

STOCK EXCHANGE AND PRESS RELEASE

Gabriel Holding A/S
Financial Statement Release 2015/16

GABRIEL HOLDING A/S REALISES ORGANIC GROWTH OF 17% IN REVENUE AND AN INCREASE OF 60% IN PROFIT BEFORE TAX IN THE 2015/16 FINANCIAL YEAR

Summary

The financial year was marked by growth in a stable to mildly increasing market. The organic revenue growth of 17% is a result of growth in all business areas and in most geographical markets.

The 60% improvement in profit is a result of revenue realised above expectations and of productivity improvements across the Group.

It should also be noted that the year of comparison, 2014/15, was influenced by substantial start-up costs for upholstery production in Poland.

In March 2016, the sale of the subsidiary Gabriel Ejendomme A/S was initiated. The financial statements therefore classify the subsidiary as discontinuing its activity.

Towards the end of the financial year, the Group's American operating company started up an upholstery production unit. This is expected to lead to one-off start-up costs in the 2016/17 financial year.

In November 2016, the operating company Gabriel A/S bought 100% of the share capital of the English screen manufacturer Screen Solutions Ltd.

Selected financial ratios:

- Revenue increased to DKK 390.4 million (DKK 334.8 million).
- The operating profit (EBIT) on continuing activities was DKK 39.4 million (DKK 25.7 million).
- The operating margin was 10.1% (7.7%).
- The profit before tax on continuing activities was DKK 42.7 million (DKK 26.8 million).
- The profit after tax was DKK 34.3 million (DKK 21.5 million).
- Return on invested capital (ROIC) before tax was 19.6% (12.3%).
- Earnings per share (EPS) increased to DKK 18.1 (DKK 11.2).
- Cash flows from operations in the period were DKK 33.5 million (DKK 18.2 million).
- The Board of Directors proposes a dividend of DKK 7.25 per DKK 20 share.

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The market for contract furniture is expected to increase slightly in 2016/17 and management judges that growth is possible in both revenue and earnings. Based on the Group's outreach activities and constantly increasing initiatives in the field of development and sales activities, organic growth of 10% is expected. The acquisition which was made is expected to contribute growth of 10%, meaning that total growth for 2016/17 is expected to be 20%.

However, the Group's expected earnings for the financial year will be influenced, in particular, by the current establishment of upholstery production in the USA and by the acquisition implemented in England. Both are expected to contribute to the Group's growth, but one-off start-up and implementation costs are also involved. On this basis an increase of 0-5% is expected in profit before tax.

The expectations for the 2016/17 financial year are thus growth in revenue of the order of 20% and an increase of 0-5% in profit before tax.

The Board of Directors recommends that the general meeting of Gabriel A/S, to be held on 14 December 2016, should approve the following:

- to pay a dividend of DKK 7.25 per DKK 20 share;
- to re-elect directors Jørgen Kjær Jacobsen, Hans O. Damgaard and Søren B. Lauritsen as board members appointed by the general meeting, and to elect Group CFO Pernille Fabricius as a new member of the Board of Directors, following the death of director Kai Taidal in September 2016;
- to re-elect KPMG Statsautoriseret Revisionspartnerselskab as auditors; and
- to update the company's Articles of Association in response to the entry into force of the new Companies Act.
- The annual report is recommended for approval at the company's general meeting to be held at 2:00 p.m. on Thursday 14 December 2016 at the company's office in Aalborg.

The official annual report is published on the company's website and the printed version of the report will be available on 3 December 2016 at the company's office.

This is a translation of the original Danish text. In the event of discrepancies between the Danish and English texts, the Danish version shall prevail