

Stock Exchange Notification no. 4 – 2004  
June 17, 2004

To the Copenhagen Stock Exchange via Stock Wise

## **Interim report 2003/04**

At its meeting on June 17, 2004 the Board of Directors of Roblon considered and approved the unaudited interim accounts of the company for the period November 1, 2003 – April 30, 2004. The interim report is presented in accordance with the same accounting policies as in 2003.

### **Key events:**

- Profit before tax of DKK 4.1 million compared to DKK –2.3 million last year.
- Profit on primary activities of DKK 4.0 million compared to DKK –3.1 million last year.
- Increase in turnover by 24.0 %. Turnover has increased in all divisions.
- After 2 years of recession Industrial Fiber experienced an increasing demand for products to the cable industry. The increase affected the profit positively.
- Fiber Optics achieved the highest turnover so far during any half-year.
- Idle capacity due to the weak economic climate in the industries to which Engineering supplies machines keeps demand down.
- Roblon now expects the turnover for the full year 2003/04 to be in the region of DKK 165 million and profit before tax to be in the range DKK 5-10 million.

Frederikshavn, June 17, 2004  
Roblon A/S

Niels Bach  
Chairman of the Board

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

<b>Financial highlights (tDKK):</b>	<b>2003/04</b>	<b>2002/03</b>	<b>31/10 2003</b>
Turnover .....	81,442	66,445	
Profit on primary activities.....	3,970	-3,054	
Net financing etc. ....	98	706	
Profit on ordinary activities before tax.....	4,067	-2,348	
Profit for the period .....	2,847	-821	
Total assets .....	165,113	178,507	167,259
Capital and reserves, beginning of period ..	140,434	142,156	142,156
Distributed dividend .....	-3,371	-3,371	-3,371
Acquisition cost own shares .....	0	-190	-190
Transferred from profit for the period.....	<u>2,847</u>	<u>-821</u>	<u>1,839</u>
Capital and reserves, end of period.....	<u>139,910</u>	<u>137,774</u>	<u>140,434</u>
Investment in tangible fixed assets.....	1,130	20,604	
<b>Key figures:</b>			
EPS (Earnings per share of DKK 100) .....	8.4	-2.4	
Profit ratio.....	4.9	-4.6	
Rate of return.....	2.3	-1.8	
Solvency ratio .....	84.7	77.2	
Return on equity.....	2.1	-0.6	
Intrinsic value of shares .....	415	409	417
Stock-exchange listing, end of period.....	367	380	400

Key figures are based on the interim accounts.

## **Roblon A/S**

### **Comments to the development in the first half-year**

During the first half-year Roblon A/S achieved a turnover of DKK 81.4 million and a profit before tax of DKK 4.1 million, which is better than expected.

Turnover has increased in all divisions.

The higher turnover in Industrial Fiber concerns sales to the cable industry, which again shows moderate growth. The result is considerably better than expected and better than that of the previous year.

In Fiber Optics, turnover has increased to the highest level achieved by the division so far during any half-year. The result has been affected by higher costs and is at the level of the previous year (before relocation costs), but better than expected.

However, in Engineering, the increase should be seen against the background of very low turnover in the previous year. The result is a small profit compared with a deficit in the previous year and is slightly lower than expected.

The competitiveness of all divisions is strongly affected by the low USD exchange rate. Likewise, sales are affected by the general international trading conditions, which continue to curb demand in the markets operated by Engineering and Industrial Fiber in particular.

Investments in tangible fixed assets have been very limited, amounting to DKK 1.1 million, as the necessary investments in plant and any other facilities have already been undertaken in all divisions.

Based on market developments and our expectations at the beginning of the year, the Board of Directors considers the result to be satisfactory. In relation to invested capital and size of turnover, however, it is still not satisfactory.

### **Future expectations**

Roblon Industrial Fiber expects a turnover at the level of the first half-year and a slightly lower result.

Roblon Fiber Optics expects a slightly lower activity level in the second half-year and a slightly lower result than in the first half-year.

The order book of Roblon Engineering is low at the start of the half-year. The turnover and result for the second half-year are expected to be at the level of the first half-year.

Idle capacity due to the weak economic climate in the industries to which Engineering supplies machines is expected to keep demand down until the economic climate is more favourable.

Roblon now expects the turnover for the full year 2003/04 to be in the region of DKK 165 million and profit before tax to be in the range DKK 5-10 million.

## Development in the individual divisions

In the following report for the divisions, the profit on primary activities before joint expenditure is stated. Undistributed joint expenditure amounts to tDKK 1,569.

### Roblon Industrial Fiber

(tDKK)	03/04	02/03
Turnover	30,247	27,964
Profit on primary activities before joint expenditure	3,417	-933
Profit ratio (%)	11.3	-3.3

The turnover achieved is higher than that of the same period of the previous year and at the level anticipated at the beginning of the year. Earnings have increased more than expected, and the profit on primary activities is positive.

Demand in the market for communication cables has risen moderately. Sales to other industries have produced a turnover and earnings at the level anticipated at the beginning of the year.

#### Future expectations

The slightly increasing demand for products in the market for communication cables is expected to continue in the second half-year and lead to a turnover in Industrial Fiber at the level of the first half-year and a slightly lower result.

The division expects to consolidate its market position via focused sales and marketing initiatives and higher sales to existing customers.

### Roblon Fiber Optics

(tDKK)	03/04	02/03
Turnover	25,656	18,695
Profit on primary activities before joint expenditure	1,780	1,049
Profit ratio (%)	6.9	5.6

Turnover has increased, reaching the highest level achieved by the division so far during any half-year. The result has been affected by a higher level of e.g. sales and marketing costs and is at the level of the previous year when disregarding the relocation costs of 2002/03. The result is better than expected.

The better result is due to e.g. higher project sales. At the same time, the development in newly

established markets, in particular in the Middle East, has been faster than expected. New sales channels have been set up in Southern Europe and Germany.

The new factory has led to an invaluable image boost, as well as improved logistics.

#### Future expectations

The activity level of the second half-year is expected to be slightly lower than in the first half-year due to lower project sales. The division still expects to achieve the result for the year anticipated at the beginning of the year.

Efforts are being made to intensify activities in the Far Eastern region, focusing especially on China.

### Roblon Engineering

(tDKK)	03/04	02/03
Turnover	25,540	19,787
Profit on primary activities before joint expenditure	341	-1,638
Profit ratio (%)	1.3	-8.3

Turnover and earnings have been lower than anticipated at the beginning of the year, but higher than in the same period of the previous year.

Sales to the rope-making industry have been as expected whereas the sale of cable machines has been somewhat lower than expected.

Idle production capacity due to the weak economic climate in the industries to which Engineering supplies machines keeps demand down.

In terms of sales, Roblon Engineering is still active in most of the world, and our market share within our product areas is considered to be unchanged.

#### Future expectations

Orders received have been below normal levels during the last few months, and the order book is unsatisfactorily low. More projects are being negotiated, and the order book is expected to grow.

For the full year, we expect lower sales to the rope-making industry and higher sales to the cable industry than anticipated at the beginning of the year. Turnover and earnings for the second half-year are expected to be at the level of the first half-year, but somewhat below the level anticipated at the beginning of the year.