaced parts are derecognised in the balance sheet and the carrying amount is transferred to the income statement. All other expenses for ordinary repair and maintenance are recognised in the income statement as incurred.

The cost of an aggregate asset is broken down by separate components which are depreciated individually if the useful lives of the individual components are not the same. Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets, which are:

Office and warehouse buildings 10 - 30 years  
Plant and machinery 8 - 10 years  
Other fixtures and fittings, tools and equipment 3 - 10 years

The residual value of office and warehouse buildings is reassessed on a current basis and is at present 40% of cost.

Land is not depreciated.

The basis for depreciation is calculated taking into account the residual value of the asset and is reduced by any impairment losses. The residual value is determined at the date of acquisition and is reassessed annually. Where the residual value exceeds the carrying amount of the asset, depreciation ceases.

In the event of changes to the depreciation period or the residual value, the effect on depreciation is recognised prospectively as a change of accounting estimate.

Depreciation is recognised in the income statement under distribution and administrative expenses, respectively.

### Impairment of non-current assets

Goodwill is tested for impairment on an annual basis, for the first time before the end of the year of acquisition.

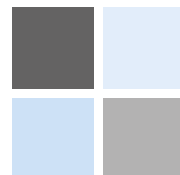
The carrying amount of goodwill is tested for impairment in the cash-generating unit to which the goodwill has been allocated and is written down to the recoverable amount over the income statement if the carrying amount is higher than the recoverable amount. The recoverable amount is stated as the net present value of future net cash flows from the enterprise or the activity (cash-generating unit) to which the goodwill is allocated.

The carrying amounts of other non-current assets are reviewed on an annual basis to determine whether there is any indication of impairment. If so, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less estimated costs to sell and value in use.

Value in use is calculated as the net present value of expected future cash flows from the asset or the cash-generating unit of which the asset forms part.

Impairment losses are recognised where the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement under distribution and administrative expenses, respectively. Impairment of goodwill is recognised on a separate line in the income statement.

Impairment of goodwill is not reversed. Impairment of other assets is reversed to the extent that assumptions and estimates underlying the impairment change. Impairment losses are reversed only where the new carrying amount of the asset does not exceed the carrying amount that the asset would have had after depreciation if the asset had not been impaired.



# Notes

## **Inventories**

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The cost of goods for resale equals landed cost with addition of any customs.

The net realisable value of inventories is calculated at selling price with deduction of costs to sell and is determined allowing for marketability, obsolescence and development in expected sales sum.

## **Receivables**

Receivables are measured at amortised cost. Provisions for bad debts are made if it is assessed that objective evidence of impairment of an individual receivable has occurred.

Impairment is calculated as the difference between the carrying amount and the expected cash flows, including the net realisable value of any security received.

## **Prepayments**

Prepayments are measured at cost.

## **Equity**

### **Dividend**

Dividend is recognised as a liability at the time of adoption at the Annual General Meeting (the time of declaration). Dividend expected to be distributed for the year is disclosed as a separate equity item.

### **Reserve for revaluation**

Reserve for revaluation comprises value adjustments relating to reassessment of the value of buildings in connection with transition to the new Danish Financial Statements Act.

### **Current tax and deferred tax**

Current tax liabilities and receivables are recognised in the balance sheet at the amount calculated on the taxable income for the year adjusted for tax on taxable incomes for prior years and for taxes paid on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences relating to goodwill not amortisable for tax purposes and other items in respect of which temporary differences – expect for business acquisitions - have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the

tax base may be made according to different tax rules, deferred tax is measured on the basis of Management's intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other non-current assets at the value at which they are expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets relating to tax liabilities are set off if the Company has a legal right to set off current tax liabilities and assets or intends to either settle current tax liabilities or assets on a net basis or to realise the assets and liabilities at the same time.

Deferred tax is measured on the basis of the tax rules and tax rates in the countries concerned that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes to deferred tax due to changed tax rates are recognised in the statement of comprehensive income for the year.

## **Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Provisions are measured based on Management's best estimate of the amount expected to be required to settle the obligation.

## **Financial liabilities**

Loans from credit institutions etc are recognised initially at fair value net of transaction expenses incurred. Subsequently, the financial liabilities are measured at amortised cost using the "effective interest method"; the difference between the proceeds and the nominal value is recognised in financial expenses in the income statement over the loan period.

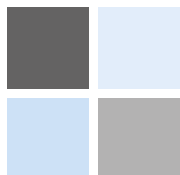
## **Leases**

For accounting purposes, leases are classified as either finance leases or operating leases.

A lease is classified as a finance lease when substantially all risks and rewards of owning the leased asset are transferred to the lessee. All other leases are classified as operating leases.

Lease payments relating to operating leases are recognised on a straight-line basis in the income statement over the term of the lease.





# Notes

## Cash flow statement

The cash flow statement shows cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated under the indirect presentation method as profit after tax adjusted for non-cash operating items, changes in working capital, interest received and paid and corporation tax paid.

Cash flows from investing activities comprise cash flows from acquisition and disposal of intangible assets, property, plant and equipment and other non-current assets as well as acquisition and disposal of securities which are not included in cash and cash equivalents.

Cash flows from financing activities comprise changes to the raising of loans, repayment of interest-bearing debt as well as dividend distribution to shareholders.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term special-term deposits which may easily be converted into cash and which are subject to only immaterial risks of value changes.

## Segment reporting

The Company has one operating segment and carries on activities within two product areas:

- Sale, processing and distribution of semi-finished plastic products to all sectors of the building and construction industry (Building & Construction).
- Sale, processing and distribution of semi-finished plastic products to the industrial and the public sector (Industry).

The operating segment consists of two sales departments for Building & Construction and Industry, respectively, which are supported by a number of joint functions such as purchasing, logistics and production, and the purchased products are used for re-sale in both Industry and Building & Construction. There are also a number of employees who carry out production and processing of products for both Industry and Building & Construction, and this also applies to employees in the two sales offices. Based on this, Management has assessed that RIAS A/S only has one operating segment.

## Financial ratios

Earnings per share and diluted earnings per share are calculated in accordance with IAS 33.

Other ratios have been calculated in accordance with the "Recommendations and Ratios 2010" issued by the Danish Society of Financial Analysts.

## Note 2. Estimates and assessments

### The uncertainty of estimates

Calculation of the carrying amount of certain assets and liabilities requires estimates, judgements and assumptions with respect to future events.

The estimates and assumptions made are, among other things, based on historical experience and other factors which Management deems justifiable in the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Due to the risks and uncertainties to which the Company is subject the actual results may deviate from the estimates made.

It may be necessary to change previous estimates due to changes in the circumstances on which the previous estimates were based or due to new knowledge or subsequent events.

Estimates which are material to the financial reporting are made by, among other means, valuation and impairment test of goodwill, receivables and write-down of inventories.

### Impairment test of goodwill

In connection with the annual impairment test of goodwill, or when indication of impairment occurs, it is assessed whether the Company will be able to generate adequate positive future net cash flows to support the value of goodwill and other net assets. The carrying amount of goodwill is DKK 53 million.

Due to the nature of the business, the estimate of expected future cash flows covers many years, which naturally gives rise to uncertainty. The uncertainty is reflected in the chosen discount rate.

The impairment test is described in detail in note 10.

### Write-down for inventory obsolescence

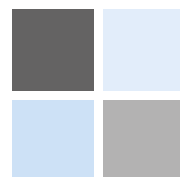
The estimated uncertainty relating to inventories concerns write-down to net realisable value. The required write-down and the uncertainty related to the estimate of net realisable value has increased compared to 2012/13 due to larger quantities being assessed as slow-moving items which have been written down to net realisable values. The Company continues to focus on further improvement of the inventory control which is supported by changes to the ERP system and procedures.

The write-down for obsolescence amounts to DKK 3,054k and is further described in note 12.

### Provisions for bad debts

Management's assessment of bad debts at the balance sheet date is based on estimates. Due to the international financial situation, the risk of loss on receivables is increasing which has been taken into consideration when assessing the provisions to be made at the balance sheet date as well as in the day-to-day management and control of receivables.

The provisions for bad debts amount to DKK 607k and are further described in note 13.



# Notes

Amounts in DKK '000

	2013/14	2012/13
<b>Note 3. Revenue</b>		
Revenue, Industry	173,062	162,414
Revenue, Building and construction	106,284	75,781
	<b>279,346</b>	<b>238,195</b>

Sales outside Denmark amount to 7% of the Company's revenue. All non-current assets are placed in Denmark.

The Group's products are mainly sold to Danish customers. Sales are distributed on a large number of different products and customers. No single customer accounts for more than 10% of total sales.

## Note 4. Depreciation and amortisation

Depreciation and amortisation are included in distribution expenses as follows:

Amortisation of intangible assets	71	139
Depreciation of property, plant and equipment	2,883	2,597
	<b>2,954</b>	<b>2,736</b>

Depreciation and amortisation are included in administrative expenses as follows:

Amortisation of intangible assets	908	1,068
Depreciation of property, plant and equipment	306	1,146
	<b>1,214</b>	<b>2,214</b>

Total depreciation and amortisation	<b>4,168</b>	<b>4,950</b>
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## Note 5. Staff

Wages and salaries	37,522	36,010
Pensions, defined contribution plan	4,874	4,696
Remuneration to the Executive Board	1,801	1,801
Pension to the Executive Board	144	144
Fee to the Board of Directors	90	90
Other social security expenses	1,075	1,063
	<b>45,506</b>	<b>44,077</b>

Average number of fulltime employees	<b>90</b>	<b>92</b>
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Number of fulltime employees at 30 September	<b>93</b>	<b>90</b>
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Total remuneration to the Executive Board	1,945	1,945
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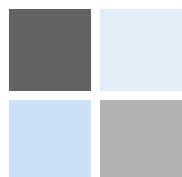
Total remuneration to the Executive Board	2,035	2,035
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## Note 6. Financial income

Interest, cash at bank and in hand, etc	129	200
Exchange gains	6	40
	<b>135</b>	<b>240</b>

## Note 7. Financial expenses

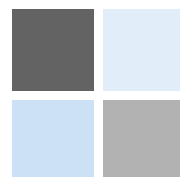
Interest, credit institutions etc	142	128
Exchange losses	127	222
	<b>269</b>	<b>350</b>



# Notes

Amounts in DKK '000

	<b>2013/14</b>	<b>2012/13</b>
<b>Note 8. Corporation tax</b>		
Current tax for the year	2,664	1,064
Deferred tax for the year	-335	-1,544
	<b>2,329</b>	<b>-480</b>
24.5% tax calculated on profit for the year	2,337	591
Tax effect of non-deductible costs	51	63
Adjustment of deferred tax due to reduction of the tax rate	-59	-1,134
	<b>2,329</b>	<b>-480</b>
Effective tax rate	24,4%	27,7%
<p>The Company is jointly and severally liable for accrued corporation tax in the Danish joint taxation. ThyssenKrupp Elevator A/S is the management company."</p>		
<b>Note 9. Earnings per share</b>		
Net profit for the year	7,212	2,840
Average number of shares, DKK 100	230,630	230,630
Earnings per DKK 100 share	<b>31.27</b>	<b>12.31</b>
Earnings per DKK 100 share, diluted	<b>31.27</b>	<b>12.31</b>



# Notes

Amounts in DKK '000

<b>Note 10. Intangible assets</b>	<b>Goodwill</b>	<b>Customer relations</b>	<b>Software</b>	<b>Total</b>
Cost at 1 October 2013	53,085	1,000	22,901	76,986
Additions for the year	0	0	89	89
<b>Cost at 30 September 2014</b>	<b>53,085</b>	<b>1,000</b>	<b>22,990</b>	<b>77,075</b>
Amortisation at 1 October 2013	0	-349	-16,333	-16,682
Amortisation for the year	0	-63	-917	980
<b>Amortisation at 30 September 2014</b>	<b>0</b>	<b>-412</b>	<b>-17,250</b>	<b>-17,662</b>
<b>Carrying amount at 30 September 2014</b>	<b>53,085</b>	<b>588</b>	<b>5,740</b>	<b>59,413</b>
Cost at 1 October 2012	53,085	1,000	22,814	76,899
Additions for the year	0	0	87	87
<b>Cost at 30 September 2013</b>	<b>53,085</b>	<b>1,000</b>	<b>22,901</b>	<b>76,986</b>
Amortisation at 1 October 2012	0	-287	-15,188	-15,475
Amortisation for the year	0	-62	-1,145	-1,207
<b>Amortisation at 30 September 2013</b>	<b>0</b>	<b>-349</b>	<b>-16,333</b>	<b>-16,682</b>
<b>Carrying amount at 30 September 2013</b>	<b>53,085</b>	<b>651</b>	<b>6,568</b>	<b>60,304</b>

## Impairment test

### Goodwill

At 30 September 2014, Management has tested the carrying amount of goodwill for impairment based on the cost allocation made of goodwill to the cash-generating unit.

Amounts in DKK '000

	<b>2014</b>	<b>2013</b>
RIAS A/S	53,085	53,085

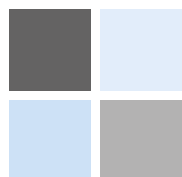
The recoverable amount is based on the value in use, which is determined on the basis of expected net cash flows according to approved budgets and substantiated projections and with a discount rate after tax of 8.2% (2012/13: 8.2%).

The estimation of gross profit in the budget and estimate period is based on historical gross profits and amounts to 29-35%. Expectations for an increase in sales of approximately 8% and an increase in EBIT to approximately DKK 14 million due to streamlining are included in the budget period of the impairment test. In the terminal period of the impairment test, assumptions about significant sales increases or streamlining are not included. Thus, growth rates exceeding 2.0% (2012/13: 2.0%) are not applied in the estimate period.

The average growth rate applied to extrapolate projected net future cash flows for the years following 2019 is estimated at 2.0% (2012/13: 2.0%). The growth rate is not assessed to exceed the long-term average growth rate in the Company's markets.

Management assesses that the discount rate after tax may increase to 10.3% or that growth in the terminal period may fall to 1.2% (all other things being equal) without resulting in the carrying amount of goodwill exceeding the recoverable amount.

In order to generate more value creating earnings, Management has carried through dedicated staff training specifically aimed at customer focus. Based on specific operating targets, Management carries out assessments and follow-up on a current basis to secure expected sales and earnings.



# Notes

Amounts in DKK '000

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
<b>Note 11. Property, plant and equipment</b>				
Cost at 1 October 2013	61,906	14,513	22,896	99,315
Additions for the year	0	1,981	0	1,981
Disposals for the year	0	-2,775	-699	-3,474
<b>Cost at 30 September 2014</b>	<b>61,906</b>	<b>13,719</b>	<b>22,197</b>	<b>97,822</b>
Depreciation at 1 October 2013	-26,131	-11,184	-17,573	-54,888
Depreciation for the year	-747	-934	-1,507	-3,188
Reversed depreciation on disposals for the year	0	2,775	699	3,474
<b>Depreciation at 30 September 2014</b>	<b>-26,878</b>	<b>-9,343</b>	<b>-18,381</b>	<b>-54,602</b>
<b>Carrying amount at 30 September 2014</b>	<b>35,028</b>	<b>4,376</b>	<b>3,816</b>	<b>43,220</b>

Cost at 1 October 2012	61,906	14,349	25,066	101,321
Additions for the year	0	164	103	267
Disposals for the year	0	0	-2,273	-2,273
<b>Cost at 30 September 2013</b>	<b>61,906</b>	<b>14,513</b>	<b>22,896</b>	<b>99,315</b>
Depreciation at 1 October 2012	-25,383	-10,246	-17,521	-53,150
Depreciation for the year	-748	-938	-2,057	-3,743
Reversed depreciation on disposals for the year	0	0	2,005	2,005
<b>Depreciation at 30 September 2013</b>	<b>-26,131</b>	<b>-11,184</b>	<b>-17,573</b>	<b>-54,888</b>
<b>Carrying amount at 30 September 2013</b>	<b>35,775</b>	<b>3,329</b>	<b>5,323</b>	<b>44,427</b>

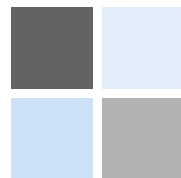
## Note 12. Inventories

Inventories are specified as follows:

	2014	2013
Goods for resale	34,849	30,987
Work in progress	681	449
<b>Inventories at 30 September</b>	<b>35,530</b>	<b>31,436</b>
Write-down at 1 October	-2,869	-3,381
Reversed write-down made in previous years	907	1,536
Write-down for the year	-1,092	-1,024
<b>Write-down at 30 September</b>	<b>-3,054</b>	<b>-2,869</b>
	<b>32,476</b>	<b>28,567</b>

Reversal of write-down made in previous years is due to improved inventory control supported by changes to the ERP system and procedures. For the financial year 2014/15, we will further intensify the sales effort with a view to selling inventories in respect of which we presently assess that write-down is required.

Adjustments relating to write-down of inventories are included in cost of sales.



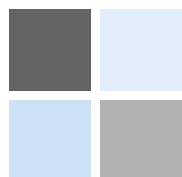
# Notes

Amounts in DKK '000

<b>Note 13. Receivables</b>	<b>2014</b>	<b>2013</b>
Trade receivables	44,185	45,783
Receivables from group enterprises	1,801	120
Other receivables	796	51
	<b>46,782</b>	<b>45,954</b>
Insured trade receivables	33,371	35,315
Trade receivables not insured (maximum credit risk)	10,814	10,468
<b>Trade receivables at 30 September</b>	<b>44,185</b>	<b>45,783</b>
Provisions for bad debts are specified as follows:		
Provisions at 1 October	-928	-851
Realised in the year	519	209
Reversed	63	109
Provisions for the year	-261	-395
<b>Provisions at 30 September</b>	<b>-607</b>	<b>-928</b>
Moreover, trade receivables which are overdue at 30 September but not provided for are included as follows:		
Period overdue:		
Up to 30 days	784	4,078
Between 30 and 90 days	318	371
More than 90 days	750	329
	<b>1,852</b>	<b>4,778</b>
Including insured receivables of	950	3,502

Interest income relating to trade receivables is recognised as payment is received.

Provisions for bad debts are made on a current basis. Adjustments to the provisions are included in distribution expenses.



# Notes

## Note 14. Equity

### Share capital

The Company's share capital of DKK 23,063k is distributed on DKK 3,125k A-shares and DKK 19,938k B-shares. The share capital is fully paid up. The A-shares, which are non-negotiable, carry 10 votes per DKK 100 share, see clause 11 of the articles of association.

The B-shares, which are negotiable, carry 1 vote per DKK 100 share, see clause 11 of the articles of association.

### Capital management

RIAS A/S assesses on a current basis the need to adjust the capital structure to balance the high requirements to return on equity against the increased uncertainty related to loan capital. The equity share of total assets was 78% at 30 September 2014 (30 September 2013: 78%). The solvency ratio target is 70-80%.

The target for return on equity is 8-10%. Realised return on equity before tax was 6% in 2013/14 (2012/13: 1.5%).

It is RIAS A/S's dividend policy that the shareholders should earn a return on their investments in the form of price increases and dividend which exceed a risk-free bond investment. Payment of dividend should be made with consideration to the required consolidation of equity as basis for the Company's continued expansion.

### Dividend

Dividend of DKK 4,613k (2012/13: DKK 4,613k) is proposed, corresponding to dividend per share of DKK 20 (2012/13: DKK 20).

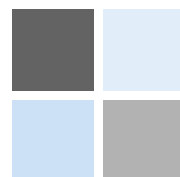
On 4 February 2014, RIAS A/S paid dividend to its shareholders of DKK 4,613k (2011/12: DKK 2,306k), corresponding to dividend per share of DKK 20 (2011/12: DKK 10).

The distribution of dividend to the shareholders of RIAS A/S has no tax consequences for RIAS A/S.

Amounts in DKK '000

	<b>2014</b>	<b>2013</b>
<b>Note 15. Deferred tax</b>		
Balance at 1 October	10,305	11,849
Adjustment for the year of deferred tax	-335	-1,544
<b>Balance at 30 September</b>	<b>9,970</b>	<b>10,305</b>
Deferred tax relates to:		
Buildings	4,521	4,483
Operating equipment	645	721
Intangible assets	4,683	4,973
Other temporary differences	121	128
	<b>9,970</b>	<b>10,305</b>

At the calculation of deferred tax, temporary differences due to reduction of the tax rate have been included.



# Notes

	<b>2014</b>	<b>2013</b>
<b>Note 16. Trade payables and other payables</b>		
Trade payables	12,796	16,484
Payables to group enterprises	458	439
Accrued VAT	4,572	4,602
Holiday pay obligation	5,009	4,959
Accrued promotion expenses	6,755	4,940
Other payables	2,620	2,500
	<b>32,210</b>	<b>33,924</b>

## **Note 17. Contingencies and other financial commitments**

The Company is a party to a few pending complaints. In Management's opinion, the outcome of these complaints will not affect the Company's financial position except for the receivables and commitments which have been recognised in the balance sheet at 30 September 2014.

## **The Company as lessee**

The Company leases properties and operating equipment under operating leases.

The lease term is typically a period of between two to six years with the possibility of extension after expiry. Under the terms of the leases there are no conditional lease payments.

Payments under interminable operating leases appear as follows:

	<b>2014</b>	<b>2013</b>
0-1 year	4,394	4,213
1-5 years	5,006	8,309
	<b>9,400</b>	<b>12,522</b>

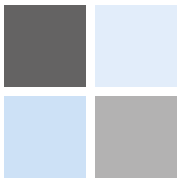
For 2013/14, DKK 4,044k (2012/13: DKK 3,909k) has been recognised in the Company's income statement.

## **Note 18. Fees to auditors appointed at the General Meeting**

PWC:

Statutory audit	375	425
Tax advisory services	12	19
Non-audit services	102	59
	<b>489</b>	<b>503</b>





# Notes

## Note 19. Financial risks

### Financial risks

The Company does not speculate in financial risks, and the Company's management of such exposures focuses exclusively on managing financial risks that are a direct consequence of the Company's operations and financing.

The Company has no derivative financial instruments.

### Interest rate risks

The Company does not enter into interest rate positions to hedge against interest rate exposures as moderate changes in the interest rate level will have no material effect on the Company's earnings and equity. The sensitivity to interest rate risks is low and mainly relates to cash at bank and in hand and overdraft facilities. Optimisation is currently made to ensure that deposits are set off against drawings on overdraft facilities thus minimising interest expenses.

### Credit risks

The Company's credit risks relate to trade receivables which arise when the Company carries through sales in respect of which prepayments are not received. The Company's policy for assuming credit risks implies that all customers are credit rated upon creation and on a current basis. If the credit rating of the customer is not satisfactory, separate security in respect of the sale is required. The primary instrument to hedge unsecured payments is to take out credit insurance which covers up to 90% of the total receivable exclusive of VAT. Credit insurance is taken out with Euler Hermes credit insurance. If credit insurance cannot be taken out in respect of a customer, the customer is carefully assessed based on internal credit limits, or prepayment is requested.

The management of the credit exposure is based on internal customer credit limits. The credit limits are determined on the basis of the creditworthiness of the customers with consideration to the current market situation.

Provisions for bad debts are made to the extent necessary.

Amounts in DKK '000

Classes of financial assets and liabilities	2013/14	2012/13
<b>Financial assets:</b>		
Lending and receivables	46,782	45,954
<b>Financial liabilities:</b>		
Financial liabilities at amortised cost	32,706	33,924

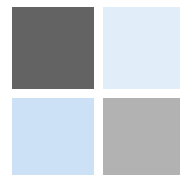
### Foreign exchange risks

The Company is only to a limited extent exposed to the development in foreign exchange. Almost all trading takes place in DKK or EUR. As the foreign exchange risk relating to DKK/EUR is considered very low, the Company does not hedge its net debt in foreign currency.

### Liquidity risks

The Company's liquidity reserve consists of cash holdings. The Company's aim is to have adequate liquidity resources to be able to carry on appropriate operating activities in case of liquidity fluctuations.

The Company only has debt which falls due within one year, cf. the balance sheet. The payment of this debt, DKK 34.9 million, can be fully covered by payments from receivables.



# Notes

## Note 20. Related parties and related party transactions

Controlling interest: ThyssenKrupp Facilities Services GmbH, which holds all the A-shares of RIAS A/S, exercises control over the Company. RIAS A/S has registered the following shareholders as holding 5% or more of the share capital:

- 54.15% ThyssenKrupp Facilities Services GmbH

### Other related parties:

The Company's related parties comprise the Company's Board of Directors and the Executive Board and family members of these persons. Moreover, related parties include the ThyssenKrupp Group in which the above-mentioned persons have significant interests.

There have been no transactions with the Board of Directors, the Executive Board, senior officers, significant shareholders or other related parties, except for the payment of remuneration, including legal assistance.

The Annual Report of the ultimate Consolidated Financial Statements in which RIAS A/S is included as a subsidiary may be obtained from: ThyssenKrupp AG, ThyssenKrupp Allee 1, 45143 Essen, Germany, or may be obtained at: <http://www.thyssenkrupp.com/en/investor/index.html>

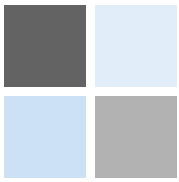
	Amounts in DKK '000	
	2013/14	2012/13
Trade with companies in ThyssenKrupp:		
Other income	1,590	1,581
Sale of goods and services	24	56
Purchase of goods and services	3,856	4,189
Legal assistance from Lund Elmer Sandager (Board Member)	172	156

## Note 21. Subsequent events

No material events have occurred after 30 September 2014.

## Note 22. Accounting regulation

A number of new IFRS and interpretations have been issued which RIAS A/S are not required to follow in connection with the preparation of the Annual Report for 2013/14. None of these are expected to have any material effect on the financial reporting of RIAS A/S for 2014/15.



# Management's Statement

## Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of RIAS A/S for 2013/14.

The Annual Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2014 and of the results of the Company operations and cash flows for the financial year 1 October 2013 – 30 September 2014.

In our opinion, Management's Review provides a true and fair account of the development of Company's activities and financial circumstances, the profit for the year, cash flows and financial position as well as a description of the most material risks and uncertainties that may affect the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Roskilde, 16 December 2014

## EXECUTIVE BOARD



Henning Hess  
CEO

## BOARD OF DIRECTORS



Jürgen Westphal  
Chairman



Steen Raagaard Andersen  
Vice-chairman



Peter Swinkels  
Board Member



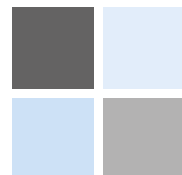
Dieter Wetzel  
Board Member



June Svendsen  
Employee representative



Søren Koustrup  
Employee representative



# Independent Auditor's Report

## To the Shareholders of RIAS A/S

### Report on the Financial Statements

We have audited the Financial Statements of RIAS A/S for the financial year 1 October 2013 – 30 September 2014 which comprise statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies. The Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true

and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

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

The audit has not resulted in any qualification.

### Opinion

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 30 September 2014 and of the results of the Company's operations and cash flows for the financial year 1 October 2013 – 30 September 2014 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

### Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Hellerup, 16 December 2014

**PricewaterhouseCoopers**

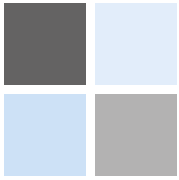
Statsautoriseret Revisionspartnerselskab



Jens Otto Damgaard  
Statsautoriseret revisor



Torben Nørskov Jensen  
Statsautoriseret revisor



# The History of RIAS

- 1959** Knud E. Jacobsen establishes RIAS (Roskilde Industri Aktieselskab) in Roskilde. The Company manufactures formed acrylic sheets.
- 1963** The activities are supplemented by distribution of semi-finished plastic products.
- 1973** Subsidiary is established in Stockholm.
- 1975** Subsidiary is established in Oslo.
- 1985** RIAS is listed on the Copenhagen Stock Exchange.
- 1987** The family of Knud E. Jacobsen sells the controlling interest to the Finnish Amer Group.
- 1990** The Amer Group sells its shareholding to Thyssen Handelsunion AG, Germany. In the following months and years, the activities of the foreign subsidiaries are discontinued and, hereafter, RIAS concentrates on its core activity in the Danish market.
- 1997** RIAS expands its leading position in the Danish market for semi-finished plastic products by taking over the plastic activities of Tibnor Danmark.
- 1999** RIAS takes over the processing enterprise Akni Plast, now called RIPRO (RIAS Produktion), as part of the strategy to offer customers high-quality craftsmanship and industrial processing of semi-finished plastic products, including laser cutting, milling, folding, drilling, gluing and polishing.
- 2002** RIAS takes over the activities of RODENA and thus strengthens its position significantly as a supplier of plastic and related products for DIY markets in Scandinavia.
- 2006** A modern warehouse of 2400 sqm is opened, and all activities are concentrated at Industrivej in Roskilde. At the same time, the administration is renovated and expanded with new meeting facilities and reception area.
- 2008** RIAS takes over all shares of Nordisk Plast.
- 2009** Nordisk Plast opens a new modern warehouse of 6,000 sqm as well as administration premises in Assentoft near Randers.
- 2010** RIAS merges with the subsidiary Nordisk Plast at the beginning of October 2010.
- 2013** RIAS establishes a sales organisation in Sweden.

for some it is just plastic  
- for us it represents 100,000 opportunities

RIAS A/S  
Industrivej 11  
Postbox 179  
DK - 4000 Roskilde  
Tlf. +45 46 77 00 00  
Fax +45 46 77 00 10  
[www.rias.dk](http://www.rias.dk)  
CVR nr. DK 44065118

