



NASDAQ OMX Copenhagen A/S
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Roskilde, 13 May 2015

RIAS A/S

HALF-YEAR REPORT FOR THE PERIOD

1 October 2014 – 31 March 2015

CVR 44 06 51 18

Company Announcement No 7 of 13 May 2015



Contents

Management's Review	3
Management's Statement.....	9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes	14

Management's Review

Company Announcement No 7 of 13 May 2015

The Board of Directors has today adopted the Half-year Report for the period 1 October 2014 – 31 March 2015.

The half-year in outline:

Operations

- Revenue decreased by 8.6% to DKK 119,466k. The decrease was to be expected as the corresponding half-year of 2013/14 was positively influenced by the two heavy storms in October and November 2013. At that time, the storms resulted in an extraordinary increase in the sale of roof-related building products – a sale which could, naturally, not be expected this half-year. Otherwise, the first half-year of the current financial year has been characterised by a stable development; the recent months have compensated for the slow start-up.
- The export-oriented industrial enterprises among other customers showed a healthy development, whereas domestic industrial demand did not begin to stir until at the end of the half-year. The processing department has been able to maintain last year's level despite a difficult market where, among others, the offshore sector has shown a decline.
- The capacity costs are at the same level as last year. This applies primarily to sales activities in strategic areas which have been maintained at a high level despite the expectations for a fall in the activity level.
- For the second half-year, the Company expects a positive sales development following the export and processing activities initiated during the last couple of years and the slightly improved Danish economy. Historically, the second half-year has moreover always been better than the first half-year.
- Based on the above, the Board of Directors expects an unadjusted profit for the financial year 2014/15 of approximately DKK 8 - 11 million before tax compared with a profit last year of DKK 9.5 million before tax.

In a comment to the Half-year Report, Mr Henning Hess, CEO says:

"We see a varied market which is, among other things, affected by the uncertainty instigated by the debt crisis in Greece. In the Danish market, we note a watch-and-wait attitude in a number of sectors due to uncertainty about the date of the next general election but at the same time we sense increased consumer confidence in a positive development."

"RIAS has, on a sound basis, maintained the market shares won in recent years. We will continue the expansion of our activities in Denmark and Sweden, and we have strengthened the organisation in the processing area in order to gear the department for further growth. In addition to this, we are strengthening our marketing and sales efforts in the processing area and in respect of selected products so that they may contribute positively to the financial statements for the second half of the financial year."

Financing

During the first half-year, the Company has had negative cash flows from operating activities of DKK 2,413k. This is primarily due to payment of corporation tax for the current and last year reduced by 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 665k in the first half-year 2014/15 compared to an investment of DKK 501k in the first half-year 2013/14. In the first half-year 2014/15, investments consisted of software and upgrade of network structure.

Expectations for the second half-year 2014/15

Following a satisfactory first half-year and despite a still somewhat varied market, we expect that the export and processing activities initiated during the last couple of years, the traditionally somewhat higher activity level in the second half-year and the slightly improved Danish economy will contribute positively to the bottom line.

Based on this, the Board of Directors maintains the expectation for a profit before tax in the range of DKK 8 – 11 million.

Roskilde, 13 May 2015

A blue ink signature of Henning Hess, consisting of stylized, overlapping letters.

Henning Hess
CEO

Financial Highlights

Income statement (DKK million)	1/10-2014- 31/3-2015	1/10-2013- 31/3-2014	1/10-2013- 30/9-2014
Revenue	119.5	130.7	279.4
Cost of sales	82.1	90.2	195.7
Gross profit	37.4	40.5	83.7
Capacity costs	36.6	36.8	69.8
Depreciation and amortisation	2.2	2.1	4.2
Profit/loss before financial income and expenses	-1.4	1.6	9.7
Financial income	0.1	0.1	0.1
Financial expenses	0.2	0.2	0.3
Profit/loss before tax	-1.5	1.5	9.5
Tax on profit/loss for the period	-0.5	-0.2	-2.3
Net profit/loss for the period	-1.0	1.3	7.2
Balance sheet, end of period (DKK million)			
Non-current assets	101.2	103.1	102.6
Current assets	93.1	95.7	102.9
Assets	194.3	198.8	205.5
Equity	155.1	154.8	160.7
Non-current liabilities	9.5	10.2	10.0
Current liabilities	29.7	33.8	34.8
Liabilities and equity	194.3	198.8	205.5
Cash flows (DKK million)			
Cash flows from operating activities	-2.4	-8.7	4.3
Cash flows from investing activities	-0.6	-0.5	-1.8
Cash flows from financing activities	-4.6	-4.6	-4.6
Total cash flows	-7.6	-13.8	-2.1
Average number of full-time employees	94	86	93

Financial ratios:

Accounting ratios:			
Gross margin	31%	31%	30%
Profit margin	-1%	1%	3%
Solvency ratio, end of period	80%	78%	78%
Share ratios:			
Earnings per DKK 100 share	-4	7	31
Earnings per DKK 100 share, diluted	-4	7	31
Book value per DKK 100 share, end of period	673	671	697
Market price per DKK 100 share, end of period	555	500	503

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 decreased by DKK 11,234k from DKK 130,700k in 2013/14 to DKK 119,466k in 2014/15.

Sales for the period in the industry division decreased by DKK 5,527k from DKK 89,202k in 2013/14 to DKK 83,675k in 2014/15. Generally, we have seen a slow start-up in the first months for which the last couple of months have compensated. Particularly the export-oriented enterprises have shown a fair development, whereas the demand from the domestic industry did not begin to stir until the end of the half-year period.

Sales for the period in the construction division decreased by DKK 5,707k from DKK 41,498k in 2013/14 to DKK 35,791k in 2014/15. The decrease in the half-year was to be expected as the corresponding half-year of 2013/14 was positively influenced by the two heavy storms in October and November 2013. At that time, the storms resulted in an extraordinary increase in the sale of roof-related building products. Such sale could not be expected this half-year.

Gross profit for the period decreased by DKK 3,067k from DKK 40,458k in 2013/14 to DKK 37,391k in 2014/15. The gross margin ratio increased to 31.3% in 2014/15 compared to 30.9% in the first half-year 2013/14.

Capacity costs for the period decreased by DKK 42k from DKK 38,874k in 2013/14 to DKK 38,832k in 2014/15.

Depreciation and amortisation increased by DKK 33k from DKK 2,118k in the first half-year 2013/14 to DKK 2,151k in the first half-year 2014/15.

Net financial expenses for the period, DKK 77k in 2013/14, increased by DKK 5k, amounting to DKK 82k in 2014/15.

Profit/loss before tax shows a loss of DKK 1,523k in the first half-year 2014/15 compared to a profit of DKK 1,507k in the first half-year 2013/14.

Net profit/loss after tax shows a loss of DKK 1,011k in the first half-year 2014/15 compared to a profit of DKK 1,251k in the first half-year 2013/14.

Balance sheet and capital resources

Compared to 31 March 2014, the balance sheet total at 31 March 2015 decreased by DKK 4,563k to DKK 194,229k.

Intangible assets decreased from DKK 59,780k at 31 March 2014 to DKK 59,591k at 31 March 2015. The reduction in intangible assets is due to amortisation reduced by investments made 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 2014. No impairment test was performed in connection with the Half-year Report.

Property, plant and equipment decreased by DKK 1,777k to DKK 41,556k from DKK 43,333k.

Current assets decreased by DKK 2,596k to DKK 93,082k from DKK 95,678k.



Inventories decreased from DKK 36,022k at 31 March 2014 to DKK 34,892k at 31 March 2015.

Receivables decreased from DKK 50,299k to DKK 40,105k.

Total liabilities decreased from DKK 44,013k to DKK 39,113k. Current liabilities decreased from DKK 33,804k to DKK 29,657k.

Cash flows

Operating activities:

Cash flows from operating activities decreased from DKK -8,649k in the first half-year 2013/14 to DKK -2,413k in the first half-year 2014/15, which is primarily attributable to payment of corporation tax for the current and last year reduced by changes in the working capital.

Investing activities:

Cash flows from investing activities increased from DKK 501k in the first half-year 2013/14 to DKK 665k in the first half-year 2014/15. During the period, new investments were made in software and upgrade of network structure.

Cash at bank and in hand increased by DKK 4,007k to DKK 12,002k at 31 March 2015 from DKK 7,995k at 31 March 2014. 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 29.6 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 2014/15, the Company's number of full-time employees averaged 94, a increase of 8 compared to the first half-year 2013/14.

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-manufactures, 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:

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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 2014 – 31 March 2015.

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 2015 of the Company and of the results of the Company's operations and cash flows for the period 1 October 2014 – 31 March 2015.

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, 13 May 2015
 Executive Board:



Henning Hess
 CEO

Board of Directors:



Jürgen Westphal
 Chairman



Steen Raagaard Andersen
 Vice-chairman



Peter Swinkels



Dieter Wetzels



June Svendsen



Søren Koustrup



Statement of Comprehensive Income

Amounts in DKK '000	Note	1/10 2014- 31/3 2015	1/10 2013- 31/3 2014	1/10 2013- 30/9 2014
Revenue	3	119,466	130,700	279,346
Cost of sales		82,075	90,242	195,696
Gross profit		37,391	40,458	83,650
Distribution expenses		29,472	29,172	56,639
Administrative expenses		9,360	9,702	17,336
Profit/loss before financial income and expenses		-1,441	1,584	9,675
Financial income		98	67	135
Financial expenses		180	144	269
Profit/loss before tax		-1,523	1,507	9,541
Tax on profit/loss for the period		512	-256	-2,329
Net profit/loss for the period		-1,011	1,251	7,212
Other comprehensive income		0	0	0
Comprehensive income for the period		-1,011	1,251	7,212

Earnings per share:

Earnings per share	-4	7	31
Earnings per share, diluted	-4	7	31



Balance Sheet

Amounts in DKK '000	Note	31/3 2015	31/3 2014	30/9 2014
Assets				
Non-current assets				
Intangible assets	4	59,591	59,780	59,413
Property, plant and equipment	5	41,556	43,333	43,220
Total non-current assets		101,147	103,113	102,633
Current assets				
Inventories	6	34,892	36,022	32,476
Receivables	7	40,105	50,299	46,782
Prepaid Tax		1,500	0	0
Prepayments		4,583	1,363	4,095
Cash at bank and in hand		12,002	7,995	19,598
Total current assets		93,082	95,679	102,951
Total assets		194,229	198,792	205,584
Liabilities and equity				
Equity		155,116	154,779	160,740
Liabilities				
Non-current liabilities				
Deferred tax		9,456	10,209	9,970
Total non-current liabilities		9,456	10,209	9,970
Current liabilities				
Trade payables and other payables	8	29,657	33,452	32,210
Corporation tax		0	352	2,664
Dividends payable		0	0	0
Total current liabilities		29,657	33,804	34,874
Total liabilities		39,113	44,013	44,844
Total liabilities and equity		194,229	198,792	205,584

Other notes, see pages 14 - 17



Statement of Changes in Equity

1 October 2014 – 31 March 2015

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 October 2014	23,063	1,898	131,166	4,613	160,740
Comprehensive income for the period	0	0	-1,011	0	-1,011
Dividend paid	0	0	0	-4,613	-4,613
Equity at 31 March 2015	23,063	1,898	130,155	0	155,116

1 October 2013 – 31 March 2014

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 October 2013	23,063	1,898	128,567	4,613	158,141
Comprehensive income for the Period	0	0	1,251	0	1,251
Dividend paid	0	0	0	-4,613	-4,613
Equity at 31 March 2014	23,063	1,898	129,818	0	154,779



Cash Flow Statement

Amounts in DKK '000	1/10 2014 - 31/3 2015	1/10 2013 - 31/3 2014
Net profit/loss for the period	-1,011	1,251
Adjustment for non-cash operating items etc:		
Tax on profit/loss for the period	-512	256
Depreciation and amortisation	2,151	2,118
Profit or loss on sale of property, plant and equipment and financial assets	-95	0
Financial income	-179	-67
Financial expenses	98	144
Cash flows from operating activities before changes in working capital	452	3,702
Adjustment for changes in working capital:		
Changes in inventories	-2,416	-7,455
Changes in receivables (and prepayments)	6,188	-3,283
Changes in trade payables and other payables	-2,554	-472
Cash flows before financial income and expenses and tax	1,670	-7,508
Financial income, paid	179	67
Financial expenses, paid	-98	-144
Corporation tax paid	-4,164	-1,064
Cash flows from operating activities	-2,413	-8,649
Purchase of intangible assets	-665	0
Purchase of property, plant and equipment	0	-501
Sale of property, plant and equipment	95	0
Cash flows from investing activities	-570	-501
Dividend paid	-4,613	-4,613
Cash flows from financing activities	-4,613	-4,613
Cash flows for the period	-7,596	-13,763
Cash and cash equivalents at 1 October	19,598	21,758
Cash and cash equivalents at 31 March	12,002	7,995



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 2013/14.

The Financial Statements 2013/14 include a full description of the accounting policies, to which reference is made.

Change of accounting policies

RIAS A/S has implemented the accounting standards and interpretations that come into force for financial statements beginning on or after 1 October 2014. None of these have affected the recognition or measurement in the Half-year Report 2014/15, 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 2013/14, to which reference is made.

Note 3. Revenue

	1st half-year 2014/15	1st half-year 2013/14
Sales, Industry	83,675	89,202
Sales, Construction	35,791	41,498
	119,466	130,700

Sales outside Denmark amount to 7% 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 2014	53,085	1,000	22,989	77,074
Additions for the period	0	0	665	665
Cost at 31 March 2015	53,085	1,000	23,654	77,739
Amortisation at 1 October 2014	0	-412	-17,250	-17,662
Amortisation for the period	0	-31	-455	-486
Amortisation at 31 March 2015	0	-443	-17,705	-18,148
Carrying amount at 31 March 2015	53,085	557	5,949	59,591
Cost at 1 October 2013	53,085	1,000	22,901	76,986
Additions for the period	0	0	0	0
Cost at 31 March 2014	53,085	1,000	22,901	76,986
Amortisation at 1 October 2013	0	-349	-16,333	-16,682
Amortisation for the period	0	-31	-493	-524
Amortisation at 31 March 2014	0	-380	-16,826	-17,206
Carrying amount at 31 March 2014	53,085	620	6,075	59,780

Note 5 – Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fit- tings, tools and equipment	Total
Cost at 1 October 2014	61,906	13,720	22,197	97,823
Additions for the period	0	0	0	0
Disposals for the period	0	0	-374	-374
Cost at 31 March 2015	61,906	13,720	21,823	97,449
Depreciation at 1 October 2014	-26,876	-9,344	-18,381	-54,601
Depreciation for the period	-374	-516	-776	-1,666
Reversed depreciation on disposals for the period	0	0	374	374
Depreciation at 31 March 2015	-27,250	-9,860	-18,783	-55,893
Carrying amount at 31 March 2015	34,656	3,860	3,040	41,556

Cost at 1 October 2013	61,906	14,513	22,896	99,315
Additions for the period	0	501	0	501
Disposals for the period	0	0	0	0
Cost at 31 March 2014	61,906	15,014	22,896	99,816
Depreciation at 1 October 2013	-26,131	-11,184	-17,573	-54,888
Depreciation for the period	-374	-427	-794	-1,595
Reversed depreciation on disposals for the period	0	0	0	0
Depreciation at 31 March 2014	-26,505	-11,611	-18,367	-56,483
Carrying amount at 31 March 2014	35,401	3,403	4,529	43,333

Note 6. Inventories

	31/3 2015	31/3 2014
Inventories are specified as follows:		
Goods for resale	37,989	39,071
Write-down at 1 October	-3,054	-2,869
Write-downs for the period	-43	-180
Write-down at 31 March	-3,097	-3,049
	34,892	36,022



Note 7. Receivables

	<u>31/3 2015</u>	<u>31/3 2014</u>
Trade receivables	40,004	47,315
Receivables from group enterprises	0	88
Other receivables	<u>101</u>	<u>2,896</u>
	<u>40,105</u>	<u>50,299</u>
Write-down for bad debts is specified as follows:		
Write-down at 1 October	-607	-928
Write-downs for the period	<u>-129</u>	<u>-176</u>
Write-down at 31 March	<u>-736</u>	<u>-1,104</u>

Note 8. Trade payables and other payables

	<u>31/3 2015</u>	<u>31/3 2014</u>
Trade payables	14,162	15,172
Payables to group enterprises	608	186
Accrued VAT	4,749	5,331
Holiday pay accrual	5,119	5,268
Other payables	<u>5,019</u>	<u>7,495</u>
	<u>29,657</u>	<u>33,452</u>

Note 9. Contingencies and other financial commitments

Since the issue of the Financial Statements 2013/14, 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 2013/14.

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.