



Nasdaq OMX
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24th of January 2017

Interim report

On a Board meeting just held the Board noted that the development in the first three months of the financial year 2016/17 has been on a lower level compared to previous fiscal year and below the expectations for the quarter. RIAS A/S has thereby not been able to follow previous years' trend which showed a slightly improved turnover and an improved bottom line. The overall development shows a decline in sales in almost all areas, however mainly driven by a negative development in the Building & Construction sector.

As the economic indicators have shown, especially the export-oriented businesses had a difficult time in the first three months of the financial year. This has led to an increased competition in the domestic industrial production and thus had a spillover effect on the sales of the company's industrial products. The gross margin has however developed better than previous year. At the end of the quarter we saw more positive signals in the market, the PMI index increased and an improved order portfolio with a longer horizon showed up.

The processing area is developing as expected.

RIAS A/S' revenue for the building materials dealers and DIY sector has been weak despite otherwise positive expectations from the industry. A focused effort to obtain better prices from the company's suppliers and an altered distribution set-up partly compensates for the lower sales in the Building & Construction sector.

The first quarter of the financial year is usually in terms of sales low and thus not so important to the result of this fiscal year. The activities launched on both the processing area, improvements on the purchasing side, which first will appear with full effect in the next quarters, and the export will together with a continued tight cost control give a good basis for the development in the rest of the year.

Based on this background the Board of RIAS A/S still expects a result level for the accounting year 2016/17 of DKK 7–9 million before tax.

Yours sincerely
RIAS A/S

A handwritten signature in blue ink, appearing to read "Henning Hess".

Henning Hess