

Stock Exchange and Press Release

Gabriel Holding A/S Annual Report 2010/11

INCREASE IN REVENUE AND EARNINGS

Gabriel realises potentials and establishes structured acquisition process

Management notes:

Although international demand for office furniture remained subdued in 2010/11, revenue increased by 10% to DKK 242.6 million. The profit before tax increased to DKK 22.5 million against DKK 12.9 million last year. The growth in revenue and profit per share have thus lived up to the group's goals and are a visible sign that Gabriel is realising potentials on both new markets and within new product areas later in the value chain than the core product, upholstery fabrics.

Management does, however, believe that the poor economic conditions will continue to inhibit opportunities for growth in the core area. A committee has therefore been established to secure continuing future growth in revenue and earnings via acquisitions.

Summary

- Although international demand for office furniture remained subdued in 2010/11, revenue increased by 10% to DKK 242.6 million.
- The profit for primary operations (EBIT) increased to DKK 18.2 million against DKK 10.4 million last year as a result of the greater revenue and improved productivity and use of resources.
- The profit before tax increased to DKK 22.5 million against DKK 12.9 million last year. Factors contributing to this increase were an increase in the share of the profit after tax in the affiliated dye works Scandye to DKK 3.4 million against DKK 2.0 million last year, and net income from financial items of DKK 0.8 million against DKK 0.5 million last year.
- At DKK 26.7 million, the cash flow from operations showed a positive development (-DKK 8.5 million).
- The interest on invested capital (ROIC) before tax was 9.4% (5.8%).
- Gross expenditure on research and development in the financial year was DKK 7 million, over 30% more than in the previous year.

- Gabriel has entered into a global distribution and agreement on a patented upholstery material which improves the functional properties and the environmental impacts associated with the foam usually used in office and home furniture, mattresses etc.
- The board of directors' recommendation to the general meeting is an increase in the dividend to DKK 4.25 (DKK 3.25) per DKK 20 share.
- International demand for office furniture has increased only weakly after the crisis year 2009. The outlook for the 2011/12 financial year is encumbered with a high degree of uncertainty concerning developments in international trade conditions. The recent unrest on the financial markets and the potential consequences for the global market for office furniture may occasion new instability and lack of growth. In the present 2011/12 financial year, management expects revenue and a primary profit (EBIT) of the order of that achieved in 2010/11.

The board of directors recommends as follows to the general meeting of Gabriel Holding A/S scheduled for 15 December 2011:

- Allocation of a dividend of DKK 4.25 per DKK 20 share.
- The board of directors proposes re-election of Jørgen Kjær Jacobsen, Kaj Taidal, Claus Christensen and Søren B. Lauritsen as board members elected by the general meeting, and re-election of the company's auditor.

The annual report will be recommended for approval at the company's general meeting at 2.00 p.m. Thursday 15 December 2011 in the company's office in Aalborg.

The official annual report will be published on the company's website at the latest three weeks before the meeting, and the printed version will be available at the company's office on 5 December 2011.

This is a summary of the Danish text. In the event of discrepancies between the Danish and English texts, the Danish version shall prevail.