Company Announcement no. 12 - 2017

Interim report for Q3 2016/17
(the period 1 November 2016 – 31 July 2017)

The Roblon Group upgrades its profit guidance for the 2016/17 financial year

Summary of Q1-Q3 2016/17:

- The order intake was DKKm 240.7 (DKKm 199.7)
- The order book at 31 July 2017 stood at DKKm 82.0 (DKKm 72.0)
- Revenue increased to DKKm 208.5 (DKKm 154.7). The activities in the USA were acquired in early April and contributed DKKm 16.2. The organic revenue growth rate was 24.3%
- Operating profit (EBIT) was DKKm 20.4 (DKKm 17.5)
- Profit before tax was DKKm 22.0 (DKKm 18.1)
- Profit before tax from discontinued operations was DKKm 4.1 (a loss of DKKm 1.3)
- ROIC before tax was 17.9% (17.1%)
- The development and integration of the acquired business in the USA proceeded as planned, and with effect from September the US company has appointed a new sales director, who has extensive knowledge of the US fibre optic cable industry.
- Guidance for 2016/17:

In the 2015/16 annual report, Management's guidance was revenue from continuing operations of around DKKm 240 and a profit before tax of around DKKm 15 for the 2016/17 financial year. After the first half of 2016/17, Management upgraded its guidance for the 2016/17 financial year to revenue of around DKKm 290 and profit before tax of around DKKm 20 for continuing operations. It is expected a profit before tax of DKKm 4 for discontinuing operations.

After the first nine months of the 2016/17 financial year, Management retains its guidance for revenue of around DKKm 290, and upgrades the profit before tax to around DKKm 22,5 for continuing operations. Management expects the Q4 performance to be adversely impacted by an unfavourable product mix. The profit before tax for the discontinued operations is expected to remain around DKKm 4.

Frederikshavn, 12 September 2017
Roblon A/S

Jørgen Kjær Jacobsen Chairman of the Board	Lars Østergaard Managing Director and CEO

Enquiries regarding this announcement should be addressed to:
Managing Director and CEO Lars Østergaard, tel. +45 9620 3300

Financial highlights and ratios for the Group

	Unit	Q3 2016/17[1]	Q3 2015/16[1]	Q1-Q3 2016/17[1]	Q1-Q3 2015/16[1]	FY 2015/16
Orders						
Order intake	DKKm	105,1	59,8	240,7	199,7	253,8
Order book	DKKm	82,0	72,0	82,0	72,0	50,9
Statement of income						
Net revenue, continuing operations	DKKm	82,5	57,8	208,5	154,7	229,6
Net revenue, discontinuing operations	DKKm	0,0	4,4	12,5	16,0	22,0
Net revenue, total	DKKm	82,5	62,2	221,0	170,7	251,6
Of which for export	DKKm	80,3	57,4	203,1	149,8	200,0
Export ratio	%	97,3	99,3	97,4	96,8	87,1
Gross result	DKKm	40,5	31,5	110,8	85,1	122,1
Operating profit (EBIT)	DKKm	8,0	8,4	20,4	17,5	28,1
Net financing etc.	DKKm	0,0	-0,6	1,6	0,6	0,7
Profit before tax from continuing operations	DKKm	8,0	7,8	22,0	18,1	28,8
Profit before tax from discontinuing operations	DKKm	-0,1	-0,8	4,1	-1,3	-3,4
Total profit before tax	DKKm	7,9	7,0	26,1	16,8	25,4
Profit for the period from continuing operations	DKKm	5,9	6,2	16,8	14,2	22,6
Profit for the period from discontinued operations	DKKm	-0,1	-0,6	3,2	-1,0	-2,6
Total profit for the period	DKKm	5,8	5,6	20,0	13,2	20,0
Balance sheet						
Total assets	DKKm	295,3	288,7	295,3	288,7	300,6
Working capital	DKKm	92,3	77,6	92,3	77,6	63,5
Share capital	DKKm	35,8	35,8	35,8	35,8	35,8
Capital and reserves	DKKm	252,1	245,0	252,1	245,0	251,8
Cash flow						
Cash flow from operating activities	DKKm	13,0	-3,4	22,3	2,5	28,2
Cash flow from investing activities	DKKm	-15,4	-2,5	-13,3	-36,3	-38,7
Of which investment in marketable securities		-14,5	-0,5	22,5	-31,6	-31,8
Cash flow from financing activities	DKKm	0,0	0,0	-20,5	-17,9	-17,9
Change in cash and cash equivalents	DKKm	-2,4	-5,9	-11,5	-51,7	-28,4
Average number of employees[2]	Number	135,0	125,0	135,0	125,0	130,0
Key ratios						
Book-to-bill ratio	%	127,4	103,6	115,4	129,2	110,5
Gross margin	%	49,1	54,5	53,1	55,0	53,2
EBIT-margin	%	9,7	14,5	9,8	11,3	12,2
ROIC/return on average invested capital[2]	%	21,1	24,7	17,9	17,1	21,7
Equity/assets ratio	%	85,4	84,9	85,4	84,9	83,8
Return on equity[2]	%	9,4	8,9	8,9	7,1	8,0
Per-share ratios						
Earnings per DKK 20 share, continuing and discontinued operations	DKK	3,2	3,1	11,2	7,4	11,2
Earnings per DKK 20 share, continuing operations	DKK	3,3	3,5	9,4	7,9	12,6
Market price per share	DKK	333,0	238,5	333,0	238,5	236,0
Book value of shares	DKK	141,0	137,0	141,0	137,0	141,0

[1] The interim report has not been audited or reviewed by the company's auditors

[2] The ratio is calculated on a full-year basis.

The ratios are defined in the accounting policies section of the 2015/16 annual report. The stated share-based key figures relate to the B shares.
However, the Book-to-bill ratio is an addition to the interim report and calculated as order intake / revenue.

Management's review

for Q3 2016/17 and for the period 1.november 2016 – 31 July 2017.

Key figures for Q3 (continuing operations)				
DKKm	**2016/17**	**2015/16**	**Change**	
Order intake	105.1	59.8	45.3	76%
Revenue	82.5	57.8	24.7	43%
EBIT	8.0	8.4	-0.4	-5%

Key figures for the first 9 months of 2016/17 (continuing opr.)				
DKKm	**2016/17**	**2015/16**	**Change**	
Order intake	240,7	199,7	41,0	21%
Order book	82,0	72,0	10,0	14%
Revenue	208,5	154,7	53,8	35%
EBIT	20,4	17,5	2,9	17%

Income statement

The revenue and profit development for Q3 2016/17 and for the nine months ended 31 July 2017 was as expected.

Order intake
In Q3 2016/17, the Group reported a 76% increase in order intake relative to the year-earlier period. The improvement was driven by both business segments, Industrial Fiber reporting a year-on-year increase of DKKm 37.2 (115%) on last year's figure, of which DKKm 10.7 (33%) was from the acquisition in the USA, and Engineering reporting a year-on-year increase of DKKm 8.1 (29%).

The book-to-bill ratio was 127% for Q3 2016/17, and for Q1-Q3 it was 115%.

Revenue
Group revenue in the first nine months of the financial year 2016/17 was DKKm 208.5, corresponding to a 35% increase. Of the DKKm 53.8 increase, DKKm 16.2 was driven by acquisition, whereas the organic revenue growth was DKKm 37.6 (24.3%). While both business segments contributed to the growth, Industrial Fiber in particular contributed to the Group's revenue growth from strategic customers in Q1-Q3.

The Group introduced a new strategy in the autumn of 2016, and with this as a starting point has launched strategic sales initiatives with the aim of reaching average organic revenue growth of at least 7% by 2020/21. Activities associated with the acquisitions are also being maintained, a measure which in the future is also expected to positively affect the Group's revenue and earnings targets.

Operating profit (EBIT)
Operating profit (EBIT) in the first nine months of 2016/17 amounted to DKKm 20.4 compared with DKKm 17.5 in the same period last year.

In Q3 2016/17, EBIT was DKKm 8.0, which represented a minor decrease of 5% in comparison with last year's EBIT of DKKm 8.4.

EBIT for Q1-Q3 2016/17 was adversely affected by transaction costs of DKKm 4.6 incurred in relation to US acquisitions. The relatively high amount in relation to the investment was due to the complex nature of the acquisition, which required additional legal advice. For further details on transaction costs, see note 6 to the financial statements.

Further to this, EBIT for 2016/17 was adversely affected by a settlement with a former agent in the UK, which was expensed in the amount of DKKm 0.9.

The gross margin for Q1-Q3 was 53.1% (55.0%), adversely impacted by the product mix.

Costs
<u>Other external costs</u> were as expected at DKKm 31.5 in the first nine months of the financial year (DKKm 18.9). The increase in costs was primarily attributed to transaction costs in connection with the acquisition in the USA, as well as higher costs associated with new activities in the subsidiary.

<u>Staff costs</u> amounted to DKKm 52.2 in the first nine months of 2016/17 (DKKm 44.3). This increase was attributed to scheduled recruitment, principally in the sales and development functions and, to a lesser extent, in other business support roles.

Financial income, net
Net financial income amounted to DKKm 1.6 (DKKm 0.6). This item comprises net foreign exchange income of DKKm 0.6 (net expense of DKKm 0.9).

Tax
Tax on the profits of Danish companies is calculated at a rate of 22% of profit for the year before tax. Tax is calculated at 33% of the profit for the year before tax for the US company.

Balance sheet

As at 31 July 2017, total asset value amounted to DKKm 295.3 (DKKm 288.7). Working capital was DKKm 92.3 (DKKm 77.6). The DKKm 14.7 increase in working capital was primarily attributable to inventories and receivables, and DKKm 7.9 of the increase was attributable to the acquisition in the USA.

Inventories rose from DKKm 74.4 at 31 July 2016 to DKKm 77.5 at 31 July 2017, due to the acquisition of a business in the USA which at 31 July 2017 reported inventories totalling DKKm 6.6.

Trade receivables amounted to DKKm 47.5 at 31 July 2017, against DKKm 37.4 at the same time last year. DKKm 6.7 of this increase could be attributed to the establishment and acquisition in the USA. The increase was furthermore due to increased invoicing in Q3 2016/17 relative to the year-earlier period.

Marketable securities amounted to DKKm 69.6 at 31 July 2017, against DKKm 91.7 at 31 July 2016. The portfolio has been reduced in 2016/17 as a result of self-financing of the acquisition in the USA.

The securities are available for sale and agreements are in place with external asset managers to follow an active management strategy with low risk exposure.

Cash flows

Cash flows from operating activities for the first nine months of the financial year 2016/17 amounted to DKKm 22.3 (DKKm 2.5).

Investments in intangible assets and property, plant and equipment in Q1-Q3 amounted to DKKm 8.5 compared with DKKm 4.7 last year. Investments in business acquisitions amounted to DKKm 27.3 (DKKm 0).

Cash flows from financing activities were a net outflow of DKKm 20.5, comprising payment of dividends of DKKm 17.9 (DKKm 17.9) and DKKm 2.6 (DKKm 0) in financing in connection with the sale of discontinued operations.

Segment reporting

Industrial Fiber
The Industrial Fiber segment comprises development, production and sale of fibre optic cable components to the fibre optic cable industry and solutions for Offshore and other industry.

The results of the business acquired in the USA are included in this segment.

Key figures for Q3

DKKm	2016/17	2015/16	Change	
Order intake	69.5	32.3	37.2	115%
Revenue	55.6	40.9	14.7	36%
EBIT	8.8	8.5	0.3	4%

Key figures of the first 9 months of 2016/17

DKKm	2016/17	2015/16	Change	
Order intake	154,4	129,9	24,5	19%
Order book	40,6	44,4	-3,8	-9%
Revenue	137,0	99,4	37,6	38%
EBIT	21,6	15,8	5,8	37%

In Q3 2016/17, the order intake amounted to DKKm 69.5, against DKKm 32.3 last year, and of the DKKm 37.2 improvement, DKKm 10.7 was attributable to the acquired business in the USA.

For the first nine months of 2016/17, the segment had an order intake of DKKm 154.4, compared with DKKm 129.9 for the same period last year. Of the DKKm 24.5 improvement, DKKm 17.6 related to the acquired business in the USA. The rest of the increase in order intake related in equal parts to fibre optic cable components and offshore and other industry customers.

The book-to-bill ratio was 125% for Q3 2016/17, and for Q1-Q3 it was 113%.

Revenue for Q1-Q3 2016/17 amounted to DKKm 137.0, against DKKm 99.4 last year. The improvement was due in part to an improved order book at the beginning of the 2016/17 financial year compared with the year earlier. Also, DKKm 16.2

of the DKKm 37.6 increase was attributable to the acquired business.

EBIT for Q1-Q3 2016/17 was DKKm 21.6 (DKKm 15.8). EBIT was adversely affected in an amount of DKKm 5.5 by the above-mentioned transaction costs related to the US acquisition and the settlement with a former UK agent.

The DKKm 5.8 increase in EBIT was mainly due to the increased revenue. Gross margin saw a positive development in Q1-Q3 2016/17 compared with last year, which was primarily due to development of the revenue mix.

Profit was positively affected in the amount of approximately DKKm 1.3 by earnings in Roblon US Inc.

Management considers the performance of Industrial Fiber in the first nine months of 2016/17 to be highly satisfactory.

Engineering

The Engineering segment comprises development, production and sale of cable machinery, rope-making equipment, twisters and winders.

Key figures for Q3

DKKm	2016/17	2015/16	Change	
Order intake	35.6	27.5	8.1	29%
Revenue	26.9	16.8	10.1	60%
EBIT	-0.8	0.0	-0.8	-800%

Key figures of the first 9 months of 2016/17

DKKm	2016/17	2015/16	Change	
Order intake	86,3	70,0	16,3	23%
Order book	39,5	27,6	11,9	43%
Revenue	71,5	55,3	16,2	29%
EBIT	-1,2	1,8	-3,0	-167%

In Q3 2016/17, the order intake improved by DKKm 8.1 to DKKm 35.6, against DKKm 27.5 in the year-earlier period.

For the first nine months of 2016/17, the segment had an order intake of DKKm 86.3, compared with DKKm 70.0 for the same period last year. This was an improvement of DKKm 16.3, which was driven by a positive development in cable machinery and rope-making equipment sales.

The book-to-bill ratio was 132% for Q3 2016/17, and for Q1-Q3 it was 121%.
EBIT for Q1-Q3 2016/17 was negative at DKKm -1.2 (DKKm 1.8), adversely affected by increased costs related to new appointments in sales, development and management.

Gross margin for Q1-Q3 2016/17 was unchanged compared with the level for the year-earlier period.

Profit in Engineering for the first nine months of 2016/17 was unsatisfactory, and activities have been launched to lift earnings to a satisfactory level within the coming 15-21 months.

Innovation and product development

In line with Roblon's strategy and vision, the year's product development has focused on the following:

<u>Foundation/structure:</u> At the beginning of the financial year, Roblon reorganised the company's innovation and product development structure. The result is a simplified, more focused structure, anchored from the Board of Directors to the more operational parts of the organisation, and with a stronger footprint in the market. Also, a number of new development engineers have been recruited during 2016/17. In addition to these measures, the number of development projects in progress has been trimmed considerably and the product development process model has been adjusted.

<u>Product development:</u> The Company focuses on optimizing the development portfolio, so it will be market conformal in the short as well as in the longer term.

Matters of note in the first nine months of the 2016/17 financial year

Acquisition and establishment in the USA

In company announcement No. 5 - 2017, Roblon announced the acquisition of activities and assets from Neptco, a company in the fibre optic cable industry.

The acquisition, which was effected at 3 April 2017, supports Roblon Industrial Fiber's strategy, which is to aspire to become a total supplier of strength element solutions for selected strategic customers in the fibre optic cable industry.

The acquisition price was approximately DKKm 27.3 and transaction costs have been incurred in connection with the acquisition in the amount of DKKm 4.6, most of which were incurred in Q2 2016/17.

The development and integration of the acquired business in the USA is proceeding as planned. At 1 September 2017, the Group has appointed a new sales director for the US business, who has extensive knowledge of the US fibre optic cable industry.

Sale of Roblon Lighting
In company announcement No. 4 – 2017, Roblon announced the sale of the Roblon Lighting business segment.

The final selling price was DKKm 12.3, and financing of DKKm 2.6 was provided as part of the sale. As previously announced, net proceeds from the sale were DKKm 4 before tax.

Roblon has entered into an agreement with the purchaser of Roblon Lighting under which the purchaser will lease premises in Roblon's production and administration building in Frederikshavn.

Outlook for 2016/17

In the 2015/16 annual report, Management's guidance was revenue from continuing operations of around DKKm 240 and a profit before tax of around DKKm 15 for the 2016/17 financial year. After the first half of 2016/17, Management upgraded its guidance for the 2016/17 financial year to revenue of around DKKm 290 and profit before tax of around DKKm 20 for continuing operations. It is expected a profit before tax of DKKm 4 for discontinuing operations.

After the first nine months of the 2016/17 financial year, Management retains its guidance for revenue of around DKKm 290, and upgrades the profit before tax to around DKKm 22,5 for continuing operations. Management expects the Q4 performance to be adversely impacted by an unfavourable product mix. The profit before tax for the discontinued operations is expected to remain around DKKm 4.

Future events

Forward-looking statements, including in particular forecasts of future revenue and financial results, are subject to uncertainty and risk.

Roblon's sales are characterised by a structure based on project sales. This makes it difficult at any given time to forecast future revenue for a specific period, i.e. a three-month, six-month or 12-month period.

As the offshore industry continues to be adversely affected by the low oil price, Management's forecasts of expected order intake are subject to significant uncertainty.

Many factors are, and will remain, outside the Group's control, which may cause actual results and performance to differ materially from the forecasts made in this report.

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

Financial calendar

19/12 2017:	Preliminary statement 2016/17
25/1 2018:	Annual General Meeting

Announcements – NASDAQ Copenhagen

During the period 1 November 2016 to 12 September 2017, the Group sent the following announcements to NASDAQ Copenhagen; these can be found on Roblon's website, www.roblon.com.

No. 18-2016:	Preliminary Statement 2015/16
No. 19-2016:	Major Shareholder Announcement
No. 20-2016:	Notice convening Annual General Meeting
No. 1-2017:	Information at today's Annual General Meeting
No. 2-2017:	Annual General Meeting of Roblon A/S
No. 3-2017:	Interim report for Q1 2016/17
No. 4-2017:	Sale of Roblon Lighting
No. 5-2017:	Acquisition and establishment in the USA
No. 6-2017:	Managers' transactions
No. 7-2017:	Interim report for Q2 2016/17
No. 8-2017:	Managers' transactions
No. 9-2017:	Managers' transactions
No. 10-2017:	Managers' transactions
No. 11-2017:	Managers' transactions
No. 12-2017:	Interim report for Q3 2016/17

Statement by the Management

The Board of Directors and Executive Management have today discussed and adopted the interim report of Roblon A/S for the period 1 November 2016 to 31 July 2017.

The interim report, which has not been audited or reviewed by the company's auditor, is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional requirements under the Danish Financial Statements Act.

It is our opinion that the interim financial statements provide a true and fair view of the Group's assets, liabilities and financial position as of 31 July 2017 as well as of the results of the Group's activities and cash flows for the period 1 November 2016 to 31 July 2017.

It is also our opinion that the management's review includes a fair review of the development in the Group's operations and financial situation, the profit for the period and the Group's overall financial position, as well as a description of the most significant risks and uncertainties facing the Group.

Frederikshavn, 12 September 2017

Executive Management

Lars Østergaard Managing Director and CEO	Carsten Michno Chief Financial Officer	Kim Müller Chief Operating Officer

Board of Directors

Jørgen Kjær Jacobsen Chairman	Ole Krogsgaard Deputy Chairman	Peter Sloth Vagner Karlsen
Randi Toftlund Pedersen	Nita Svendsen Employee representative	Svend-Jørgen Matthews Rævdal Employee representative

Income statement for the Group

DKKm	Note	Q3 2016/17	Q3 2015/16	Q1-Q3 2016/17	Q1-Q3 2015/16	FY 2015/16
Revenue	4	82.5	57.8	208.5	154.7	229.6
Cost of sales		-41.9	-26.2	-97.7	-69.6	-107.5
Work carried out at own expense and recognised under assets		0.1	0.4	0.4	1.3	2.4
Other external costs		-11.3	-5.6	-31.5	-18.9	-27.0
Staff costs		-18.5	-16.0	-52.2	-44.3	-61.3
Depreciation, amortisation and write-downs of property, plant and equipment and intangible assets		-2.9	-2.0	-7.1	-5.7	-8.1
Operating profit (EBIT)		**8.0**	**8.4**	**20.4**	**17.5**	**28.1**
Financial income, net		0.0	-0.6	1.6	0.6	0.7
Profit before tax (PBT)		**8.0**	**7.8**	**22.0**	**18.1**	**28.8**
Tax on profit for the period		-2.1	-1.6	-5.2	-3.9	-6.2
Profit for the period from continuing operations		**5.9**	**6.2**	**16.8**	**14.2**	**22.6**
Profit for the period from discontinued operations	5	**-0.1**	**-0.6**	3.2	**-1.0**	-2.6
Profit for the period		**5.8**	**5.6**	**20.0**	**13.2**	**20.0**
Earnings per share (DKK)						
Earnings per share (EPS), continuing and discontinued operations		3.2	3.1	11.2	7.4	11.2
Earnings per share, diluted (DEPS), continuing and discontinued operations		3.2	3.1	11.2	7.4	11.2
Earnings per share (EPS), continuing operations		3.3	3.5	9.4	7.9	12.6
Earnings per share, diluted (DEPS), continuing operations		3.3	3.5	9.4	7.9	12.6

Statement of comprehensive income for the Group

DKKm	Q3 2016/17	Q3 2015/16	Q1-Q3 2016/17	Q1-Q3 2015/16	FY 2015/16
Profit for the period	5.8	5.6	20.0	13.2	20.0
Items that can be reclassified to the income statement:					
Fair value adjustment of financial assets available for sale	-0.3	1.2	0.2	0	0
Exchange rate adjustment foreign entities	0.5	0	0.0	0	0
Tax on other comprehensive income	0.1	-0.3	0.0	0.0	0
Total comprehensive income	**6.1**	**6.5**	**20.2**	**13.2**	**20.0**

Balance sheet for the Group

DKKm	Note	31.07.17	31.07.16	31.10.16
Completed development projects		5.6	4	6.8
Development projects in progress		2.3	5.1	1.9
Trademarks		9.2	0	0
Intangible assets		**17.1**	**9.1**	**8.7**
Land and buildings		38.6	35	34.3
Plant and machinery		21.7	14.4	14.1
Fixtures and fittings, tools and equipment		1.2	1.6	1.6
Property, plant and equipment under construction		0.5	0.1	1.2
Property, plant and equipment		**62.0**	**51.1**	**51.2**
Financial assets	**5**	**2.6**	**0**	**0**
Total non-current assets		**81.7**	**60.2**	**59.9**
Inventories		77.5	74.4	66.9
Trade receivables		47.5	37.4	36.0
Corporation tax receivable		0	9.8	7.9
Other receivables		2.8	1.5	1.9
Securities		69.6	91.7	91.8
Cash at bank and in hand		15.7	3.9	27.2
Assets, discontinued operations (held for sale)	**5**	0.5	9.8	9.0
Total current assets		**213.6**	**228.5**	**240.7**
TOTAL ASSETS		**295.3**	**288.7**	**300.6**

Balance sheet

DKKm		31.07.17	31.07.16	31.10.16
Share capital		35,8	35,8	35,8
Other reserves		196,1	196	0,7
Retained earnings		20,2	13,2	215,3
Equity		**252,1**	**245,0**	**251,8**
Deferred tax		4,2	4,5	4,2
Other provisions		0,5	0	0,6
Non-current liabilities		**4,7**	**4,5**	**4,8**
Deferred income		5,9	4,4	5,0
Trade payables		21,6	18,4	22,3
Corporation tax		3,3	0	0
Other debt		7,4	12,9	13,4
Liabilities associated with discontinued operations held for sale)	**5**	0,3	3,5	3,3
Current liabilities		**38,5**	**39,2**	**44,0**
		0	0	0
Total liabilities		**43,2**	**43,7**	**48,8**
		0	0	0
TOTAL EQUITY AND LIABILITIES		**295,3**	**288,7**	**300,6**

Statement of changes in equity for the Group

DKKm	Share capital	Translation reserve	Reserve for financial assets available for sale	Retained earnings	Proposed dividends	Total equity
3. Kvt 2016/17						
Equity 01.11.2016	35.8	-	0.7	197.4	17.9	251.8
Comprehensive income for the period						
Profit for the period	-	-	-	20.0	-	20.0
Other comprehensive income	-	-2.0	0.2	-	-	-1.8
Total comprehensive income for the period	-	-2.0	0.2	20.0	-	18.2
Transactions with shareholders						
Distributed dividends	-	-	-	-	-17.9	-17.9
Equity 30.04.2017	**35.8**	**-2.0**	**0.9**	**217.4**	**-**	**252.1**
3. Kvt 2015/16						
Equity 01.11.2015	35.8	0	0.6	195.4	17.9	249.7
Comprehensive income for the period						
Profit for the period	-	-	-	13.2	-	13.2
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	13.2	-	13.2
Transactions with shareholders						
Distributed dividends	-	-	-	-	-17.9	-17.9
Equity 30.04.2016	**35.8**	**-**	**0.6**	**208.6**	**-**	**245.0**
2015/16						
Equity 01.11.2015	35.8	0	0.6	195.4	17.9	249.7
Comprehensive income for the period						
Profit for the period	-	-	-	20.0	-	20.0
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	20.0	-	20.0
Transactions with shareholders						
Distributed dividends	-	-	-	-	-17.9	-17.9
Equity 31.10.2016	**35.8**	**-**	**0.6**	**215.4**	**-**	**251.8**

Statement of cash flows for the Group

DKKm	Note	Q3 2016/17	Q3 2015/16	Q1-Q3 2016/17	Q1-Q3 2015/16	FY 2015/16
Operating profit (EBIT) from continuing operations		8.0	8.4	20.4	17.5	28.1
Operating profit (EBIT) from discontinued operations		-0.1	-0.6	4.1	-1.0	-3.4
Operating profit (EBIT)		**7.9**	7.8	**24.5**	16.5	**24.7**
Adjustment for items without liquidity effect	A	3.0	2.1	6.8	6.1	9.6
Change in working capital	B	2.4	-12.5	-14.9	-15.9	-2.1
Cash flow from primary activities		**13.3**	**-2.6**	**16.4**	**6.7**	**32.2**
Financial payments received (interest)		-0.3	-0.6	0.9	0.6	0.7
Corporation tax paid		0.0	-0.2	5.0	-4.8	-4.7
Cash flow from operating activities		**13.0**	**-3.4**	**22.3**	**2.5**	**28.2**
Investment in intangible assets		-0.2	-0.5	-0.5	-2.6	-3.0
Investment in securities		-14.5	-0.5	22.5	-31.6	-31.8
Acquisition in the United States		0.0	0.0	-27.3	0.0	0.0
Investment in property, plant and equipment		-0.7	-1.5	-8.0	-2.1	-4.0
Sales proceeds from property, plant and equipment		0.0	0.0	0.0	0.0	0.1
Cash flow from investing activities		**-15.4**	**-2.5**	**-13.3**	**-36.3**	**-38.7**
Financing provided by Roblon, discontinued operations		0.0	0.0	-2.6	0.0	0.0
Dividend paid		0.0	0.0	-17.9	-17.9	-17.9
Cash flow from financing activities		**0.0**	**0.0**	**-20.5**	**-17.9**	**-17.9**
Change in cash and cash equivalents		**-2.4**	**-5.9**	**-11.5**	**-51.7**	**-28.4**
Cash and cash equivalents at the beginning of the year		18.1	9.8	27.2	55.6	55.6
Cash and cash equivalents at the end of the year		**15.7**	**3.9**	**15.7**	**3.9**	**27.2**
Note A: Adjustment for items without liquidity effect						
Depreciation and amortisation		2.8	2.1	7.1	6.1	9.6
Provisions		0.2	0.0	-0.3	0.0	0.0
		3.0	**2.1**	**6.8**	**6.1**	**9.6**
Note B: Change in working capital						
Change in inventories		7.0	-6.9	3.9	-14.0	-5.8
Change in trade receivables		4.2	-3.8	-10.4	-7.8	-7.7
Change in deferred income		-0.9	0.2	0.9	2.4	2.5
Change in trade payables		-5.7	-0.3	-1.9	5.2	9.4
Change in non-current other debt		0.0	0.0	0.0	-3.8	-3.8
Change in current other debt		-2.2	-1.7	-7.4	2.1	3.3
		2.4	**-12.5**	**-14.9**	**-15.9**	**-2.1**

Notes to the financial statements

1. Accounting policies
2. Estimates
3. Seasonality
4. Segment reporting
5. Discontinued operations
6. Business acquisition
7. Related parties
8. Events after the end of the interim reporting period

Note 1 – Accounting policies

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

With effect from 1 November 2016, the company has implemented the new financial reporting standards (IAS and IFRS) and interpretations (IFRIC) which enter into force for the financial year 2016/17. None of the new financial reporting standards and interpretations have affected recognition or measurement.

In the current financial year, in connection with the establishment of a subsidiary in the USA and its acquisition of activities from a US company, a Roblon Group has been established. The accounting policies have therefore been extended to also include consolidated financial statements.

In addition to the description of the accounting policies, as set out in the annual report for 2015/16, the following will be included in the description for 2016/17:

"Consolidated financial statements
The consolidated financial statements cover the parent company, Roblon A/S, and any subsidiaries in which Roblon A/S has control over the company's financial and operating policies so as to obtain returns or other benefits from its activities. Control is achieved by directly or indirectly holding or having the disposal of more than 50% of the voting rights or otherwise exercising a controlling influence over the relevant enterprise.

When assessing whether Roblon A/S has control or significant influence, de-facto control and potential voting rights that are real and substantive at the balance sheet date are taken into account.

Companies in which the Group exercises a significant influence, but not control, are considered to be associates. Significant influence is generally achieved by directly or indirectly holding or having disposal over more than 20%, but less than 50%, of the voting rights.

Joint arrangements are activities or businesses over which the Group has control via cooperation agreements with one or more parties. Joint control means that decisions on relevant activities require a consensus among the parties that have joint control. Joint arrangements are classified as joint ventures or joint operations. Joint operations are activities where the participants have direct rights to assets and direct obligations for liabilities, while joint ventures are activities where the participants only have rights to the net assets.

The consolidated financial statements cover the parent company, Roblon A/S, and the subsidiary Roblon US Inc.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, prepared in accordance with the Group's accounting policies. On consolidation, intra-group income and costs, shareholdings, balances and dividends as well as realised and unrealised gains on transactions between the consolidated businesses are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's share of ownership in the business. Unrealised losses are eliminated in the same way as unrealised gains to the extent they do not reflect impairment.

Financial statement items of subsidiaries are recognised 100% in the consolidated financial statements. Non-controlling interests’ shares in the profit for the year and equity of subsidiaries that are not wholly owned are included as part of the Group’s profit or equity, respectively, but shown separately.

Business combinations

Newly acquired or newly formed businesses are recognised in the consolidated financial statements from the takeover date. Sold or liquidated businesses are recognised in the consolidated financial statements up until the date of disposal. Comparative figures are not corrected for newly acquired businesses.

On acquisition of new businesses in which the Roblon A/S Group assumes control over the purchased business, the acquisition method is used. The identifiable assets, liabilities and contingent liabilities of the acquired business are measured at fair value at the takeover date. Deferred tax is recognised on the basis of the revaluations made.

The takeover date is the date on which Roblon A/S actually assumes control of the acquired business.

Costs attributable to business combinations are recognised directly in profit/loss for the year as incurred.

Foreign currency translation

A functional currency is assigned for each of the reporting businesses in the Group. The functional currency is the currency used in the primary financial environment in which the reporting business in question operates. Transactions in currencies other than the functional currency are transactions in foreign currency. On initial recognition, transactions in foreign currency are translated to the functional currency at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the exchange rate at the payment date are recognised in the income statement as financial income or expense. Receivables, payables and other monetary items in foreign currency are translated to the functional currency at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the time the receivable or debt arose or the exchange rate in the most recent annual report is recognised in the income statement as financial income or expense.

On recognition in the consolidated financial statements of subsidiaries with another functional currency than DKK, the income statements are translated at the exchange rates at the transaction date and the balance sheet items are translated at the exchange rates at the balance sheet date. The average exchange rate for the individual month is used as the exchange rate at the transaction date to the extent that this does not provide a significantly different outcome.

Foreign exchange differences arising on translation of these businesses’ opening equity to the exchange rate at the balance sheet date and on translation of income statements from the exchange rate at the transaction date to the exchange rate at the balance sheet date are recognised in other comprehensive income as a separate translation reserve under equity.

On recognition in the consolidated financial statements of associates with a functional currency other than DKK, the share of results for the year is translated at average exchange rates, and the share of equity including goodwill is translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the share of foreign associates’ equity at the beginning of the year to the exchange rate at the balance sheet date, and on translation of the share of profit/loss for the year from average exchange rates to the exchange rate at the balance sheet date, are recognised in other comprehensive income as a separate translation reserve under equity.”

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In connection with Roblon’s acquisition of a business in the USA, a new item has arisen under intangible assets, and the description of the section on intangible assets will be adjusted to also include trademarks.

As part of the work to prepare the takeover balance sheet in connection with the acquisition in the USA, the Group has made a preliminary calculation of the value of trademarks, which will be amortised over 10 years.

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Except for the above changes regarding the Group, the accounting policies are consistent with those in the 2015/16 annual report, and a full description of accounting policies can be found in that report.

Note 2 – Estimates

The preparation of interim reports requires Management to make accounting estimates that will affect the accounting policies and recognised assets, liabilities, income and costs. Actual results may differ from these estimates.

The most significant estimates made by Management in the application of the Group's accounting policies, and the most significant uncertainties associated therewith, in preparing the consolidated interim report are identical to those applying to the preparation of the annual report for 2015/16.

Note 3 – Seasonality

The Group's activities in the interim report have not been affected by seasonal or cyclical fluctuations.

Note 4 – Segment reporting

Reporting is disclosed for two segments within Roblon A/S, and activity in these business segments is as follows:

Industrial Fiber: Development, production and sale of fibre optic cable components and solutions to Offshore and other industry

Engineering: Development, production and sale of cable machinery, rope-making equipment, twisters and winders

mDKK	Q3 2016/17	Q3 2015/16	Q1-Q3 2016/17	Q1-Q3 2015/16	FY 2015/16
Revenue					
Industrial Fiber	55.6	40.9	137.0	99.4	147.0
Engineering	26.9	16.8	71.5	55.3	82.6
Total	**82.5**	**57.7**	**208.5**	**154.7**	**229.6**
Operating profit (EBIT)					
Industrial Fiber	8.8	8.5	21.6	15.8	25.5
Engineering	-0.8	0.0	-1.2	1.8	2.6
Total	**8.0**	**8.5**	**20.4**	**17.6**	**28.1**
Segment assets					
Industrial Fiber	130.4	104.2	130.4	104.2	94.3
Engineering	81.0	69.3	81.0	69.3	70.5
Undistributed items	83.4	105.5	83.4	105.5	126.8
Assets, discontinued activities	0.5	9.8	0.5	9.8	9.0
Total	**295.3**	**288.8**	**295.3**	**288.8**	**300.6**
Geographic segments					
Denmark	2.2	5.8	5.4	10.3	29.6
Great Britain (UK)	8.4	8.2	27.5	22.7	27.9
Other European countries	20.8	18.3	58.1	54.4	75.1
Asia	16.6	9.7	35.8	28.6	45.3
Brazil	18.4	12.7	46.7	25.6	33.6
United States of America	16.1	3.3	35.0	13.3	18.1
Total	**82.5**	**57.8**	**208.5**	**154.7**	**229.6**

The Group's property, plant and equipment are mainly located in Denmark. The carrying amount as at 31 July 2017 of the Group's property, plant and equipment abroad was DKKm 17.0 (DKKm 0).

The Group's revenue is largely derived from the sale of goods.

Of the Group's total revenue for Q1-Q3 2016/17, DKKm 24.0 (DKKm 0) and DKKm 20.3 (DKKm 22.2) was generated by sales to two major customers. Sales to these customers, who are in the Industrial Fiber segment, account for more than 10% of the Group's total revenue.

Note 5 – Discontinued operations

In company announcement no. 4 – 2017, Roblon announced that the Roblon Lighting business segment has been sold. The sale was completed as planned and with effect from the end of April 2017.

DKKm	Q3 2016/17	Q3 2015/16	Q1-Q3 2016/17	Q1-Q3 2015/16	FY 2015/16
Income statement, discontinued operations					
Revenue	-	4.4	12.5	16.0	22.0
Cost of sales	-	-1.8	-4.7	-6.5	-9.0
Gross profit	**-**	**2.6**	**7.8**	**9.5**	**13.0**
Work carried out at own expense and recognised under assets	-	-	-	0.1	0.2
Other operating income	-	-	-	-	-
Other external costs	-0.1	-0.8	-2.0	-2.9	-4.4
Staff costs	-	-2.4	-5.6	-7.5	-10.7
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-	-0.2	-0.1	-0.5	-1.5
Operating profit	**-0.1**	**-0.8**	**0.1**	**-1.3**	**-3.4**
Net proceeds from sale of business segment	-	-	4.0	-	-
Profit before tax	**-0.1**	**-0.8**	**4.1**	**-1.3**	**-3.4**
Tax on profit for the period	-	0.2	-0.9	0.3	0.8
Profit for the period	**-0.1**	**-0.6**	**3.2**	**-1.0**	**-2.6**
Discontinued operations have affected the cash flow statement as follows:					
Cash flows from operating activities	-2.3	1.3	9.7	3.5	2.1
Cash flows from investing activities	-	-	-	-0.5	-0.5
Cash flows from financing activities	-	-	-	-	-
Total	**-2.3**	**1.3**	**9.7**	**3.0**	**1.6**

Net proceeds before tax on the sale of the business segment (discontinued operation) amount to DKKm 4, as set out in the above income statement. The profit was generated by deducting the value of transferred inventories as at 30 April 2017 and transaction costs for financial and legal advisors etc., from the final selling price of DKKm 12.3.

The Group's balance sheet as at 31 July 2017 includes the items "assets, discontinued operations", DKKm 0.5 (DKKm 9.8), and "liabilities associated with assets in discontinued operations", DKKm 0.3 (DKKm 3.5). These items as at 31 July 2017 cover trade receivables, trade payables and other debt not transferred in connection with the sale of the business segment. These items are expected to be settled in the course of the financial year 2016/17.

As part of the agreement to sell Roblon Lighting, the Group has provided a loan of DKKm 2.6, which bears interest at 3% per annum and is repaid over two years.

Note 6 – Business acquisition

In company announcement no. 5 – 2017, Roblon announced its acquisition of activities and assets from Neptco jv llc, Hickory, North Carolina, part of the listed US Chase Corporation group. The transaction was carried out through a newly established US company, Roblon US inc. – which is wholly owned and controlled by Roblon A/S, and operations of the acquired business are included from the takeover date (3 April 2017).

Neptco is a reputable supplier in the fibre optic cable industry and supplies fibre optic cable components (strength element solutions) marketed under a number of known brands. Neptco's current business is primarily focused on the North American market.

The acquisition of Neptco's activities supports Roblon Industrial Fiber's strategy, which is to aspire to become a total supplier of strength element solutions for selected strategic customers in the fibre optic cable industry. Roblon and Neptco complement each other as regards product offering and geographical footprint, which is increasingly considered to be essential to service selected strategic customers with a global presence and production facilities in a number of locations worldwide.

The acquisition price was approximately DKKm 27.3 and was paid in cash. DKKm 2.8 has been paid into an escrow account and the amount will be released 18 months after the takeover date (3 April 2017) unless Roblon A/S submits a claim for a reduction of the agreed acquisition price. The remaining acquisition price has been paid directly to the seller.

In association with the takeover, the Group has incurred transaction costs of DKKm 4.6 related to legal and financial advisors, etc. These costs are recognised under "other external costs" in the income statement, and DKKm 4.5 of these were incurred in Q2 2016/17. The transaction costs are relatively high given the total amount invested in the acquisition. The level of costs incurred reflected the complexity of the transaction, which required additional legal assistance due to:

- the structure of the agreement (purchase of net assets – and thereby separation from existing business);
- the conclusion of a number of business administration service agreements and a lease with the seller;
- environmental assessments and patent reviews; and
- US legislation in general.

The approach and structure of the acquisition outlined above mean that the Group decided to invest in a transparent setup with the seller, in which a large part of Roblon US Inc.'s cost base is known. This will allow the Group to initially focus on sales, product and market development of the acquired business unit.

For the period from the takeover to 31 July 2017 (four months' operations), Roblon US Inc. has contributed profit from continuing operations of DKKm 1.3 and revenue of DKKm 16.2 to the Group.

Note 6 – Business acquisition (continued)

The takeover balance sheet has been provisionally calculated as follows:

DKKm	Recognised value at takeover
Intangible assets (trademarks)	10.3
Property, plant and equipment (production equipment and technical plant)	9.0
Inventories	8.0
Acquired net assets (total purchase price)	**27.3**

A preliminary identification of assets (and contingent liabilities) was performed in connection with the takeover, and these are recognised in the takeover balance sheet at fair value.

The value of the customer portfolio and existing customer orders etc. has also been assessed. There is a high degree of overlap in NEPTCO and Roblon's respective customer bases, and in the preliminary statement the value has been assessed as insignificant, and no separate items have been recognised in the takeover balance sheet.

No deferred taxes or contingent liabilities are expected in the preliminary takeover balance sheet.

Note 7 – Related parties

With the establishment of a subsidiary in the USA, the circle of related parties has expanded. There were no significant related party transactions in the first nine months of 2016/17.

Note 8 – Events after the end of the interim reporting period

No significant events have occurred after the balance sheet date of 31 July 2017 of significance to the Group's profit or financial situation.