

Stock Exchange Notification no 4 - 2014

Interim Report for first half-year 2013/14.

Roblon's half-year results improvement on last year

At its meeting today, the Board of ROBLON A/S adopted the company's unaudited interim report for the period 1 November 2013 to 30 April 2014.

Summary:

- Revenue for the first half-year of 2013/14 increased by 8.4% to DKK 124.8 million, compared to DKK 115.1 million the previous year.
- Operating profit amounted to DKK 22.2 million compared to DKK 17.5 million the previous year.
- The EBIT margin is 17.8% compared to 15.2% the previous year.
- Profit before tax was DKK 22.9 million compared to DKK 17.9 million the previous year.
- Profit after tax was DKK 17.3 million compared to DKK 13.4 million the previous year.
- Revenue figures for the product group areas are broadly as expected. The "cable fibres/cable machinery" and "TWM" areas reported slightly higher sales than expected, while the "offshore" area reported lower sales than expected.
- Roblon expects revenue and earnings for the full financial year, as previously announced, to be in the region of DKK 250 to 275 million and profit before tax to be somewhere between DKK 35 and 45 million.

Frederikshavn, 24 June 2014

Roblon A/S

Jørgen Kjær Jacobsen
Chairman of the Board

The main figures for this period compared to the same period last year are as follows:

Main figures (tDKK):	1. half-year 2013/14	1. half-year 2012/13	31/10 2013
Statement of income			
Net revenue.....	124,772	115,131	
Operating profit.....	22,245	17,515	
Net financing etc.	614	395	
Profit before tax.....	22,859	17,910	
Profit for the period.....	17,259	13,433	
Total assets	266,631	237,673	274,495
Capital and reserves, end of period	229,659	202,677	230,284
Key figures:			
EPS (Half-year earnings per share of DKK 20)	9.7	7.5	
EBIT (profit ratio).....	17.8	15.2	
ROIC (return on average invested capital (%))	17.4	12.9	
Equity ratio	86.1	85.3	
Return on equity (% p.a.).....	16.0	13.1	
Intrinsic value of shares	128	113	129
Stock-exchange listing, 30/4	275	173	238

The reported share based key figures are related to the B shares.

Management's review

The revenue trend for Roblon A/S for the first half of the financial year 2013/14 was entirely as we had expected at the start of the year. The operating profit was however better than expected.

Income statement

Revenue for the first half-year amounted to DKK 124.8 million compared to DKK 115.1 million for the first half-year of 2012/13, corresponding to an increase of 8.4%.

The operating profit of DKK 22.2 million was DKK 4.7 million higher than the previous year, which corresponds to an increase of 26.9%.

Financing etc. totalled tDKK 614 compared to tDKK 395 in the previous year.

Profit before tax (EBT) then amounts to DKK 22.9 million, compared to DKK 17.9 million for the previous year.

Profit after tax for the first half-year comes to DKK 17.3 million compared to DKK 13.4 million the previous year.

The EBIT margin and EBT margin were maintained and rose slightly in relation to the first half-year of the previous year with an EBIT margin of 17.8% compared to 15.2% and an EBT margin of 18.3% compared to 15.6%.

Balance sheet

Total assets have risen by DKK 28.9 million from DKK 237.7 million to DKK 266.6 million.

Non-current assets were DKK 3.3 million less than the previous year. This is primarily due to a decline in tangible assets from DKK 44.2 million to DKK 40.8 million.

Current assets have risen by DKK 32.4 million, from DKK 182.2 million to DKK 214.6 million. This rise covers a fall of DKK 6.1 million in stocks, a fall of DKK 9.8 million in trade debtors, a small rise of DKK 0.1 million in financial assets available for sale and a large rise in cash at bank and in hand of DKK 48.2 million, which amount to DKK 108.4 million at the end of the period.

The equity per 30th April 2014 is DKK 229.7 million compared to DKK 202.7 million on the same date the previous year.

Revenue growth

Revenue figures for the product group areas are broadly as expected, with the rise in revenue primarily down to the "cable fibres/cable machinery (cable fibres and cable machinery for the fibre optic industry)" product group areas as well as "TWM (twisters and machinery for the rope-making industry and winders for the carbon fibre industry)", which have performed better than was expected.

Growth in the "lighting" product group area has been as expected, while for the "offshore" product group area it is below the level expected at the start of the year.

The revenue growth for machinery within the "TWM" product group area is higher in the first half-year than was expected at the start of the year.

A dedicated effort involving "customer focus and globalisation" activities has been very successful. It led to a secondary revenue stream for the half-year related to our open house event at the new showroom, which took place in summer 2013.

Half-year revenue for the "offshore" product group area was lower than expected at the start of the year.

Together with new product platforms, the relaunch of a number of products, including at several important trade fairs, has resulted in positive market and customer feedback.

However, the time to entry is fairly drawn-out because the products have to be verified through comprehensive approval procedures.

The revenue for the period was as expected for the "lighting" product group area, and better than in the same period of the previous year.

The sales trend for Roblon's classic range of fibre optic products has been very positive, with substantial project sales to the international retail industry and the industry that manufactures display cases for the retail store segment.

The half-year saw a continued positive and rising interest in energy-saving LED products, including Roblon's LED light source for fibre optic products.

Revenue for the "fibre optic cables/cable machinery" product group area is higher than expected at the start of the year, with satisfactory development in revenue for both cable fibres and cable machinery for the fibre optic cable industry.

There has been more of a focus on customers and business development in this area over the period. We attended the "Wire 2014" trade fair in Düsseldorf, which is very important for this product group area; it is held every other year and features a high level of global participation from the fibre optic cable industry.

This trade fair saw Roblon launch six new products, four of which were within cable fibres, with the other two joining the cable machinery product range.

Roblon's new PCU (Precision Coiling Unit) in particular was a very big attraction. This is a machine that automatically coils fibre optic cables and was demonstrated live every hour.

Future expectations

Roblon expects the same challenging market conditions that characterised the first half-year to persist for the second half-year of 2013/14.

There are initial signs of improvement in the European markets, while Roblon has noticed the start of a slowdown on the Central and South American markets, something which is also affecting individual Far Eastern market areas.

Over the rest of the year Roblon will continue to make more investments in strategic measures designed to support the development of business opportunities.

Among other things, the focus will be on activities within the following areas:

- Product development
- Technology development
- Customer focus and globalisation
- Market development

The markets are experiencing a steadily and sharply increasing price pressure on Roblon's entire product portfolio and for this reason it is important that we are always in a position to offer innovative and value-creating products to the markets. During the second half-year Roblon will continue with these activities, and there are many new products in the development pipeline.

In terms of revenue, slightly lower figures are expected for the "TWM" product group area for the second half-year, and lower than the same period of the previous year, for reasons including the fact this area had an extraordinarily large project sale in the second half-year of last year.

Revenue lower than in the first half-year and around the same level as that of the second-half of the previous year is expected for the "lighting" product group area.

Revenue for the "offshore" product group area is expected to remain at the same level in the second half-year as in the first half-year, although lower than for the same period last year, which was also characterised by an extraordinarily large project sale.

The positive development seen in the first half-year is expected to continue for the "cable fibres/cable machinery" product group area; as a consequence, revenue for the second half-year is expected to be higher than in the first half-year.

Roblon's revenue for the second half-year is expected to be slightly higher than in the first half-year of 2013/14, but lower than the same period last year.

Roblon expects revenue and earnings for the full financial year 2013/14, as previously announced, to be in the region of DKK 250 to 275 million and profit before tax to be somewhere between DKK 35 and 45 million.

Statement by Management

The Board of Directors and Management today considered and approved the interim report for the period 1 November 2013 to 30 April 2014.

This interim report, which has not been audited by the company's auditors, is presented in accordance with the general provisions of the Danish Executive Order on Interim Reports and additional Danish disclosure requirements for interim reporting for listed companies.

We find that the interim report gives a true and fair view of the company's assets, liabilities and financial position as at 30 April 2014 and the result of the company's activities for the period 1 November 2013 to 30 April 2014.

Furthermore, in our opinion the Management's review gives a true and fair view of developments in the activities and financial position of the company, the results for the period and of the company's financial position in general and describes significant risk and uncertainty factors that may affect the company.

Frederikshavn, 24 June 2014

Management

Jens-Ole Sørensen
Managing Director

Board

Jørgen Kjær Jacobsen
Chairman

Ole Krogsgaard
Deputy Chairman

Peter Sloth Vagner Karlsen

Birthe Tofting

Eva Haas

Ole Nygaard Letort

Statement of income and comprehensive income (tDKK)	1. half-year 2013/14		1. half-year 2012/13
Net revenue.....	<u>124,772</u>		<u>115,131</u>
Operating profit.....	22,245		17,515
Net financing etc.	<u>614</u>		<u>395</u>
Profit before tax.....	<u>22,859</u>		<u>17,910</u>
Profit for the period	<u>17,259</u>		<u>13,433</u>
Fair value adjustment of financial assets available for sale	-3		114
Tax on fair value adjustments.....	<u>1</u>		<u>-29</u>
Other comprehensive income.....	<u>-2</u>		<u>85</u>
Total comprehensive income	<u>17,257</u>		<u>13,518</u>
Balance sheet (tDKK)	30.04.2014	31.10.2013	30.04.2013
Assets			
Intangible assets	10,716	10,414	10,487
Tangible assets.....	40,756	42,996	44,244
Trade debtors	606	886	698
Total non-current assets	52,078	54,296	55,429
Stocks	55,083	56,485	61,175
Trade debtors	40,326	66,242	50,126
Financial assets available for sale	10,790	10,793	10,713
Cash at bank and in hand.....	108,354	86,679	60,230
Total current assets	214,553	220,199	182,244
Total assets.....	266,631	274,495	237,673
Liabilities			
Capital and reserves.....	229,659	230,284	202,677
Non-current liabilities.....	4,252	4,270	4,186
Current liabilities	32,720	39,941	30,810
Total liabilities	266,631	274,495	237,673

Capital and reserves statement (tDKK)	30.04.2014	31.10.2013	30.04.2013
Capital and reserves, opening	230,284	207,041	207,041
Dividend distributed.....	-17,882	-17,882	-17,882
Fair value adjustment of financial assets available for sale	-3	194	114
Tax on fair value adjustments.....	1	-48	-29
Profit for the period.....	<u>17,259</u>	<u>40,979</u>	<u>13,433</u>
Capital and reserves, end of period	<u>229,659</u>	<u>230,284</u>	<u>202,677</u>

Notes

a) Accounting policies applied

This interim report has been presented in accordance with the general provisions of the Danish Executive Order on Interim Reports and additional Danish disclosure requirements for interim reporting for listed companies. The financial statements are presented in Danish kroner (DKK).

Key figures are calculated in accordance with the recommendations of the Danish Society of Financial Analysts.

The accounting policies are unchanged from previous year. The accounting policies are stated in the annual report for 2012/13.

b) Transactions with related parties

Related parties for Roblon A/S are the members of the Board of Directors and Management. Furthermore ES Holding Frederikshavn ApS, Bøgevej 11, 8370 Hadsten, owns the A-shares of Roblon A/S and has the controlling interest of the company.

During the year, the company has not made any exceptional transactions with significant shareholders, with the Board of Directors or Management, or with companies in which any of these hold financial interests.