

Press release

Vejen, April 2014

A good year for KE Fibertec

With two record-breaking years - 2011 and 2012 - expectations for 2013 were very high. "They were only partially met showing a group profit of close to 8 mill. DKK before tax compared to 12.3 mill. DKK in 2012, however, the overall result has been approved," says Managing Director Carsten Jespersen. "The decline is primarily caused by lower gross earnings by our subsidiaries in the UK and Germany as well as costs related to the acquisition of our Turkish distributor."

"In general, 2013 began sluggishly but if this was caused by our launching of a new ERP system, Axapta 2012 on the first day of work in 2013, or if the market was generally slack during the first quarter is difficult to say," Carsten Jespersen continues. "Notwithstanding the sluggish start, we are proud of our implementation of the new ERP system that neither affected our supply security which totalled 99.1% of punctual deliveries during 2013, nor our claims rate that reached a record-low result of only 0.4% of the turnover.

At any rate we are convinced that our customers have not experienced any major setbacks in connection with the change to the new ERP system which is largely thanks to a fantastic effort by our entire staff - not only in Denmark but also in our seven subsidiaries abroad as we went "live" simultaneously."

In the autumn of 2013 KE Fibertec chose to buy their Turkish distributor in order to convert the Istanbul-based KE Fibertec Ticaret into the seventh subsidiary of the KE Group. "This is a strategic investment," says Carsten Jespersen. "With this acquisition our possibilities of better gaining a foothold in this very interesting and growing market will improve considerably even though we are currently facing a few challenges in the form of currency unrest. Nevertheless, we have confidence in the future. Primarily, we do business with the large multinationals that have established production companies in Turkey, and we are certain that they will continue to invest in the country. In 2014 we got off to a very good start when we won several large projects in Turkey.

In 2014 KE Fibertec AS will launch a new strategy plan involving continued focus on sustainability and market development. Textile Based Ventilation is still a niche product, and we have to become much more skilled at seeking dialogue with the various parties of the construction process, especially the architects," Carsten Jespersen continues. "We are able to add a large number of design features to our products that will contribute to the unique characteristics of every single room, all combined with our new sustainable solution in the shape of the world's first ventilation duct certified according to the Cradle to Cradle concept that briefly stated means waste equals food.

Also in 2014 we will introduce an intelligent monitoring system called InTex[®] that will meet the future demands on the construction industry. If we are to fulfil the ambitious objectives of a maximum power consumption of 20 KWH/m² in all newly-built houses as from 2020, it will demand much better monitoring of the performance of the ventilation systems in order to avoid unnecessary increase of

pressure due to dirty textile ducts. Furthermore, clean ducts will contribute to a better indoor climate and will reduce the allergy risk.

Expectations from 2014 are to continue the positive trend that we have experienced since 2011 with three consecutive record results, the best in the history of the company."

At the annual general meeting KE Fibertec AS said goodbye to the chairman of seven years, Mr Preben Hansen, Managing Director of Moldow A/S. "We are very pleased with the great amount of work that Mr Preben Hansen has put into KE Fibertec throughout this period, however, we understand his wish to resign from the board according to the recommendations of Corporate Governance regarding good business practise," Carsten Jespersen concludes. As new chairman Managing Director Mr John Svane Hansen was elected.

KE Group Key Figures [Mill. DKK]		
	2013	2012
Turnover	N/A	N/A
*Gross profit	35,447	40,343
Ordinary profit before tax	7,920	12,312
Net profit of the year	5,348	8,136
Balance sheet total	44,644	51,486
Equity capital	21,178	22,864

*Gross profit = net turnover less production costs (including wages and depreciations on the production plant)

Facts about KE Fibertec

- KE Fibertec is the world's largest manufacturer of textile ducts
- The KE Group consists of the parent company in Vejen, Denmark, and seven subsidiaries in Europe, Turkey, and the USA
- KE Fibertec employs nearly 110 persons - approx. 50% in subsidiaries
- Owned by Jysk-Fynsk Kapital (75%) and Managing Director Carsten Jespersen (25%)

Read more at www.ke-fibertec.com