



NASDAQ OMX Copenhagen A/S
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Roskilde, 17 May 2017

RIAS A/S

HALF-YEAR REPORT FOR THE PERIOD

1 October 2016 – 31 March 2017

CVR 44 06 51 18

Company Announcement No 7 of 17 May 2017



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Management's Review

Company Announcement 17 May 2017

The Board of Directors has today adopted the Half-year Report for the period 1 October 2016 – 31 March 2017.

The half-year in outline:

Operations:

- Revenue increased by 0.3% to DKK 120,858k. The overall, positive development is the result of a differentiated trend; revenue of the Industry Division increased, whereas revenue of the Building & Construction Division declined.
- The sound development of the Industry Division reflects the fact that the activities in the industrial sector have increased and that, consequently, the demand for the technical plastic products of the Industry Division has been increasing, whereas the sale of advertising-based products has declined.

This development is equally distributed on the domestic market and export markets. The declining revenue of the Building & Construction Division is mainly due to weak sales of the Division's products as a result of low building market activities in Q1, and the very mild winter and strongly increasing sales at the end of Q2 were not able to compensate for the very slow sales in Q1.

- Capacity costs are lower than last year, which is due to the continued efforts of developing and streamlining the organisation and, thus, reducing costs.
- In second half-year, the Company expects to see positive revenue growth due to, among other things, heavily increasing plastic materials prices, which are expected to continue for the rest of the year, and the main sales of the Building & Construction Division being realised in second half-year, but also due to second half-year historically always showing better results than first half-year.
- Based on the above, the Board of Directors has an unchanged expectation to profit before tax in the range of DKK 7-9 million for financial year 2016/17 compared to a profit before tax of DKK 7.9 million last year.

Henning Hess, CEO, comments as follows on the Interim Financial Statements:

"Overall, H1 has shown satisfactory results, particularly in view of the very weak Q1 where revenue in almost all areas did not meet expectations. However, Q2 made up for this, and we noted slightly increasing revenue for first half-year".

"During the past six months, we continued our development of the organisation and the Company. Industry 4.0 and digitalisation are some of the areas on which we are focusing, and in conjunction with the continuing push in our growth areas, the export to Sweden, additive manufacturing (3D printing) and the expansion of the processing department, we have a sound basis for the further development of RIAS A/S".

Financing

During the first half-year, the Company has had positive cash flows from operating activities of DKK 1,583k. This is primarily due to changes in the working capital.

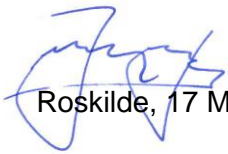
Investments

Total net investments for the period in intangible assets, property, plant and equipment and fixed asset investments amounted to DKK 55k in the first half-year 2016/17 compared to an investment of DKK 554k in the first half-year 2015/16. In the first half-year 2016/17, investments consisted of IT equipment.

Expectations for the second half-year 2016/17

Based on satisfactory results in the first six months of the year, we expect that continued increasing plastic materials prices for the rest of the year, a traditionally higher level of activity in second-half, a continued positive development in strategic areas and improved economy will contribute positively to the bottom line.

Based on this, the Board of Directors maintains its expectations for a profit before tax in the range of DKK 7-9 million.



Roskilde, 17 May 2017

Henning Hess
CEO

Financial Highlights

Income statement (DKK million)	1/10-2016- 31/3-2017	1/10-2015- 31/3-2016	1/10-2015- 30/9-2016
Revenue	120.8	120.5	266.2
Cost of sales	83.5	83.2	184.8
Gross profit	37.3	37.3	81.5
Capacity costs	34.4	34.9	68.9
Depreciation and amortisation	2.0	2.0	4.3
Profit/loss before financial income and expenses	0.9	0.4	8.3
Financial income	0.1	0.1	0.1
Financial expenses	0.3	0.2	-0.5
Profit/loss before tax	0.7	0.3	7.9
Tax on profit/loss for the period	0	0.0	1.7
Net profit/loss for the period	0.7	0.3	6.3
Balance sheet, end of period (DKK million)			
Non-current assets	98.5	98.0	100.3
Current assets	97.7	93.8	108.3
Assets	196.2	191.8	208.6
Equity	158.6	156.5	162.5
Non-current liabilities	9.4	9.7	9.4
Current liabilities	28.2	25.6	36.7
Liabilities and equity	196.2	191.8	208.6
Cash flows (DKK million)			
Cash flows from operating activities	1.6	8.7	15.8
Cash flows from investing activities	0.0	-0.6	-4.7
Cash flows from financing activities	-4.6	-4.1	-4.2
Total cash flows	-3.8	4.0	6.9
Average number of full-time employees	93	91	92

Financial ratios:			
Accounting ratios:			
Gross margin	31%	31%	31%
Profit margin	1%	0%	3%
Solvency ratio, end of period	81%	80%	78%
Share ratios:			
Earnings per DKK 100 share	3.0	1.3	27
Earnings per DKK 100 share, diluted	3.0	1.3	27
Book value per DKK 100 share, end of period	689	673	705
Market price per DKK 100 share, end of period	427	400	390

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33 "Earnings per share". Other financial ratios have been calculated in accordance with "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

Definitions of financial ratios:

Gross margin is calculated as gross profit in % of revenue.

Profit margin is calculated as profit/loss before financials and tax in % of revenue.

Book value per DKK 100 share is calculated as equity end of period divided by 1/100 of the share capital.

Earnings per DKK 100 share are calculated as profit/loss for the period divided by 1/100 of the share capital after deduction of the Company's holding of own shares end of period.

Diluted earnings per DKK 100 share are calculated as profit/loss for the period divided by 1/100 of the share capital after deduction of the Company's holding of own shares end of period – diluted.

Solvency ratio is calculated as equity end of period in % of balance sheet total end of period.

Development in the Company's activities

Revenue for the period increased by DKK 348k from DKK 120,505k in 2015/16 to DKK 120,853k in 2016/17.

Revenue for the period of the Industry Division increased by DKK 1,145k from DKK 89,261k in 2015/16 to DKK 90,406k in 2016/17. This increase is primarily driven by the product groups containing technical plastic for the industrial sector, whereas the sale of advertising-based products has declined slightly

Revenue for the period of the Building & Construction Division declined by DKK 797k from DKK 31,244k in 2015/16 to DKK 30,447k in 2016/17. The decline in the six-month period is primarily due to roofing product sales having been weak, and to the fact that building markets generally see a weak development in these product groups during the winter period.

Gross profit for the period is stable compared to first half-year 2015/16 amounting to DKK 37,317k in 2015/16 and in 2016/17 amounting to DKK 37,400k. The gross margin ratio is stable with 30.9% in both periods.

Capacity costs for the period decreased by DKK 365k from DKK 34,875k in 2015/16 to DKK 34,510k in 2016/17.

Depreciation and amortisation decreased by DKK 91k from DKK 1,967k in the first half-year 2015/16 to DKK 1,876k in the first half-year 2016/17.

Net financial expenses for the period, DKK 150k in 2015/16, decreased by DKK 91k, amounting to DKK 59k in 2016/17.

Profit/loss before tax shows a gain of DKK 721k in the first half-year 2016/17 compared to a gain of DKK 292k in the first half-year 2015/16.

Net profit/loss after tax shows a gain of DKK 631k in the first half-year 2016/17 compared to a gain of DKK 248k in the first half-year 2015/16.

Balance sheet and capital resources

Compared to 31 March 2015, the balance sheet total at 31 March 2017 increased by DKK 4,315k to DKK 196,176k.

Intangible assets decreased from DKK 58,454k at 31 March 2016 to DKK 57,344k at 31 March 2017. The reduction in intangible assets is due to amortisation in the period. The most material intangible asset is goodwill of DKK 53,085k, which is attributable to the acquisition of the activities of Rodena A/S and Nordisk Plast A/S. An impairment test of the goodwill values was performed at 30 September 2016. No impairment test was performed in connection with the Half-year Report.

Property, plant and equipment increased by DKK 1,589k to DKK 41,149k from DKK 39,610k.

Current assets increased by DKK 3,886k to DKK 97,683k from DKK 93,797k.

Inventories decreased from DKK 32,829k at 31 March 2016 to DKK 30,435k at 31 March 2017.

Receivables increased from DKK 34,996k to DKK 41,658k.

Total liabilities increased from DKK 35,328k to DKK 37,626k. Current liabilities increased from DKK 25,627k to DKK 37,626k.

Cash flows

Operating activities:

Cash flows from operating activities decreased from DKK 8,732 in the first half-year 2015/16 to DKK 1,583k in the first half-year 2016/17, which is primarily attributable to changes in the working capital.

Investing activities:

Cash flows from investing activities decreased from DKK 554k in the first half-year 2015/16 to DKK 55k in the first half-year 2016/17. During the period, new investments were made in IT equipment.

Cash at bank and in hand decreased by DKK 233k to DKK 21,691k at 31 March 2017 from DKK 21,924k at 31 March 2016. The capital resources are considered satisfactory.

Special risks

Operating risks

Unforeseen price fluctuations and discontinuation of trade with large 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 thus the management of the Company solely focuses 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 agreements to hedge against interest rate exposure as moderate changes in the level of interest will not have any material effect on earnings.

Credit risks

The Company's credit risks relate to trade receivables.

It is the Company's policy 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 when necessary.

Foreign exchange risks

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

Liquidity risks

The Company only has debts falling due within one year, see the balance sheet. Payment of the amount, DKK 28.2 million, can be fully covered by payments from receivables.

Knowledge resources

The Company has specific knowledge and competence within the area of trade in plastic semi-manufactures.

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

During the first half-year 2016/17, the Company's number of full-time employees averaged 93, an increase of 2 compared to the first half-year 2015/16.

Environment

The Company continuously strives to limit environmental impact. However, the environmental impact is in itself insignificant as the activities of the Company mainly comprise the distribution and sale of plastic semi-manufactured, but not manufacturing.

The Company is not involved in any environmental lawsuits.

Research and development activities

The Company has no specific research activities, but is continuously developing its business and competence.

Shareholder information

Share capital:

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

A shares, which are non-negotiable instruments, carry 10 votes per DKK 100 share, see article 11 of the Articles of Association. B shares, which are negotiable instruments, carry 1 vote per DKK 100 share, see article 11 of the Articles of Association.

The B-shares are listed on NASDAQ OMX Copenhagen A/S.

The Board of Directors and the Executive Board do not hold any shares in RIAS A/S.

Any amendment of the Company's Articles of Association requires 2/3 of the share capital to be represented at the General Meeting, and the proposed amendment must be adopted by 2/3 both of the votes cast and of the share capital represented at the General Meeting.

Contact, Investor Relations:

For more information concerning investor relations and the share market, please contact:

Henning Hess, CEO
Tel: +45 46 77 00 00
E-mail: hh@rias.dk

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Half-year Report of RIAS A/S for the period 1 October 2016 – 31 March 2017.

The Half-year Report, which has not been audited or reviewed by the Company's auditor, is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU as well as Danish disclosure requirements for listed companies.

In our opinion, the Half-year Report gives a true and fair view of the financial position at 31 March 2017 of the Company and of the results of the Company's operations and cash flows for the period 1 October 2016 – 31 March 2017.

Moreover, in our opinion, Management's Review gives a true and fair view of the development in the Company's activities and finances, the results for the period and the Company's financial position as a whole as well as a description of the most significant risks and elements of uncertainty to which the Company is exposed.

Roskilde, 17 May 2017
 Executive Board:



Henning Hess
 CEO

Board of Directors:



Jürgen Westphal
 Chairman



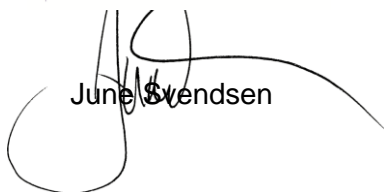
Steen Raagaard Andersen
 Vice-chairman



Peter Swinkels



Dieter Wetzel
 Dieter Wetzel



June Svendsen



Søren Koustrup
 Søren Koustrup

Statement of Comprehensive Income

Amounts in DKK '000	Note	1/10 2016- 31/3 2017	1/10 2015- 31/3 2016	1/10 2015- 30/9 2016
Revenue	3	120.853	120.505	266.244
Cost of sales		83.453	83.188	184.755
Gross profit		37.400	37.317	81.489
Distribution expenses		28.247	28.196	55.508
Administrative expenses		8.263	8.679	17.697
Profit/loss before financial income and expenses		890	442	8.284
Financial income		106	86	166
Financial expenses		275	236	546
Profit/loss before tax		721	292	7.904
Tax on profit/loss for the period		-90	-44	-1.657
Net profit/loss for the period		631	248	6.247
Other comprehensive income		0	0	0
Comprehensive income for the period		631	248	6.247

Earnings per share:

Earnings per share	3	1	27
Earnings per share, diluted	3	1	27

Balance Sheet

Amounts in DKK '000	Note	31/3 2017	31/3 2016	30/9 2016
<u>Assets</u>				
Non-current assets				
Intangible assets	4	57.344	58.454	57.899
Property, plant and equipment	5	41.149	39.610	42.415
Total non-current assets		98.493	98.064	100.314
Current assets				
Inventories	6	30.435	32.829	28.280
Receivables	7	41.658	34.996	51.758
Prepaid Tax		0	0	0
Prepayments		3.899	4.048	3.514
Cash at bank and in hand		21.691	21.924	24.776
Total current assets		97.683	93.797	108.329
Total assets		196.176	191.861	208.643
<u>Liabilities and equity</u>				
Equity		158.550	156.533	162.532
Liabilities				
Non-current liabilities				
Deferred tax		9.387	9.701	9.387
Total non-current liabilities		9.387	9.701	9.387
Current liabilities				
Trade payables and other Payables	8	28.184	25.627	34.817
Corporation tax		55	0	1.907
Dividends payable		0	0	0
Total current liabilities		28.239	25.627	36.724
Total liabilities		37.626	35.328	46.111
Total liabilities and equity		196.176	191.861	208.643

Other notes, see pages 14 - 17

Statement of Changes in Equity

1 October 2016 – 31 March 2017

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 October 2016	23.063	1.898	132.958	4.613	162.532
Comprehensive income for the Period	0	0	631	0	631
Dividend paid	0	0	0	-4.613	-4.613
Equity at 31 March 2017	23.063	1.898	133.589	0	158.550

1 October 2015 – 31 March 2016

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 October 2015	23.063	1.898	131.324	4.151	160.436
Comprehensive income for the Period	0	0	248	0	248
Dividend paid	0	0	0	-4.151	-4.151
Equity at 31 March 2016	23.063	1.898	131.572	0	156.533

Cash Flow Statement

Amounts in DKK '000	1/10 2016 - 31/3 2017	1/10 2015 - 31/3 2016
Net profit/loss for the period	631	248
Adjustment for non-cash operating items etc:		
Tax on profit/loss for the period	90	44
Depreciation and amortisation	1.876	1.967
Profit or loss on sale of property, plant and equipment and financial assets	0	0
Financial income	-43	-86
Financial expenses	102	236
Cash flows from operating activities before changes in working capital	2.656	2.409
Adjustment for changes in working capital:		
Changes in inventories	-2.155	-2.200
Changes in receivables (and prepayments)	6.747	13.892
Changes in trade payables and other payables	-3.664	-5.098
Cash flows before financial income and expenses and tax	3.584	9.003
Financial income, paid	43	86
Financial expenses, paid	-102	-236
Corporation tax paid	-1.942	-121
Cash flows from operating activities	1.583	8.732
Purchase of intangible assets	0	0
Purchase of property, plant and equipment	-55	-554
Sale of property, plant and equipment	0	0
Cash flows from investing activities	-55	-554
Dividend paid	-4.613	-4.151
Cash flows from financing activities	-4.613	-4.151
Cash flows for the period	-3.085	4.027
Cash and cash equivalents at 1 October	24.776	17.897
Cash and cash equivalents at 31 March	21.691	21.924

Notes

Note 1. Accounting policies

The Half-year Report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU as well as Danish disclosure requirements for listed companies.

The accounting policies applied are the same as those applied for the Financial Statements 2015/16.

The Financial Statements 2015/16 include a full description of the accounting policies, to which reference is made.

Change of accounting policies

There are no new accounting standards and interpretations relevant for RIAS A/S and therefore none of these have affected the recognition or measurement in the Half-year Report 2016/17, nor are they at present expected to affect the financial reporting of the Company significantly in the future.

Note 2. Estimates

The preparation of the Half-year Report requires Management to make accounting estimates that affect the application of the accounting policies as well as the recognition of assets, liabilities, income and expenses. Actual results may differ from such estimates.

When preparing the Half-year Report, the most material estimates made by Management in connection with the application of the accounting policies and the most material uncertainty in this respect are the same as in connection with the preparation of the Financial Statements for 2015/16, to which reference is made.

Note 3. Revenue

	1 st half-year 2016/17	1 st half-year 2015/16
Sales, Industry	90.406	89.261
Sales, Construction	30.447	31.244
	120.853	120.505

Sales outside Denmark amount to 8% of the Company's revenue. All non-current assets are placed in Denmark.

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. – Intangible assets

	Goodwill	Customer relations	IT software	Total
Cost at 1 October 2016	53.085	1.000	23.624	77.709
Additions for the period	0	0	0	0
Cost at 31 March 2017	53.085	1.000	23.624	77.709
Amortisation at 1 October 2016	0	-537	-19.273	-19.810
Amortisation for the period	0	-31	-524	-555
Amortisation at 31 March 2017	0	-568	-19.797	-20.365
Carrying amount at 31 March 2017	53.085	432	3.827	57.344
Cost at 1 October 2015	53.085	1.000	23.624	77.709
Additions for the period	0	0	0	0
Cost at 31 March 2016	53.085	1.000	23.624	77.709
Amortisation at 1 October 2015	0	-475	-18.223	-18.698
Amortisation for the period	0	-31	-526	-557
Amortisation at 31 March 2016	0	-506	-18.749	-19.255
Carrying amount at 31 March 2016	53.085	494	4.875	58.454

Note 5. – Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fit- tings, tools and equipment	Total
Cost at 1 October 2016	61.906	17.481	22.226	101.613
Additions for the period	0	0	55	55
Disposals for the period	0	0	0	0
Cost at 31 March 2017	61.906	17.481	22.281	101.668
Depreciation at 1 October 2016	-28.373	-11.043	-19.782	-59.198
Depreciation for the period	-374	-593	-354	-1321
Reversed depreciation on disposals for the period	0	0	0	0
Depreciation at 31 March 2017	-28.747	-11.636	-20.136	-60.519
Carrying amount at 31 March 2017	33.159	5.845	2.145	41.149

Cost at 1 October 2015	61.906	13.745	21.240	96.891
Additions for the period	0	52	502	554
Disposals for the period	0	0	0	0
Cost at 31 March 2016	61.906	13.797	21.742	97.445
Depreciation at 1 October 2015	-27.626	-10.091	-18.708	-56.425
Depreciation for the period	-374	-474	-562	-1.410
Reversed depreciation on disposals for the period	0	0	0	0
Depreciation at 31 March 2016	-28.000	-10.565	-19.270	-57.835
Carrying amount at 31 March 2016	33.906	3.232	2.472	39.610

Note 6. Inventories

	<u>31/3 2017</u>	<u>31/3 2016</u>
Inventories are specified as follows:		
Goods for resale	33.356	35.926
Write-down at 1 October	-2.921	-3.097
Write-downs for the period	0	0
Write-down at 31 March	-2.921	-3.097
	30.435	32.829

Note 7. Receivables

	31/3 2017	31/3 2016
Trade receivables	41.635	34.908
Receivables from group enterprises	0	22
Other receivables	23	66
	41.658	34.996
Write-down for bad debts is specified as follows:		
Write-down at 1 October	-382	-248
Write-downs for the period	-48	-48
Write-down at 31 March	-430	-296

Note 8. Trade payables and other payables

	31/3 2017	31/3 2016
Trade payables	9.842	9.162
Payables to group enterprises	320	235
Accrued VAT	5.520	4.215
Holiday pay accrual	4.913	5.056
Other payables	7.589	6.959
	28.184	25.627

Note 9. Contingencies and other financial commitments

Since the issue of the Financial Statements 2015/16, there have been no significant changes that have not been disclosed in this Half-year Report.

Note 10. Related parties and related party transactions

There have been no significant changes with regard to related parties or the type and scope of related party transactions compared to that disclosed in the Financial Statements 2015/16.

Note 11. Subsequent events

After the Half-year Report balance sheet date, no significant events have occurred that have not been incorporated and sufficiently disclosed in this Half-year Report.