

## Interim report for Q3 2014/15 and the period 1 November 2014 to 31 July 2015

### Roblon lowers expectations for 2014/15

#### Summary:

- Revenue amounted to DKK 169.4 million (185.3 million)
  - Revenue for Q3 amounted to DKK 56.8 million (60.5 million)
- Revenue fell in the “TWM”, “Cable and cable machinery” and “Lighting” product groups, but increased in the “Offshore and other industry” product group
- Operating profit (EBIT) amounted to DKK 21.0 million (32.7 million)
  - Operating profit (EBIT) for Q3 amounted to DKK 1.7 million (10.6 million)
- Profit before tax amounted to DKK 23.0 million (33.9 million)
  - Profit before tax for Q3 amounted to DKK 2.2 million (11.2 million)
- The gross margin, which was 56.2% (59%), was negatively affected by the development in the product mix and a higher stock write-down.
- The EBIT margin was 12.4% (17.6%)
- As of 11 August 2015, the company’s CFO, Carsten Michno, is the acting managing director. A process to recruit a new managing director has begun.
- The management team has lowered its expectations for both revenue and profit before tax; the former from DKK 250-280 million to DKK 220-230 million and the latter from DKK 40-50 million to DKK 20-25 million. Alongside the lower expected revenue in Q4, the profit for the year will also be negatively affected by the severance package for the former managing director, which is expected to cost DKK 7 million.

Frederikshavn, 17 September 2015  
Roblon A/S

Jørgen Kjær Jacobsen  
Chairman of the Board

Carsten Michno  
Acting Managing Director

**Please direct enquiries concerning this notification to:**  
Acting Managing Director Carsten Michno, tel. +45 9620 3300

## Main and Key Figures

DKK mill.		Q3 2014/15	Q3 2013/14	Q1-3 2014/15	Q1-3 2013/14	FY 2013/14
<b>Main figures</b>	<b>Statement of income</b>					
	Net revenue	56.8	60.5	169.4	185.3	259.8
	Of which for export	55.5	55.9	164.1	172.2	239.7
	Operating profit (EBIT)	1.7	10.6	21.0	32.7	51.3
	Net financing etc.	0.5	0.6	2.0	1.2	2.0
	Profit before tax	2.2	11.2	23.0	33.9	53.3
	Profit for the period	1.7	8.6	17.6	25.7	40.4
	<b>Balance sheet</b>					
	Total assets	276.6	277.3	276.6	277.3	300.6
	Share capital	35.8	35.8	35.8	35.8	35.8
	Capital and reserves	248.7	238.1	248.7	238.1	252.8
	Shareholder value, B shares	476.5	439.5	476.5	439.5	432.0
	<b>Cash flow</b>					
	Cash flow from operating activities	18.4	14.1	10.5	55.5	59.8
	Cash flow from investing activities	-1.6	-1.4	-13.9	-3.1	-7.6
	Cash flow from financing activities	-	-	-21.5	-17.9	-17.9
	Change in cash and cash equivalents	16.8	12.7	-24.9	34.5	34.3
	<b>Average number of employees</b>	-	-	142	140	138
<b>Key figures</b>	EBIT-margin (%)	3.0	17.5	12.4	17.6	19.8
	ROIC/return on average invested capital (%) *)	5.0	32.2	20.5	33.2	36.2
	Equity/assets ratio (%)	89.9	85.9	89.9	85.9	84.1
	Return on equity (%) *)	8.3	14.7	16.9	21.9	16.7
	Intrinsic value of shares	139	133	139	133	141
<b>Share data</b>	Stock exchange listing per share, DKK	315.5	291.0	315.5	291.0	286.0

\*) The key figure is calculated on a full-year basis. The ROIC key figure has not been adjusted to a full-year basis in previous company announcements. This will now be done with effect from this company announcement. The comparative figures have also been adjusted to a full-year basis above.

The interim report for Q3 2014/15 and the period 1 November 2014 to 31 July 2015 has not been audited or reviewed and was prepared in accordance with the same accounting policies as the annual report for 2013/14. The key figures have been calculated in accordance with the Danish Society of Financial Analysts' Recommendations. The stated share-based key figures relate to the B shares.

## Management's review

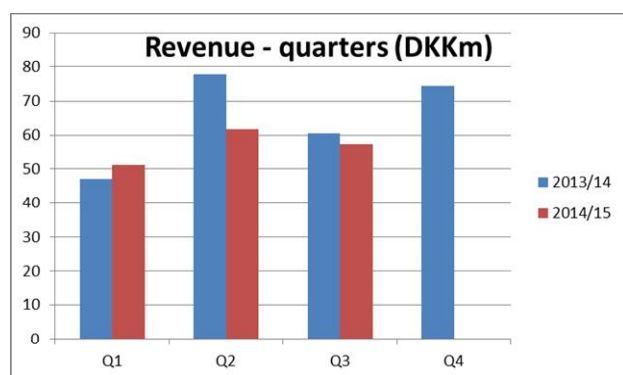
for Q3 2014/15 and the period 1 November 2014 to 31 July 2015 (9 months)

### Statement of income

The actual revenue and earnings for the first nine months of 2014/15 do not match the expectations expressed by the management team in connection with the half-year interim report.

#### Revenue

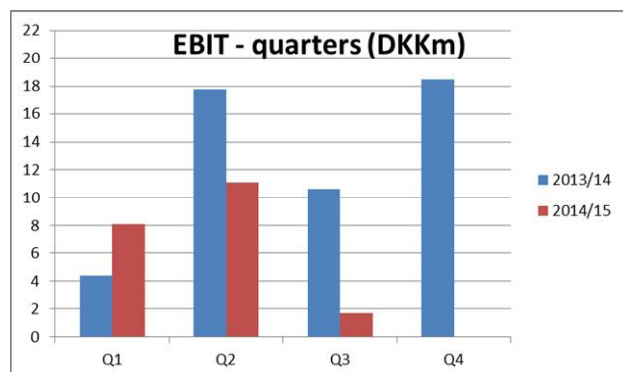
Roblon achieved revenue of DKK 169.4 million in the first three quarters of the financial year, a figure which is 8.6% lower than in the same period of the previous year. Revenue in Q3 amounted to DKK 56.8 million (60.5 million).



As is apparent in the section below on the trend in the product groups, advances have been made in offshore and other industry in the first three quarters of 2014/15, while there was a slump in the three other product groups compared to the same period in 2013/14.

#### Operating profit (EBIT)

Roblon's operating profit (EBIT) for the period 1 November 2014 to 31 July 2015 amounted to DKK 21.0 million, compared to DKK 32.7 million in the same period of the previous year. The EBIT margin was 12.4% (17.6%).



#### Costs

There has been an increase in the relative amount of goods consumed. After three quarters, the gross margin was 56.2% (59%) and particularly in Q3 this was negatively affected by the development in the product mix and a large stock write-down.

Other external costs were as expected, amounting to DKK 21.5 million in the first three quarters of the financial year (22.3 million), and are on a par with the previous year's figures.

Staff costs amounted to DKK 46.9 million (48.4 million). A number of key positions were vacant during the period.

#### Financial income, net

Financial income of DKK 2.0 million (1.2 million) has been achieved, which is a gain of DKK 0.8 million compared to the first three financial quarters of 2013/14. This item consists of earnings from liquid assets and financial assets as well as exchange rate adjustments.

#### Tax

A provision of 23.5% has been made for tax on the profit before tax.

### BALANCE SHEET

The value of total assets as at 31 July 2015 was DKK 276.6 million. Working capital amounted to DKK 76.5 million, which is equivalent to 29.4% (25.2%) of the full-year revenue from the previous year. This increase is due to greater investment in stock for a number of reasons, including the receipt of more orders for TWM machines.

Receivables from sales totalled DKK 30.7 million at the end of the quarter, compared to DKK 35.1 million in the same quarter of the previous year. The credit risk on debtors is deemed unchanged and there have not been any significant bad debts during the course of the first three quarters of 2014/15.

Cash and cash equivalents amounted to DKK 106.7 million at the end of July 2015 and primarily consist of short fixed-term deposits with financial institutions operating in the Danish banking system.

The company's total liabilities amount to DKK 27.9 million, which is DKK 11.3 million lower than the corresponding figure at the end of July 2014. This fall is in the main due to a reduction in other debt and a change in corporation tax owed.

## CASH FLOWS

Cash flows from operating activities for the first three quarters of the financial year amounted to DKK 10.5 million (55.5 million). This marked decline is due to the differences shown below between the amounts achieved (in DKK million) for 2014/15 and for 2013/14:

Reduction in operating profit	-11.8
Change in stock levels	-5.2
Change in receivables	-8.1
Change in current liabilities	-10.0
Increase in corporation tax paid	-10.4
Other adjustments	0.6
<b>Total</b>	<b>-45.0</b>

Investment in non-current assets in the first three quarters of the financial year constituted DKK 13.9 million (3.2 million), with this increase relating to the expansion of the business in Gærum as well as the new production facilities being built there. Investment in new products amounted to DKK 1.7 million.

## DEVELOPMENT IN THE PRODUCT GROUPS

### Lighting

There has been a considerable fall in revenue in the first three quarters of 2014/15 compared to the previous year. Revenue of DKK 15.9 million has been achieved, compared to DKK 26.5 million for the same period of the previous year. The reduction in revenue is due to the postponement of some major projects and was not helped by the vacant posts in the sales organisation during the period. The sales organisation has since been reorganised and will be strengthened further.

### Offshore and other industry

This product group has achieved an increase in revenue for the first nine months of the financial year, reporting a figure of DKK 50.1 million (36.6 million). This rise is primarily down to large individual sales orders from the last quarter of the 2013/14 financial year.

The offshore market is uncertain because of the continued low oil prices. There will be substantial

fluctuations depending on the outcome of large individual projects.

### TWM (twisters, winders and rope-making machines)

Revenue for the first three quarters of 2014/15 was DKK 49.5 million (52.0 million).

In November 2015, Roblon will be attending the ITMA trade fair in Italy, where the company will be presenting new products. This is expected to pave the way for higher revenue thanks to a more varied range of products.

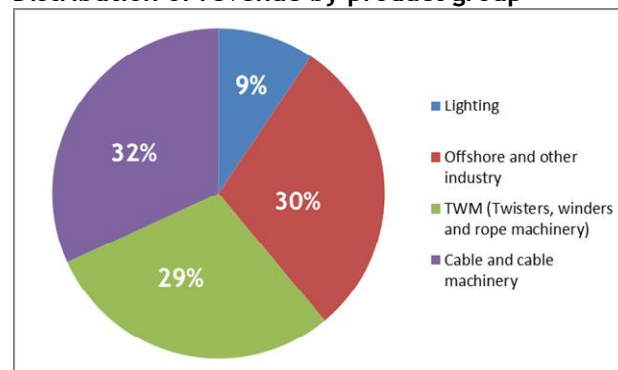
### Cable and cable machinery

Revenue in this product group fell to DKK 53.9 million (70.2 million). This decline is mainly due to the lower sales of cable machinery in the relevant period and temporary quality problems affecting specific fibre cable products.

There is still more consolidation in progress among the manufacturers of optical fibre cables and this, in combination with greater competition, is creating more of a price and profit squeeze for some of the products in this group. New fibre product variants that will provide additional sales opportunities in countries such as China and the USA as well as in Spain and Brazil have recently been approved.

The company will be taking part in the annual conference for the cable fibre industry in October 2015 in Atlanta, USA.

### Distribution of revenue by product group



## INNOVATION AND PRODUCT DEVELOPMENT

In the course of the financial year the company began to expand its product range of rope-making machinery. In addition to this, we are continually working to develop new products within the offshore and other industry, TWM and cable/cable machinery product groups.

## ORGANISATION

As disclosed in Company Announcement No 8, Managing Director Jens Ole Sørensen stood down from his post on 11 August 2015.

The company's CFO, Carsten Michno, is the acting managing director. A process to recruit a new managing director has begun.

## EXPECTATIONS FOR 2014/15

The management team has lowered its expectations for both revenue and profit before tax; the former from DKK 250-280 million to DKK 220-230 million and the latter from DKK 40-50 million to DKK 20-25 million. Alongside the lower expected revenue in Q4, the profit for the year will also be negatively affected by the severance package for the former managing director, which is expected to cost DKK 7 million.

## FUTURE CONDITIONS

Roblon's sales are characterised by a structure based on project sales. This always makes it difficult to produce forecasts for future revenue within given periods, i.e. quarters, half-years and full years.

Statements on future conditions, especially those on future revenue and operating profit, are uncertain and risky.

Many factors are and will remain outside of the company's control and may lead to the actual

development deviating wildly from the expectations detailed in the report.

Such factors include but are not limited to the following: changes in general business and financial conditions, the trend in the global oil industry, changes in the global economy and changes in interest rates and exchange rates.

## FINANCIAL CALENDAR

17/09/2015 - Interim report for Q3 2014/15

14/01/2016 - Preliminary statement 2014/15

25/02/2016 - General meeting

## ANNOUNCEMENTS - NASDAQ OMX COPENHAGEN

In the period from 1 November 2014 to 16 September 2015 our company sent the following announcements to NASDAQ OMX Copenhagen. These can also be found on our website, [www.roblon.com](http://www.roblon.com).

No 7-2014: Deviation from previously announced expectations

No 1-2015: Preliminary statement 2013/14

No 2-2015: Managerial change at Roblon A/S

No 3-2015: Selection of employee representatives for the Board of Roblon A/S

No 4-2015: Interim report for Q1 2014/15

No 5-2015: Major shareholder announcement

No 6-2015: Change in financial calendar for 2014/15

No 7-2015: Interim report for Q2 2014/15

No 8-2015: Managerial change at Roblon A/S

No 9-2015: Major shareholder announcement

## Statement by Management

The Board of Directors and Management today considered and approved the interim report for the period 1 November 2014 to 31 July 2015.

The interim report, which has not been audited or reviewed by the company's auditors, is presented in accordance with IAS 34 Interim Financial Reporting as approved by the EU and additional Danish disclosure requirements for interim reporting for listed companies.

We find that the interim financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31 July 2015 and the result of the company's activities for the period 1 November 2014 to 31 July 2015.

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, 17 September 2015

### Management

Carsten Michno  
Acting Managing Director

### Board

Jørgen Kjær Jacobsen  
Chairman

Ole Krogsgaard  
Deputy Chairman

Peter Sloth Vagner Karlsen

Birthe Tofting

Nita Maibrit Svendsen  
Staff-elected

Hans Martin Kirkegaard  
Staff-elected

## Statement of Income and Comprehensive Income

DKK mill.	Q3 2014/15	Q3 2013/14	Q1-3 2014/15	Q1-3 2013/14	FY 2013/14
Net revenue	56.8	60.5	169.4	185.3	259.8
Other operating income	0.0	0.0	0.0	0.0	0.9
Consumption of goods	-30.4	-24.1	-74.2	-75.9	-108.2
Other external costs	-6.4	-7.5	-21.5	-22.3	-30.0
Staff costs	-15.8	-16.2	-46.9	-48.4	-62.2
Depreciation, amortisation and write-downs of property, plant and equipment and intangible assets	-2.5	-2.1	-5.8	-6.0	-9.0
<b>Operating profit (EBIT)</b>	<b>1.7</b>	<b>10.6</b>	<b>21.0</b>	<b>32.7</b>	<b>51.3</b>
Interest income, net	0.5	0.6	2.0	1.2	2.0
<b>Profit before tax (PBT)</b>	<b>2.2</b>	<b>11.2</b>	<b>23.0</b>	<b>33.9</b>	<b>53.3</b>
Tax on profit for the period	-0.5	-2.6	5.4	-8.2	-12.9
<b>Profit for the period</b>	<b>1.7</b>	<b>8.6</b>	<b>17.6</b>	<b>25.7</b>	<b>40.4</b>

## Comprehensive Income

DKK mill.	Q3 2014/15	Q3 2013/14	Q1-3 2014/15	Q1-3 2013/14	FY 2013/14
Profit for the period	1.7	8.6	17.6	25.7	40.4
Items that can be reclassified to the income statement:					
Fair value adjustment of financial assets available for sale	-0.1	0.0	-0.2	0.0	0.0
Tax on other comprehensive income	0.0	0.0	0.0	0.0	0.0
<b>Total comprehensive income</b>	<b>1.6</b>	<b>8.6</b>	<b>17.4</b>	<b>25.7</b>	<b>40.4</b>

## Balance Sheet

DKK mill.	31.07.15	31.07.14	31.10.14
Completed development projects	4.5	4.7	4.3
Ongoing development projects	4.0	6.0	4.6
<b>Intangible assets</b>	<b>8.5</b>	<b>10.7</b>	<b>8.9</b>
Land and buildings	37.3	34.1	33.6
Plant and machinery	13.9	5.4	5.3
Fixtures and fittings, tools and equipment	0.5	0.3	0.3
Property, plant and equipment under construction	0.8	0.0	4.9
<b>Property, plant and equipment</b>	<b>52.5</b>	<b>39.8</b>	<b>44.1</b>
<b>Total non-current assets</b>	<b>61.0</b>	<b>50.5</b>	<b>53.0</b>
Stocks	68.3	57.0	62.5
Trade debtors	30.7	35.1	50.0
Corporate tax paid in advance	8.4	0.0	0.0
Other debtors	0.8	2.7	3.2
Accruals	0.7	0.0	0.2
Financial assets available for sale	10.6	10.8	10.8
Cash at bank and in hand	96.1	121.2	120.9
<b>Total current assets</b>	<b>215.6</b>	<b>226.8</b>	<b>247.6</b>
<b>TOTAL ASSETS</b>	<b>276.6</b>	<b>277.3</b>	<b>300.6</b>



## Balance Sheet

DKK mill.	31.07.15	31.07.14	31.10.14
Share capital	35.8	35.8	35.8
Other reserves	0.5	0.7	0.7
Profit carried forward	212.4	201.6	216.3
<b>Capital and reserves</b>	<b>248.7</b>	<b>238.1</b>	<b>252.8</b>
Deferred tax	3.8	4.2	3.8
Other provisions for liabilities	0.1	0.1	0.2
<b>Non-current liabilities</b>	<b>3.9</b>	<b>4.3</b>	<b>4.0</b>
Received prepayments	4.7	4.2	2.0
Suppliers of goods and services	9.8	10.1	20.6
Corporate tax	0.0	5.5	10.3
Other debt	9.5	15.1	10.9
<b>Current liabilities</b>	<b>24.0</b>	<b>34.9</b>	<b>43.8</b>
<b>Total liabilities</b>	<b>27.9</b>	<b>39.2</b>	<b>47.8</b>
<b>TOTAL CAPITAL AND RESERVES AND LIABILITIES</b>	<b>276.6</b>	<b>277.3</b>	<b>300.6</b>

## Capital and reserves statement

DKK mill.	31.07.15	31.07.14	31.10.14
Capital and reserves as at 1 November	252.8	230.3	230.3
Comprehensive income for the period	17.4	25.7	40.4
Dividend distributed	-21.5	-17.9	-17.9
<b>Capital and reserves</b>	<b>248.7</b>	<b>238.1</b>	<b>252.8</b>

## Cash Flow Statement

DKK mill.	Note	31.07.15	31.07.14	31.10.14
Operating profit (EBIT)		21.0	32.7	51.3
Profit on sale of property, plant and equipment		0.0	0.0	-0.9
Adjustment for items without liquidity effect	A	5.7	6.0	9.0
Change in working capital	B	6.0	29.4	12.2
<b>Cash flow from primary activities</b>		<b>32.7</b>	<b>68.1</b>	<b>71.6</b>
Financial payments received (interests)		2.0	1.2	2.0
Corporate tax paid		-24.2	-13.8	-13.8
<b>Cash flow from operating activities</b>		<b>10.5</b>	<b>55.5</b>	<b>59.8</b>
Investment in intangible fixed assets		-1.7	-2.1	-2.2
Investment in property, plant and equipment		-12.2	-1.4	-6.7
Sales proceeds from property, plant and equipment			0.4	1.3
<b>Cash flow from investing activities</b>		<b>-13.9</b>	<b>-3.1</b>	<b>-7.6</b>
Payment of dividend		-21.5	-17.9	-17.9
<b>Cash flow from financing activities</b>		<b>-21.5</b>	<b>-17.9</b>	<b>-17.9</b>
<b>Change in cash at bank and in hand</b>		<b>-24.9</b>	<b>34.5</b>	<b>34.3</b>
Cash at bank and in hand at the beginning of the year		120.9	86.6	86.6
<b>Cash at bank and in hand at the end of the year</b>		<b>96.0</b>	<b>121.1</b>	<b>120.9</b>
<b>Note A: Adjustment for items without liquidity effect</b>				
Depreciation		5.8	6.0	9.0
Other provisions for liabilities		-0.1	0.0	0.0
		<b>5.7</b>	<b>6.0</b>	<b>9.0</b>
<b>Note B: Change in working capital</b>				
Change in stocks		-5.8	-0.6	-6.0
Change in trade debtors		21.3	29.4	13.7
Change in received prepayments		2.7	1.1	-1.0
Change in suppliers of goods and services		-10.8	-4.2	6.2
Change in other debt		-1.4	3.7	-0.7
		<b>6.0</b>	<b>29.4</b>	<b>12.2</b>

## Notes

1. Accounting policies applied
2. Accounting estimates and judgements
3. Segment reporting
4. Quarterly results and Main and Key Figures

### Note 1 - Accounting policies applied

The interim report is presented in accordance with IAS 34 Interim Financial Reporting as approved by the EU and additional Danish disclosure requirements for interim reporting for listed companies.

The accounting policies applied are unchanged compared to the annual report for 2013/14 and a detailed description of the accounting policies can be found in that report.

### Note 2 - Accounting estimates and judgements

When preparing the interim report the management makes a number of accounting estimates and judgements that affect the application of accounting policies and recognised assets, obligations, income and expenses. Actual results might be different from these estimates.

Significant accounting estimates and judgements are unchanged compared to the annual report for 2013/14.

### Note 3 - Segment reporting

Internal reporting to the Board of Roblon A/S is done for a segment where the revenue is broken down into four product groups.

Segment reporting for the business segments:

Product group (DKK mill.)	Q1-3 2014/15	Q1-3 2013/14
Lighting	15.9	26.5
Offshore and other industry	50.1	36.6
TWM (twisters, winders and rope-making machinery)	49.5	52.0
Cable and cable machinery	53.9	70.2
<b>Total</b>	<b>169.4</b>	<b>185.3</b>

## Geographic reporting

For this type of reporting, the breakdown of revenue into geographic segments is based on the customers' geographical location.

Revenue is thus divided into markets:

Markets (DKK mill.)	Q1-3 2014/15	Q1-3 2013/14
Denmark	5.3	13.1
Great Britain (UK)	27.9	20.4
Other European countries	61.0	75.2
Asia	35.1	37.3
United States of America	40.1	39.3
<b>Total</b>	<b>169.4</b>	<b>185.3</b>

## Note 4 - Quarterly Results and Main and Key Figures

DKK mill.	Q3 14/15	Q2 14/15	Q1 14/15	Q4 13/14	Q3 13/14	Q2 13/14	Q1 13/14
Net revenue	56.8	61.6	51.1	74.5	60.5	77.7	47.1
Other operating income	0.0	0.0	0.0	0.9	-0.1	0.1	-
Consumption of goods	-30.4	-24.0	-19.6	-32.3	-24.0	-31.7	-20.2
Other external expenses	-6.4	-8.5	-6.7	-7.7	-7.5	-8.8	-6.0
Staff costs	-15.8	-16.1	-14.8	-13.8	-16.2	-17.8	-14.4
Depreciation, amortisation and write-downs of property, plant and equipment and intangible fixed assets	-2.5	-1.7	-1.7	-3.0	-2.1	-1.7	-2.2
<b>Operating profit (EBIT)</b>	<b>1.7</b>	<b>11.3</b>	<b>8.3</b>	<b>18.6</b>	<b>10.6</b>	<b>17.8</b>	<b>4.3</b>
Interest income	0.5	0.6	0.9	0.8	0.6	0.3	0.3
<b>Profit before tax (PBT)</b>	<b>2.2</b>	<b>11.9</b>	<b>9.2</b>	<b>19.4</b>	<b>11.2</b>	<b>18.1</b>	<b>4.6</b>
Tax on profit for the period	-0.5	-2.8	-2.1	-4.7	-2.6	-4.4	-1.2
<b>Profit for the period</b>	<b>1.7</b>	<b>9.1</b>	<b>7.1</b>	<b>14.6</b>	<b>8.6</b>	<b>13.7</b>	<b>3.4</b>
<b>Earnings per B share in DKK</b>							
Earnings per B share (EPS)	1.0	5.1	4.0	8.2	4.8	7.6	2.0
Diluted earnings per B share (DEPS)	1.0	5.1	4.0	8.2	4.8	7.6	2.0
<b>Main and key figures</b>							
EBITDA	4.2	13.0	10.0	21.6	12.7	19.5	6.5
EBITDA-margin, %	7.4%	21.1%	19.6%	28.9%	21.0%	25.1%	13.8%
EBIT-margin, %	3.0%	18.0%	16.2%	25.0%	17.5%	22.9%	9.1%
Total assets	276.6	282.1	298.0	300.6	277.3	266.6	264.5
Capital and reserves	248.7	247.2	259.7	252.8	238.1	229.7	233.8
Cash flow, operating activities	18.4	-6.2	-1.7	4.3	14.1	21.8	19.6
Cash flow, investing activities	-1.6	-2.7	-9.6	-4.5	-1.4	-1.2	-0.6
Free cash flow before financing activities	16.8	-8.9	-11.3	-0.2	12.7	20.6	19.0