



NASDAQ OMX Copenhagen A/S
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Assentoft 19th May 2011

RIAS A/S

HALF YEAR REPORT FOR THE PERIOD

1st OCTOBER 2010 – 31st MARCH 2011

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Company Announcement No. 9 of 19th May 2011



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Financial and operational highlights

	1.10.2010- 31.3.2011	1.10.2009- 31.3.2010	1.10.2009- 30.9.2010
Profit & loss account (DKK million)			
Net sales	113.6	92.4	223.5
Cost of sales	78.9	64.5	154.6
Gross profit	34.8	27.9	68.9
Capacity costs	28.6	26.5	57.7
Depreciations	2.7	2.7	5.3
Profit before net financials and tax	3.6	-1.4	5.9
Financial income	0.1	0.1	0.4
Financial expenses	0.3	0.3	0.8
Profit before tax	3.4	-1.6	5.5
Tax on profit for the period	0.8	-0.4	1.5
Profit for the period	2.5	-1.2	4.0
Balance sheet end of period (DKK million)			
Long-term assets	113.2	112.1	110.5
Current assets	80.7	68.4	93.1
Assets	193.9	180.5	203.6
Shareholders' equity	150.1	143.4	148.6
Long-term liabilities	10.1	10.4	10.1
Current liabilities	33.7	26.7	44.9
Liabilities	193.9	180.5	203.6
Cash flows (DKK million)			
Cash flows from operating activities	11.9	3.9	4.3
Cash flows from investing activities	-5.3	-1.0	-2.2
Cash flows from financing activities	-10.2	-7.9	-0.5
Total cash flows	-3.6	-5.0	1.6
Average number of full-time employees	89	95	91

Financial ratios			
Gross profit margin	31%	30%	31%
Profit margin	3%	-1%	3%
Book value per DKK 100 share, end of period	651	623	644
Equity ratio, end of period	77%	81%	73%
Earnings per DKK 100 share	11	-5	17
Diluted profit per DKK 100 share	11	-5	17
Quoted price, end of period per DKK 100 share	455	400	400

Definitions, financial ratios:

Gross profit margin has been computed as gross profit as a percentage of net sales.

Profit margin has been computed as profit before net financials as a percentage of net sales.

Book value per DKK 100 share has been computed as shareholders' equity end of period divided by 1/100 of share capital.

Earnings per DKK 100 share has been computed as profit 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 has been computed as profit 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.

Equity ratio has been computed as shareholders' equity end of period as a percentage of total liabilities, end of period.

Management's review

Outline of first half year:

Operation

- RIAS had a profit before tax of tDKK 3.352 during the 1st half year of 2010/11. This should be compared to a loss of tDKK 1.566 during the same period the year before.
- The net turnover increased by 23% to tDKK 113.616. In spite of a tough winter, Industry as well as Building & Construction have managed to show nice increases in turnover in an still crisis-stricken and thus competitive market. However, during the first quarter of 2011, we are experiencing more positive markets, particularly within the export-oriented areas.
- The effect of the expense adjustments that were implemented in the previous years is now fully visible. This is a contributing factor to the clearly improved bottom line.
- Based on this, the board of directors maintains its expectations for positive annual results in the region of DKK 6-10 million before tax.

The managing director, Henning Hess, has the following comment to the interim accounts:

"We have experience a development in two parts during the first two quarters of the half year. The 1st quarter was characterised by the fact that the export-oriented companies experienced growth, whereas the domestic demand was still unusually weak. But after a weak start of 2011, the domestic demand is now also starting to exhibit positive tendencies. The caution is being pushed somewhat aside, and the optimism is gaining ground. This results in expectations for improved trends in 2010/11. The positive tendencies are visible in Building & Construction as well as Industry."

Financing

During the 1st half year, the company has had a positive cash flow from operation of tDKK 11.872, and as of the 31st of March 2011, the company has reduced its debt to credit institutions by DKK 9 million.

Investments

The company's total net investments in intangible assets, intangible fixed assets and fixed asset investments constituted tDKK 5.259 during the 1st half year of 2010/11 compared to tDKK 1.005 during the 1st half year of 2009/10. During the 1st half year of 2010/11, the investments have mainly been focused on the ongoing SAP implementation.

Expectations for the 2nd half year of 2010/11

The board of directors expects the positive tendencies from the 2nd quarter to continue. Particularly after another rough winter, increased activity in the construction area is also expected. Traditionally, there is also more activity during the 2nd half year of the financial year.

Based on the development during the 1st half year of the financial year as well as the above-mentioned expectations for the 2nd half year, the board of directors is expecting a profit before tax for the entire financial year 2010/11 in the range of DKK 6-10 million.

Group chart

Until the 1st of October 2010, Nordisk Plast A/S was a 100% owned subsidiary of the parent company RIAS A/S, which is the reason that the annual report of 2009/1010 included accounts for the group as well as the parent company. As of the 1st of October 2010, Nordisk Plast A/S and RIAS A/S merged with RIAS A/S as the surviving company. Therefore, this interim report only includes the accounts of the company RIAS A/S, while the comparative figures are for the group.

Special risks

Operating risks

Unforeseen price fluctuations and discontinuation of trade with large customers may affect the Company adversely with regard to the earnings expectations for the year, but these are normal risks in a trading enterprise.

Financial risks

There is no speculation in financial risks, and thus, the Company's management is solely focused on the management of financial risks that are a direct consequence of the Company's operation and financing.

The Company has no derivative financial instruments.

Interest-rate risks

The Company makes no interest-rate transactions for hedging purposes, as moderate changes in interest-rate levels will have no material effect on earnings.

Credit risks

The Company's credit risks are connected to receivables from sale and services. In so far as it is possible, it is the Company's policy to take out credit insurance for receivables from sale and services. Outstanding amounts from sale and services are continuously monitored, and – to the extent necessary – such amounts will be written down.

Currency exposure

The Company is only exposed to exchange-rate developments to a limited extent. Practically all trade takes place in DKK or EUR. As the currency exposure with respect to DKK/EUR is considered quite insignificant, the Company does not hedge its net debt in foreign currency.

Cash flow risks

The Company only has debts falling due within a period of one year cf. the balance sheet. Payment thereof 33.8 million DKK, can be fully covered by payments from receivables.

Knowledge risks

The Company has specific knowledge and competencies within the area of trade with semi-manufactured plastic products.

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.

In the first half-year of 2010/11 the Company's number of full-time employees averaged 89, which are 6 fewer than in the first half-year of 2009/10.

Environment

RIAS continuously strives to limit the environmental impacts. However, the environmental impact directly caused by RIAS's activities mainly comprise the distribution and sales of semi-finished plastics products, but not the manufacturing thereof.

RIAS is not a party to any environmental lawsuits.

Research and development activities

Although not involved in particular research-based activities, the Company is constantly developing its business and competence.

Shareholders information

Share capital

The Company's share capital of tDKK 23.063 is distributed on tDKK 3.125 A shares and tDKK 19.938 B shares.

The A shares, which are non-negotiable instruments, are attributed 10 votes per DKK 100 share, cf. section 11 of the articles of association.

The B shares, which are negotiable instruments, are attributed 1 vote per DKK 100 share cf. section 11 of the articles of association.

The shares are listed on NASDAQ OMX.

The board of directors and the management do not own shares in RIAS A/S.

Any amendment of the company's articles of association will require 2/3 of the share capital to be represented at the Annual General Meeting and that any amendment proposals are adopted with 2/3 of the cast votes as well as 2/3 of the share capital represented at the Annual General Meeting.

Contact person Investor Relations:

Regarding inquiries concerning investor relations and the share market please contact:

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Development in the activities of the Company

The net turnover increased by tDKK 21.195 thousand from tDKK 92.421 thousand in 2009/10 to tDKK 113.616 in 2010/11.

The turnover of the Industry division increased by tDKK 18.867 from tDKK 66.884 in 2009/10 to tDKK 85.751 in 2010/11. The caution on the market has now been replaced by more optimistic trends.

The turnover of the Building & Construction division increased by tDKK 2.328 from tDKK 25.537 in 2009/10 to tDKK 27.865 in 2010/11. Among other things, this sector is characterised by movements in a very cyclical construction industry. The sector is also influenced by weather conditions, which means that there is usually less activity during the 1st half year than the 2nd half year. Thus, sales have been influenced by an unusually long and rough winter.

The gross profit increased by tDKK 6.820 from tDKK 27.942 in 2009/10 to tDKK 34.762 in 2010/11. The gross profit ratio increased to 30.6% in 2010/11 compared to 30.2% in the first half year of 2009/10.

Capacity costs increased by tDKK 1.984 from tDKK 26.531 in 2009/10 to tDKK 28.515 in 2010/11.

Write-offs decreased by tDKK 117 from tDKK 2.777 in 2009/10 to tDKK 2.660 in 2010/11.

Financial net expenses, which were at tDKK 200 in 2009/10 increased by tDKK 35 to tDKK 235 in 2010/11.

In the 1st half year of 2010/11, profit before tax amounted to tDKK 3.352 compared to a loss of tDKK -1.566 in the 1st half year of 2009/10.

During the 1st half year of 2010/11, the profit after tax amounted to tDKK 2.506 compared to a loss of tDKK -1.199 in the 1st half year of 2009/10.

Balance sheet total and financial resources

The balance sheet total as of the 31st of March 2011 increased compared to the 31st of March 2010 by tDKK 13.407 to tDKK 193.901.

Intangible assets have increased from tDKK 55.474 as of the 31st of March 2010 to tDKK 60.041 as of the 31st of March 2011. The increase in intangible assets can be attributed to expenses associated with the company's ongoing IT implementation. The main intangible asset is goodwill of tDKK 53.085, which can be attributed to the purchases of the activities of Rodena A/S and Nordisk Plast A/S. The goodwill values have undergone an impairment test as of the 30th of September 2010. No impairment test has been carried out in connection with the interim accounts as no indication of needs for write-offs has been seen.

Tangible assets decreased by tDKK 3.529 to tDKK 53.125 from tDKK 56.654.

Short-term assets increased by tDKK 12.369 to tDKK 80.735 from tDKK 68.366.

Stocks increased from tDKK 28.807 as of the 31st of March 2010 to tDKK 33.584 as of the 31st of March 2011.

Receivables increased from tDKK 38.569 to tDKK 43.329.

Total liabilities increased from tDKK 37.043 to tDKK 43.944. Current liabilities increased from tDKK 26.662 to tDKK 33.828.

Cash flows:

Operating activities

Cash flows from operating activities increased from tDKK 3.888 in the 1st half year of 2009/10 to tDKK 11.872 in 2010/11, which can primarily be attributed to a change in the working capital from the beginning of the financial year to the end of the financial year related to stocks, receivables as well as trade payables and other payables.

Investment activities

Cash flows from investment activities decreased from tDKK -1.005 in the 1st half year of 2009/10 to tDKK -5.259 in the 1st half year of 2010/11. Costs in connection with implementation of the company's SAP are the main reason for this.

Cash at bank and in hand increased by tDKK 2.922 to tDKK 2.922 from tDKK 0. Debt to credit institutions decreased by tDKK 1.936 to tDKK 5.864 from tDKK 7.800. The financial resources are considered satisfactory.

Statement by the Board of Directors and Management

The Board of Directors and Management have today approved the Half-Year Report 2010/11 for RIAS A/S. The Half-Year Report, which has not been audited or reviewed by the Company's auditors, has been prepared in accordance with IAS 34 which has been adopted by EU and with additional Danish disclosure requirements for listed companies.

In our opinion, the consolidated annual accounts and the financial statements give a true and fair view of the Company's assets, liabilities and financial position as of 31 March 2011 and the results of the Company's operations and cash flows for the period 1 October 2010 to 31 March 2011.

It is our opinion that the information from the management's review contains a true and fair view of the Company's activities and financial situation, the result of the period and of the Company's financial position, and a description of important risks and uncertainties which the Company faces.

Assentoft, 19th May, 2011

Management:



Henning Hess
Managing Director

Board of Directors:



Jürgen Westphal
Chairman



Steen Raagaard
Vice Chairman



Peter Swinkels



Dieter Wetzal



Peter Ø. Hansen



Lars Vollmers

Profit and Loss Account and Statement of total gains and losses

Amounts in tDKK	Note	1.10.2010- 31.3.2011	1.10.2009- 31.3.2010	1.10.2009- 30.9.2010
Net sales	3	113.616	92.421	223.458
Costs of sales		78.854	64.479	154.634
Gross profit		34.762	27.942	68.824
Distributions costs		23.102	20.767	46.305
Administrative costs		8.073	8.541	16.687
Profit before net financials and tax		3.587	-1.366	5.832
Financial income		54	149	386
Financial expenses		289	349	795
Profit before tax		3.352	-1.566	5.423
Tax on profit for the period		846	-367	1.469
Profit for the period		2.506	1.199	3.954
Other comprehensive income		0	0	0
Comprehensive income for the period		2.506	1.199	3.954

Earnings per share:

Earnings per share a DKK 100	11	-5	17
Earnings per share diluted a DKK 100	11	-5	17

Balance sheet

Figures in t.DKK

	Note	31.3.2011	31.3.2010	30.9.2010
<u>Fixed assets</u>				
Long-term assets:				
Intangible assets	4	60.041	55.474	55.494
Tangible assets	5	53.125	56.654	55.078
Total long-term assets		113.166	112.128	110.572
Short-term assets:				
Stocks	6	33.584	28.807	31.078
Receivables	7	43.329	38.569	54.743
Accruals		900	990	728
Cash and cash equivalents		2.922	0	6.523
Total short-term assets		80.735	68.366	93.072
Total fixed assets		193.901	180.494	203.644
<u>Liabilities</u>				
Shareholders' equity		149.957	143.451	148.604
Liabilities				
Long-term liabilities:				
Deferred taxes		10.116	10.381	10.116
Total long-term liabilities		10.116	10.381	10.116
Short-term liabilities:				
Credit Banks		5.864	7.800	15.081
Debt to trade creditors and other liabilities	8	27.118	18.862	27.651
Corporation tax		846	0	2.192
Total short-term liabilities		33.828	26.662	44.924
Liabilities		43.944	37.043	55.040
Total liabilities and shareholders' equity		193.901	180.494	203.644



Changes in Equity Capital

1 October 2010 – 31 March 2011

	Share capital	Revaluation reserve	Retained Earnings	Proposed dividends	Total
Equity 1 October 2010	23.063	1.898	122.490	1.153	148.604
Comprehensive income of the period			2.506		2.506
Dividend distributed				-997	-997
Transferred to Creditors Items				-156	-156
Equity 31 March 2011	23.063	1.898	124.996	0	149.957

1 October 2009 – 31 March 2010

	Share capital	Revaluation reserve	Retained Earnings	Proposed dividends	Total
Equity 1 October 2009	23.063	1.898	119.689	1.153	145.803
Comprehensive income of the period			-1.199		-1.199
Dividend distributed				-1.153	-1.153
Transferred to Creditors Items				0	0
Equity 31 March 2010	23.063	1.898	118.490	0	143.451

Cash Flow Statement

Cash Flow Statement(1000 DKK)	1 Oct. 2010 - 31 March 2011	1 Oct. 2009 - 31 March 2010
Profit for the period	2.506	-1.199
Adjustment for non cash operating items:		
Financial income	-54	-149
Financial expenses	289	349
Corporate tax for the period	846	-367
Cash flow from primary operating activities	3.587	-1.366
Financial income	54	149
Financial costs	-289	-349
Depreciations	2.660	2.777
Gain and loss of tangible and financial assets	5	74
Change in stock	-2.506	-607
Change in debtors and prepaid costs	11.242	12.798
Change in trade creditors and debt	-689	-9.099
Corporate tax paid	-2.192	-489
Cash flow from operating activities	11.872	3.888
Purchase of intangible assets	-4.825	0
Purchase of tangible assets	-586	-1.575
Sale of tangible assets	152	570
Purchase of financial assets	0	0
Cash flow from investing activities	-5.259	-1.005
Dividend paid	-997	-1.153
Changes in debt to credit banks	-9.217	-7.700
Cash flow from financing activities	-10.214	-7.853
Cash flow for the period	-3.601	-4.970
Cash and cash equivalents 1 October	6.523	4.970
Cash and cash equivalents 31 March	2.922	0

Notes

Note 1: Applied accounting policies

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting", as approved by the EU, and Danish information requirements for the presentation of accounts of companies listed on the Copenhagen Stock Exchange.

Except for the information below, the accounting policies are the same as for the group accounts and the annual accounts of 2009/10, to which reference is made.

The group accounts and the annual accounts of 2009/10 contain a full description of the accounting policies.

With reference to the section of the management's review regarding group conditions, it should be noted that this interim report after the merger of the 1st of October 2010 only contains the accounts of the company RIAS A/S, while the comparative figures are for the group.

For some comparison figures in the Balance re-classification has been done.

Change of accounting policies

During this period, RIAS A/S has implemented:

- IAS 24 "Related party disclosures" (updated in 2009)
- Amendments to IFRIC 14
- Improvements to IFRS May 2010

The new financial reporting standards and interpretation have not affected recognition and measurement.

Note 2: Estimates

The preparation of the half-year report requires that the management works out estimates, which influences the applied accounting policies and calculated assets, liabilities, income and expenses. The actual results may show deviations from these estimates.

When preparing the Half-Year Report, the material estimates which the management has made in connection with the application of the company's accounting policy and the material uncertainty in relation hereto are identical to those applied when preparing the Annual Report for 2009/10.

Note 3: Net sales

	1.h.y. 10/11	1.h.y. 09/10
Net sales, Industry	85.751	66.884
Net sales, B&C	27.865	25.537
	113.616	92.421

Sales outside Denmark constitute 8% of the Company's turnover. All long-term assets are located in Denmark.

The turnover spans a considerable number of different products and customers. No single customer represents more than 10% of the total turnover.

Note 4: Intangible assets	Goodwill	Custo- mer relations	IT software	Total
Cost price 1 October 2009	54.085	0	14.715	68.800
Additions during the period	0	0	0	0
Disposals during the period				
Transfers	-1.000	1.000	0	0
Cost price 31 March 2010	53.085	1.000	14.715	68.800
Depreciations 1 October 2009	0	0	-12.916	-12.916
Depreciations during the period	0	-99	-311	-410
Reversed depreciations on the disposals of the period	0	0	0	0
Depreciations 31 March 2010	0	-99	-13.227	-13.326
Book value 31 March 2010	53.085	901	1.488	55.474
Cost price 1 October 2010	53.085	1.000	15.055	69.140
Additions during the period	0	0	4.825	4.825
Disposals during the period	0	0	0	0
Transfers	0	0	0	0
Cost price 31 March 2011	53.085	1.000	19.880	73.965
Depreciations 1 October 2009	0	-162	-13.484	-13.646
Depreciations during the period	0	-32	-246	-278
Reversed depreciations on the disposals of the period	0	0	0	0
Depreciations 31 March 2011	0	-194	-13.730	-13.924
Book value 31 March 2011	53.085	806	6.150	60.041

Note 5: Tangible assets	Land & building	Plant machinery	Other fixtures and fittings, machinery and equipment	Payments in advance and tangible assets in progress	Total
Cost price 1 October 2009	61.906	21.016	18.047	0	100.969
Additions during the period	0	254	1.321	0	1.575
Disposals during the period	0	-320	-1.339	0	-1.659
Transfers	0	0	0	0	0
Cost price 31 March 2010	61.906	20.950	18.029	0	100.885
Depreciations 1 October 2009	-23.140	-12.143	-7.596	0	-42.879
Depreciations during the period	-387	-724	-1.256	0	-2.367
Reversed depreciations on the disposals of the period	0	277	738	0	1.015
Transfers					
Depreciations 31 March 2010	-23.527	-12.590	-8.114	0	-44.231
Book value 31 March 2010	38.379	8.360	9.915	0	56.654
Cost price 1 October 2010	61.906	20.664	17.722	380	100.672
Additions during the period	0	0	586	0	586
Disposals during the period	0	-32	-422	0	-454
Transfers	0	380	-380	0	0
Cost price 31 March 2010	61.906	21.012	17.886	0	100.804
Depreciations 1 October 2010	-23.887	-13.069	-8.638	0	-45.594
Depreciations during the period	-374	-749	-1.259	0	-2.382
Reversed depreciations on the disposals of the period	0	0	297	0	297
Depreciations 31 March 2011	-24.261	-13.818	-9.600	0	-47.679
Book value 31 March 2011	37.645	7.194	8.286	0	53.125

Note 6. Stock	31/3 2011	31/3 2010
Stock can be itemised as follows:		
Commodities	37.607	32.444
Depreciation 1 October	-3.740	-3.637
Depreciation for the period	-283	0
Depreciation as at 31 March	-4.023	-3.637
	33.584	28.807

Note 7. Debtors	31/3 2011	31/3 2010
Receivables from sale and services	40.116	31.120
Receivables at parent company	0	483
Receivables at group enterprises	0	0
Other receivables	2.929	5.139
Corporate tax	284	1.827
	<u>43.329</u>	<u>38.569</u>

Depreciation for bad debt can be itemised as follows:

Depreciations 1 October	-1.415	-500
Depreciations for the period	<u>-545</u>	<u>0</u>
Depreciations as at 31 March	<u>-1.960</u>	<u>-500</u>

Note 8. Trade creditors and other debt	31/3 2011	31/3 2010
Suppliers of goods and services	13.974	7.525
Debt to parent company	0	115
Debt to group enterprises	229	0
VAT payable	4.552	3.563
Holiday-pay liabilities	3.410	3.821
Not paid dividends – A shares	156	0
Other debts	4.797	3.838
	<u>27.118</u>	<u>18.862</u>