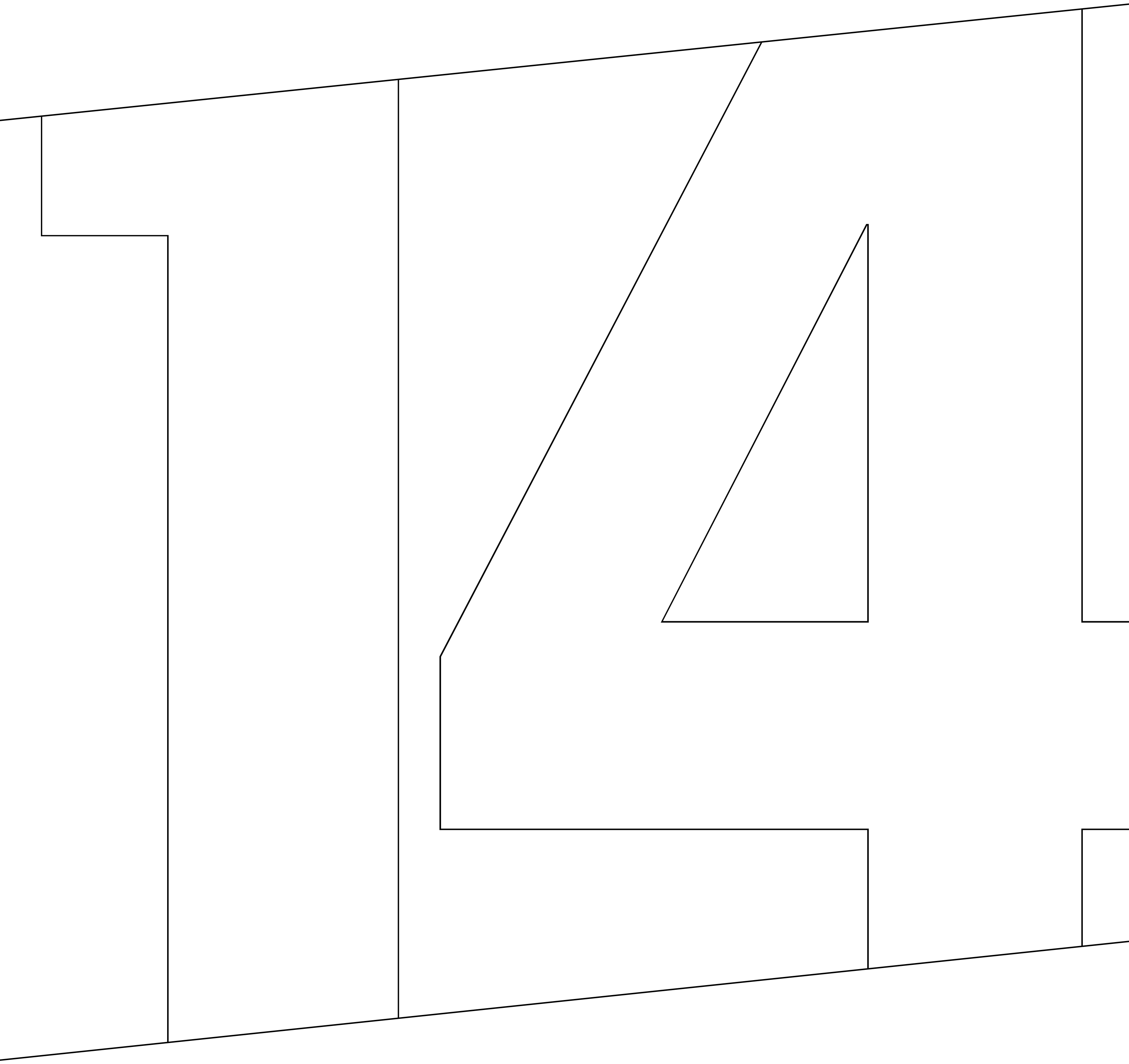
GLAMOX

Annual report 2014



Content

The Glamox Group

Glamox is a Norwegian industrial group that develops, manufactures and distributes professional lighting solutions for the global market. The Glamox Group is a leading supplier to the world's marine and offshore markets, and a significant supplier to the professional building market in Europe. The Group is organized with Glamox AS as the parent company.

The Glamox Group is a global organization, with approx.1300 employees within sales and production in several European countries, as well as in Asia, North and South America. The annual turnover is NOK 2,2 billion. The Group owns a range of quality lighting brands including Glamox, Aqua Signal, Luxo, Høvik Lys and Norselight. Glamox is committed to meeting customer needs and expectations by providing quality products and solutions, service and support.

Main points

- Revenues reached NOK 2,222m (NOK 1,997m), an increase of 11.2%
- Operating profit of NOK 259.6m (11.7%) compared with NOK 202.6m (10.1%) in 2013. This corresponds to an increase of 28.1%.
- Profit after tax for the year was NOK 193.9m (NOK 148.5m), the best in the Group's history.
- Positive operational cash flow of NOK 172.3m compared with NOK 168.0m the previous year.
- Growth in the sales of LED products of 89%.
- NOK 14.5m (NOK 13.0m) has been allocated for extraordinary bonus for all employees.
- The company paid out an extraordinary dividend of NOK 399m in December 2014, in addition to the ordinary dividend of NOK 99m.
- Proposed ordinary dividend of NOK 0.75 per share.

Key figures

		2014	2013	2012	2011	2010
Total revenue	MNOK	2 221,5	1 997,0	1 827,9	1 714,0	1 789,5
Operating profit/loss	MNOK	259,6	202,6	166,7	151,7	136,9
Profit/loss before tax	MNOK	264,9	208,1	163,5	150,3	143,7
Profit/loss after tax	MNOK	193,9	148,5	118,2	107,6	112,8
Cash flow from operations	MNOK	172,3	168,0	141,7	117,1	199,4
Total profitability	%	22,2	16,6	15,0	13,9	15,0
Equity ratio	%	34,4	45,4	46,5	43,7	41,1
Earnings per share	NOK	2,94	2,25	1,79	1,63	1,71

The lighting company

Our product brands

The Glamox Group owns five international product brands.

GLAMOX

Glamox is a leading lighting brand for professional markets, onshore and offshore, established in 1947. The wide assortment of Glamox products is of superior technical quality, and available for a wide range of applications – including challenging environments.

aqua signal®

Aqua Signal has been delivering top-of-the-line marine lighting solutions since before the age of electricity, providing lighting products designed and manufactured to meet all relevant standards for quality and performance at sea.

NORSElight

Norselight delivers added safety and security by providing quality search light systems that work reliably even under the most extreme conditions.

HØVIK LYS

Since 1876, decorative Høvik Lys lighting products, made with high quality materials and with exclusive finishing details, have graced elegant buildings and vessels with their pleasant light.

LUXO

For more than 75 years Luxo has designed mainly arm-based innovative, ergonomic lighting products. Luxo products improve lighting conditions, taking particular care of individual needs.

Our mission

Glamox shall be a solution oriented preferred supplier of lighting to defined market segments.

Our values

Customers

We value the importance of understanding customer needs and expectations.

Cooperation

We team up with customers and colleagues to find the best solutions.

Commitment

We are dedicated to deliver as promised.

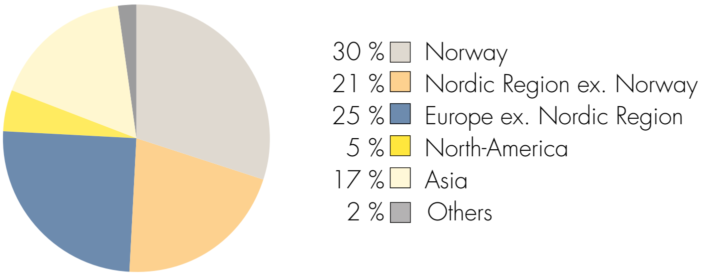
Quality

We understand the importance of quality in products and performance.

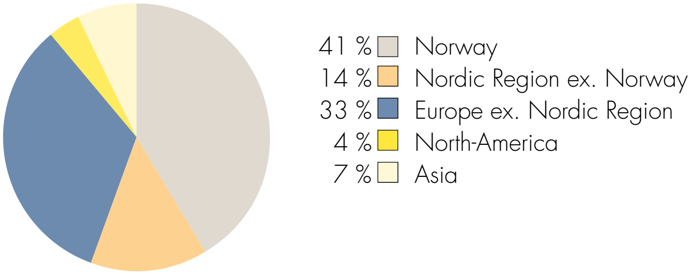
Ethics

We treat people with respect and dignity.

Revenues by market: 2 222 MNOK



Man-years (average) by market: 1 274



Group organisation

From 1st of March 2014 the Group's operations are divided between three independent divisions: Professional Building Solutions, Global Marine & Offshore and Sourcing, Production and Logistics. Each division is responsible for its group of companies.

Professional Building Solutions

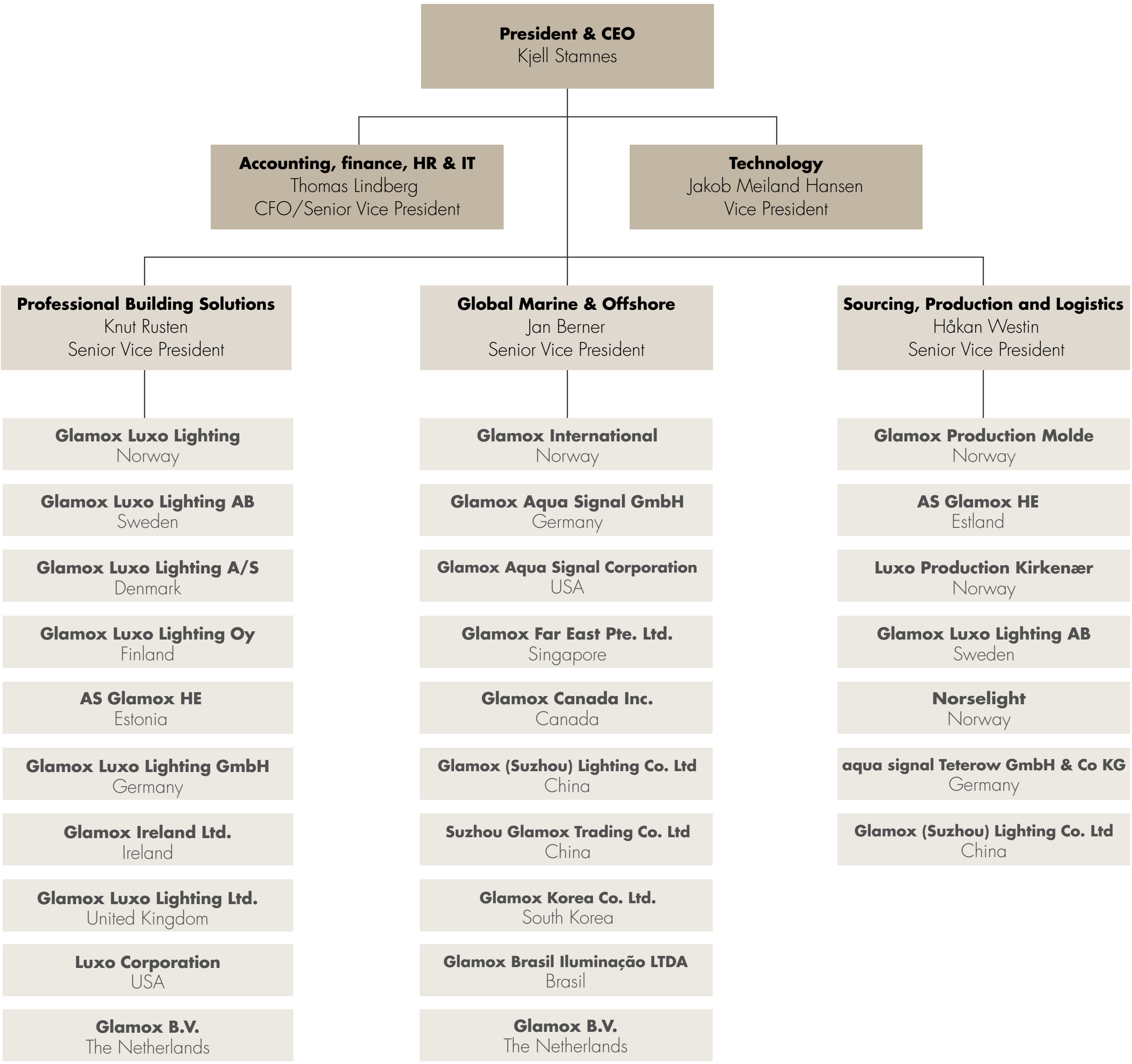
Professional Building Solutions concentrates on the European market for land-based lighting. The division offers the market total solutions within several lighting concepts for office and commercial buildings, industrial buildings, educational establishments, retail and shopping centres, hotels and restaurants and health institutions.

Global Marine & Offshore

Global Marine & Offshore is one of the world's leading suppliers of light fittings to the global marine and offshore market. The division offers the market total solutions within the following segments: Commercial marine, cruise & ferries, oil & gas, recreational boats, navy and industry lighting.

Sourcing, Production and Logistics

Sourcing, Production and Logistics has a key role in the Glamox value chain. Responsibilities include order handling, procurement, manufacturing of goods, warehousing and distribution. The division operates production units in eight different locations in Europe and China. Its prime objective is to serve the sales units and their customers with excellent services and products.



President & CEO
Kjell Stamnes

Accounting, finance, HR & IT
Thomas Lindberg
CFO/Senior Vice President

Technology
Jakob Meiland Hansen
Vice President

Professional Building Solutions
Knut Rusten
Senior Vice President

- **Glamox Luxo Lighting** Norway
- **Glamox Luxo Lighting AB** Sweden
- **Glamox Luxo Lighting A/S** Denmark
- **Glamox Luxo Lighting Oy** Finland
- **AS Glamox HE** Estonia
- **Glamox Luxo Lighting GmbH** Germany
- **Glamox Ireland Ltd.** Ireland
- **Glamox Luxo Lighting Ltd.** United Kingdom
- **Luxo Corporation** USA
- **Glamox B.V.** The Netherlands

Global Marine & Offshore
Jan Berner
Senior Vice President

- **Glamox International** Norway
- **Glamox Aqua Signal GmbH** Germany
- **Glamox Aqua Signal Corporation** USA
- **Glamox Far East Pte. Ltd.** Singapore
- **Glamox Canada Inc.** Canada
- **Glamox (Suzhou) Lighting Co. Ltd** China
- **Suzhou Glamox Trading Co. Ltd** China
- **Glamox Korea Co. Ltd.** South Korea
- **Glamox Brasil Iluminação LTDA** Brasil
- **Glamox B.V.** The Netherlands

Sourcing, Production and Logistics
Håkan Westin
Senior Vice President

- **Glamox Production Molde** Norway
- **AS Glamox HE** Estland
- **Luxo Production Kirkenær** Norway
- **Glamox Luxo Lighting AB** Sweden
- **Norselight** Norway
- **aqua signal Teterow GmbH & Co KG** Germany
- **Glamox (Suzhou) Lighting Co. Ltd** China

Main points from the divisions

Professional Building Solutions (PBS)

The division offers total solutions within the following segments: Office and commercial buildings, industrial buildings, educational establishments, health institutions, retail and shopping centers, hotels and restaurants.

Office and commercial buildings

Industrial buildings

Educational establishments

Health institutions

Retail and shopping centers

Hotels and restaurants

The Division Professional Buildings Solutions (PBS) is organised as an independent unit of operations within the Glamox Group, with separate budget and profit responsibility. In addition to having sales and marketing responsibilities toward defined market segments, the division is responsible for product development and product management of own products. These products are manufactured by production units organized in a separate division.

In most markets in which PBS is represented, the sales units operate under the name of Glamox Luxo Lighting. Exceptions are Ireland, Estonia and the Netherlands, where we only use the Glamox name, and the United States, where we only use the Luxo name.

PBS develops and sells lighting solutions for land-based market segments. The most important markets served by this division are Central and Northern Europe, as well as the United States for arm-based task lights and illuminated magnifiers. We also operate in the Middle East and Australia in collaboration with distributors. In several of PBS' markets, electric heaters are also marketed and sold under the brand name Glamox Heating and produced by Adax AS. PBS has three strong brands: Glamox, Luxo and Høvik Lys.

PBS has expanded its product range and geographic representation in recent years through acquisitions and product development. The Division offers now a wide range within decorative general lighting and industrial lighting, special fittings adapted to all the segments we operate in, plus armbased task lights and illuminated magnifiers. Because of the strong focus within the market on a change in technology to LED, we have focused more and increased our skills base within the use of LED-technology. We now offer LED-based products within most segments and areas of use.

PBS has its own sales companies in Norway, Denmark, Sweden, Finland, Estonia, Great Britain, Ireland, Germany, the Netherlands and the United States. We are represented through distributors in the other markets.

The prioritized market segments are the office and commercial building, industrial building, educational building and health institution sectors. Lighting solutions are also delivered to hotels, shops/shopping centres and for outdoor use. Glamox is the market leader in professional lighting in Norway and holds strong market positions in the other Nordic countries, as well as in Estonia.

We serve all important links in the sales and distribution chain, including architects, consultants, building owners, developers, installation contractors and, in some countries, electrical wholesalers. Our table lamps are also sold through office furniture dealers. In all markets, there is a strong focus on increased processing of the descriptive element (i.e. architects and consultants) in order to be described in projects.

In 2014 PBS had total revenues of NOK 1,357m compared with NOK 1,289m in 2013, a growth of 5 %. At year-end 2014, the number of man-labour years in PBS were 287, of which 63 % were employed in businesses outside Norway.

Main points from the divisions

Global Marine & Offshore (GMO)

The division offers total solutions within the following segments: Commercial marine, cruise & ferries, oil & gas, recreational boats, navy and industry.

Commercial marine

Cruise & ferries

Oil & gas

Recreational boats

Navy

Wind & industry

The Division Global Marine & Offshore (GMO) is organised as an independent unit of operations within the Glamox Group, with separate budget and profit responsibility. In addition to having sales and marketing responsibilities toward defined market segments, the division is responsible for product development and product management of own products. These products are manufactured by production units organized in a separate division.

GMO is one of the world's leading suppliers of lighting solutions to the global marine and offshore markets. For many years, the division has focused on five strong international brands: Aqua Signal, Glamox, Høvik Lys, Norselight and Luxo.

The division is represented on all continents through its own sales companies, agents and distributors. The division has sales units in Norway, Germany, Finland, England, the Netherlands, the Middle East, Singapore, China, United States, Canada, Korea and Brazil. In addition the division has the responsibility for our production unit in Canada.

GMO delivers a wide range of comprehensive lighting solutions to various markets and market segments. The division has a strong focus on product development and has over the last years launched several new product families based on LED technology. This includes LED based EX products to offshore units that are to operate under Arctic conditions.

GMO operates within the commercial marine, cruise and ferries, oil and gas, recreational boats and navy segments. The division also supplies onshore projects in certain regions outside Europe. The division is the global leader in the commercial marine and cruise & ferry sectors. GMO also holds a strong position in the oil & gas segment with regard to floating installations in both Europe and Asia, as well as a strong position in the recreational boat sector in Europe and the United States, particularly within navigation lights.

The most important factor in terms of demand for our products is the new construction of ships and offshore installations. Orders and deliveries of lighting solutions take place relatively late in the construction process.

In 2014 GMO had total revenues of NOK 865m compared with NOK 713m in 2013, a growth of 21 %. At year-end 2014, the number of man-labour years in GMO was 133, of which 79 % were employed in businesses outside Norway.

Main points from the divisions

Sourcing, Production and Logistics (SPL)

The division operates production units in seven different locations, and is responsible for procurement, manufacturing, warehousing and distribution within the Glamox Group.

The Division Sourcing, Production and Logistics (SPL) is organized as an independent unit of operations within the Glamox Group, with separate budgeting and profit responsibilities. The division was established 1 March 2014. The Group's production units, previously organized under the responsibility of the PBS and GMO divisions, are now organized under Division Sourcing, Production and Logistics.

The intention of the new structure is to put more focus and energy into implementation of our production strategy with related operational measures, and to reinforce our coordinated efforts within sourcing.

The division has a key role in the Glamox value chain. Responsibilities include order

handling, procurement, manufacturing of goods, warehousing and distribution. The division operates production units in six different locations in Europe and one in China. It's prime objective is to serve the sales units and their customers with competitive products, good delivery capability, high quality and good technical support.

The production units within Division SPL are product owners of the group-developed products. They are responsible for the production of all products labeled with one of our five Glamox Group product brands Aqua Signal, Glamox, Høvik Lys, Norselight and Luxo; all of them international product brands with well-earned reputation.

The Glamox Group is a leading supplier of lighting solutions, providing products of superior technical quality that work reliably even under challenging conditions. The products are manufactured and certified in accordance with relevant quality and environmental standards.

As part of the Group's business concept, Glamox will position itself as an environmental company. The Group's production units at Molde, Kirkenær, Sweden and Estonia are certified in accordance with EN ISO 14001. They meet the strictest requirements for environment management, and are obliged to document their environment management systems.

In 3rd quarter, the Group decided to move its production of maritime searchlights from Halden in Norway to our production facilities in Germany. Successive transfer of all our production from Halden will be completed in 1st quarter 2015.

At year-end 2014, the number of man-labour years in SPL was 831. Around 57% of these employees are employed in business units outside Norway.

The Board's annual statement

Main points and key figures

- Revenues reached NOK 2,222m (NOK 1,997m), an increase of 11.2%
- Operating profit of NOK 259.6m (11.7%) compared with NOK 202.6m (10.1%) in 2013. This corresponds to an increase of 28.1%.
- Profit after tax for the year was NOK 193.9m (NOK 148.5m), the best in the Group's history.
- Positive operational cash flow of NOK 172.3m compared with NOK 168.0m the previous year.
- Growth in the sales of LED products of 89%.
- The company paid out an extraordinary dividend of NOK 399m in December 2014, in addition to the ordinary dividend of NOK 99m.
- NOK 14.5m (NOK 13.0m) has been allocated for extraordinary bonus for all employees.
- Proposed ordinary dividend of NOK 0.75 per share.

Glamox is a Norwegian industrial group that develops, produces and distributes professional lighting solutions for the global market. Glamox operates in several European countries, as well as in Asia, USA, Canada and Brazil. The Group is organised with Glamox AS as parent company. The head quarter is in Oslo.

In 2014, the Glamox Group had incoming orders of NOK 2,261m compared to NOK 2,056m in 2013, an increase of 10.0%. Revenues were NOK 2,222m, compared to NOK 1,997m in 2013, an increase of 11.2%.

Operating profit was NOK 259.6m compared to NOK 202.6m in 2013. Operating margin was 11.7% compared to 10.1% in 2013. NOK 14.5m has been allocated for an extraordinary bonus for all employees within the Group in 2014, whilst NOK 13.0m was allocated in 2013. The increase in revenues of 11.2%, improved contribution margin and reduced indirect cost ratio are the main factors behind an increase in the operating profit of 28.1%.

The profit before tax was NOK 264.9m, compared with NOK 208.1m the previous year. The Group had net financial earnings of NOK 5.3m in 2014 compared to NOK 5.5m in 2013. Profit after tax was NOK 193.9m compared to NOK 148.5m the previous year. As of 31.12.2014, the Group has a tax deficit for carrying forward of NOK 38m, and an untaxed profit of NOK 157m.

The market development in our main markets has been variable throughout 2014 as we expected. Market development within our land-based division Division Professional Building Solutions (PBS) was governed by activities within new-build, modernisation and commercial building. Most of this division's main markets showed growth in 2014. This was mainly due to the major switch to LED technology with more expensive products. Market trends within our maritime and offshore-related division Division Global Marine & Offshore (GMO) are dictated by the level of activity within new-build, refurbishment and rehabilitation of all types of maritime vessels and offshore installations. We experienced a continued downturn on the global markets for merchant ships and recreational boats, whilst the market for cruise ships and ferries and our deliveries to oil and gas has developed well. The delivery of lighting comes late in the project phase.

The Group achieved growth of 11.2% in revenues compared to 2013. On several of the main markets, we have experienced a better revenues development than the market development. The Group grew in all main regions, with particularly high growth in Asia and Scandinavia. Within GMO, growth was very healthy in China and we consolidated our strong market positions in Korea and Singapore. We further strengthened the sales team in several markets throughout 2014.

The Group also had a high level of activity in product development in 2014 and several new product series were launched. All new product families are now launched with LED technology as a result of the developments in the technology and market demand. Sales of LED–based products increased by 89%.

The Group once again generated positive cash flow in 2014. Cash flow from operations (operational and investment

Photo: Nils J. Tollefsen

The Board's annual statement

activities) comprised NOK 172.3m compared to NOK 168.0m in 2013, and is higher as a result of better results from operations. As of 31.12.2014, the Group's working capital was NOK 35m higher than the previous year. The main reason for this increase is higher exchange rates used for consolidation of foreign units compared to the previous year. In 2014 investments in fixed assets were NOK 36.8m compared to NOK 23.9m in 2013.

Revenues in the parent company Glamox AS were NOK 1,371m, compared to NOK 1,240m in 2013. Operating profit was NOK 113.8m compared to NOK 89.3m in 2013. The increase in operating profit was due to growth in revenues. Profit before tax was NOK 209.1m, compared to NOK 83.0m in 2013. Profit before tax showed an increase in 2014, mainly due to higher dividends from subsidiaries and lower unrealised currency exchange loss. In accordance with the Group's currency policy, the parent company takes currency exchange positions to even out exchange rate exposure arising at Group level, primarily as a result of equity values in subsidiary companies. The extraordinary bonus for all Group employees of NOK 14.5m was charged as an expense in its entirety to the parent company in 2014. The parent company believes strongly in motivating the entire Group's personnel to contribute to continuous improvement in results. The bonus set aside in 2013 was NOK 13.0m.

The Board is very satisfied that the Group has shown healthy growth in revenues, further improvement in results and profit margins, and has achieved the best operating result in the Group's history for the third year in succession. In recognition of the improvement in results, the Board decided to give an extraordinary bonus to all Group employees. The Board wants to thank all Glamox Group employees for their contribution to the good profit development in 2014.

Capital and liquidity

The closing balance as at 31.12.2014 was NOK 1,119m, compared with NOK 1,399m as at 31.12.2013.

At the turn of the year, the Group's equity capital was NOK 385m. The equity ratio was 34.4%. Glamox AS had equity capital of NOK 93m and an equity ratio of 11.7%.

Cash flow from operations was NOK 172.3m, compared to NOK 168.0m in 2013.

Glamox AS paid an ordinary dividend of NOK 1.50 per share, equivalent to NOK 99m in May 2014. The company paid an extraordinary dividend of NOK 6.06 per share, equivalent to NOK 399m in December 2014.

At the turn of the year, the liquidity reserve amounted to NOK 383m, compared with NOK 718m the previous year. The Group's net interest-bearing debt as of 31.12.2014 was NOK 13.0m compared to net interest-bearing deposits of NOK 317.0m in 2013.

The Board deems the company's equity and liquidity as of 31.12.2014 to be satisfactory, including after provision for an ordinary dividend of NOK 0.75 per share, corresponding to total dividend distribution of NOK 49.5m.

The accounts were prepared based on the assumption of continued operations.

Financial risk

The Group is exposed to credit risk, interest risk and exchange risk in its day-to-day business operations and aims to keep risk at an acceptable level in these areas. The underlying loan contracts are instrumental for managing interest risk. Currency risk is managed through internal invoicing rules, matching income against expenses in the same currency and loans against equity in the same currency, as well as the use of financial instruments. For more detailed information, see note 17 in the Annual Accounts.

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Development by division

As of 1 March 2014, the Group adopted a new structure with three divisions. A new division, Sourcing, Production and Logistics (SPL) was set up. The two other divisions continue to be responsible for marketing, sales, product development and product management. Division Professional Building Solutions (PBS) is responsible for lighting solutions for the onshore market and the Global Marine & Offshore (GMO) is responsible for lighting solutions for the maritime and offshore-related markets, plus onshore plants within oil and gas.

The intention of the new structure is to put more focus and energy into implementation of our production strategy with related operational measures, and to reinforce our coordinated efforts within sourcing. The Group has growth targets, and management focus in both sales divisions can now be directed to an even greater degree on strategic and operational measures to realise them.

Professional Building Solutions (PBS)

This division achieved order intake in 2014 of NOK 1,385m (NOK 1,289m), an increase of 7.4% compared to 2013. During the same period, revenues were NOK 1,357m (NOK 1,284m), which is an increase of 5.6% on the year before.

The most important markets served by this division are Central and Northern Europe, as well as the United States for arm-based table and illuminated magnifier lamps. Most of the main markets showed growth in 2014. This is primarily due to strong growth in LED products and increased interest in energy-saving solutions.

The increase in order intake and revenues is due to our success in increasing our market share on several important markets.

The lighting industry in Europe is highly fragmented, with production overcapacity. A number of new competitors within LED-technology have also entered the market in recent years, some with variable product quality. This puts pressure on margins, particularly on light fittings with LED-technology. The division invested further in more sales resources in certain markets in 2014, along with an increase in capacity for product development.

In 2014, we saw continued increasing interest in energy-saving lighting solutions and new technological solutions. Several new products were launched in this business area during the year, which have been well received in the market. There is greater focus on LED within the market, and our new product families with LED technology contributes to good solutions. PBS has several good concepts focusing on energy-effective lighting solutions, possibilities to customise lighting for users, and flexible lighting solutions for building owners.

Global Marine & Offshore (GMO)

This division had an order intake of NOK 855m (NOK 767m), an increase of 11.5%. Revenues were NOK 865m (NOK 713m), an increase of 21.3%.

The increase in order intake and revenues is a result of high activity in some countries within the commercial marine segment and especially within the oil and gas segment. The division experienced a strong increase in sales in China, Singapore and Norway. Deliveries were made in Singapore to offshore rigs, and in China to commercial marine and the oil and gas segment. In Norway there has been many deliveries to yards and for the maintenance and upgrading market within oil and gas.

There was a fall in contracts won by yards for new commercial ships in 2014, and a subsequent drop in the number of new ships delivered in 2015 is expected. There has also been a significant downturn in new building of offshore installations in 2014, with a reduction of almost 60% in orders for mobile drilling units compared to 2013. The delivery of lighting comes late in the project phase. We expect to feel the effects of the downturn in contracts in the 2nd half of 2015 and in 2016.

The division invested more in product development in 2014, and reinforced its sales activities, especially in Norway, North America and China. In 2014 there has been a continued growing interest and demand for energy-saving solutions and solutions able to operate under Arctic conditions in 2014. New LED-based EX products were introduced and well received by the market.

Sourcing, Production and Logistics (SPL)
Division SPL is responsible for production of the products the Group has developed. The division operates production units at seven different sites in Europe and one in China. Three of the European sites are in Norway, two in Germany, one in Sweden and one in Estonia. At year-end 2014, the division had employed 831 man-labour years, 57% of which were outside Norway. SPL sells all its products via the two sales divisions GMO and PBS.

In 3rd quater, the Group decided to move its production of maritime searchlights from Halden in Norway to our production facilities in Germany. Successive transfer of all our production from Halden will be completed in first quarter 2015. In the 2014 accounts NOK 5m were recognised as extraordinary cost related to the relocation.

Several arm-based products were insourced to our factory in Suzhou, China during the year. These products were previously produced by external suppliers in China. We have also relocated the production of one product family from Kirkenær to our factory in China. Growing demand for products with LED technology and the introduction of this technology influences our production units in several areas. New supplier structures and production methods have been introduced in line with growing market demand. Our continuous efforts to achieve savings in materials and to facilitating cost effective production have high priority. It is essential to maintain competitiveness and to compensate for growing pressure on prices the sales team experience in the market. In addition to the major changes in the value chain caused by LED-technology itself, there are also challenges involved in handling logistical changes in technology for vital components used in our products.

Glamox and the external environment

As part of the Group's business concept, Glamox will position itself as an environmental company through systematic and long-term efforts.

The Group's production units at Molde, Kirkenær, Sweden and Estonia are certified in accordance with EN ISO 14001. They meet the strictest requirements for environment management, and are obliged to document their environment management systems.

The environmental aspects are an important part of our product development. Through energy-effective products and solutions, we aim to make the most of market opportunities, such as the EU energy

directive for the construction industry. A broad range of products enables us to offer high-quality and energy-efficient lighting solutions within the majority of application areas.


Photo: Eninorge.no

Human resources and working environment

The number of man-labour years was 1,277 as of 31.12.2014, compared to 1,248 in 2013. At year-end, the number of man-labour years in Glamox AS was 526, compared to 519 in 2013.

The working environment in the Group units is satisfactory, and there is good collaboration with employee representatives.

Sick leave rate at Glamox AS was 6.0% in 2014, compared to 6.1% in 2013. Even though absence from sick leave has gone down for the company overall, we continue to be dissatisfied with the level for our Norwegian production units. A reduction is essential to maintain competitiveness for the Norwegian units. How we can reduce sick leave will continue to figure on our agenda. Sick leave in the Group's other units is lower than in the Norwegian units.

Three accidents that led to days off in Glamox AS were reported in 2014, compared to two in 2013. H-value was 3.4 in 2014, compared to 2.3 in 2013. H-value is defined as the number of accidents and subsequent lost working days per 1millon working hours. We are concerned that the number of accidents increased in 2014. Focus on a safe working environment is a continuous process.

Report on gender equality

At the turn of the year, the number of employees in Glamox AS was 567 (556). The percentage of women was 33% (34%).

There were 40% (41%) women among operators. The percentage of women office workers were 24% (24%) and the number in management positions with personnel responsibility were 21% (20%).
Company policy is that the same skills and length of service are rewarded on an equal basis regardless of gender. Women and men in all job categories are given the same opportunities to qualify for all types of assignments and promotion prospects.

The percentage of women among board members elected by shareholders was 40%. The percentage of the board members elected by employees was 33%.

Efforts to advance the purpose and intention of the anti-discrimination act and anti-discrimination and accessibility act

At present, Glamox AS has employees originating from 39 countries. This figure has been steadily growing over several years. The company strongly believes in providing equal opportunity to qualify for all types of work and opportunities for promotion regardless of ethnic background. The company works with skill-training establishments and makes traineeships available on a regular basis.

Fees and remunerations

See note 5 to the Annual Accounts for details on fees and remuneration for the Board, CEO and auditor.

Shareholder situation

Please see note 12 to the Annual Accounts for information on the shareholder situation.

Proposal for allocation of profit

The Board proposes that the year's result in Glamox AS of NOK 183,879k be allocated as follows:
Transferred from paid-in capital:
NOK 108,200k
Transferred from other equity capital:
NOK 157,303k

The Board's annual statement

Extraordinary dividend paid out in 2014:
NOK (399,891)k
Provision for ordinary dividend of
(NOK 0.75 per share):
NOK (49,492)k

The company paid out an extraordinary dividend of NOK 399,893k in December 2014 based on a revised interim balance sheet as of 30.09.2014.

Acquisition in the Netherlands

The Group acquired 100% of the shares in the Dutch company Bell Licht B.V. in January 2015. Bell Licht has been an independent distributor of Glamox products in the Netherlands for over 30 years. Glamox intends to grow in the Netherlands within PBS and GMO segments. The experience, knowledge of the local market and customer base that Bell Licht has, combined with closer and wider collaboration with Glamox, will help us realise our growth ambitions. Bell Licht B.V. will change name to Glamox B.V.

Recruitment of new CEO

Rune Marthinussen (55) has been recruited as new CEO for the Glamox Group. He will start mid May 2015 and take over officially as CEO on June 25th 2015. Rune Marthinussen will succeed Kjell Stamnes, who is retiring after 14 years of success with Glamox.

Outlook

The development in our main markets is still characterised by uncertainty.

Division PBS will continue to be affected by the poor economic situation in Europe in particular, and growth will therefore be uncertain. Overall, we expect that the markets will remain at the same level as in 2014 or slightly better. The number of products with LED technology is expected to continue to grow, thus causing the value of the overall market to increase.

For Division GMO we expect somewhat weaker markets in 2015 than in 2014. The prospect of weaker market development within our main segments - and particularly within oil and gas - is the reason. Intensification of our sales efforts in several areas and greater value of the light packages may compensate some of the weaker market development.

The Group's long-term strategy with focus on profitable organic growth is firmly adhered. To further develop our position in the lighting market, Glamox will continuously consider to supplement organic growth with acquisitions in the next few years. The European lighting industry is very fragmented, with many small and medium-sized companies. In addition the LED technology contributes to new competitors entering the lighting market.

For the year as a whole, the Board expects a somewhat lower result than in 2014. The company aims to continue organic growth despite uncertainty in the market. Both sales divisions have increased their sales teams in certain markets, and continue their focus on product development as in previous years.

Glamox still has extensive production in Norway. The weaker Norwegian kroner at the end of the year is positive for our Norwegian production units. It is also important that we do not have higher wage increases in Norway than in comparable countries.

Oslo, 04 March 2015

Bjørn Arnestad
Chairman of the Board

Torfinn Kildal

Kristine Landmark

Heidi Marie Petersen

Sverre Valvik

Henny Eidem
Henny Eidem

Nils Erik Iversen
Nils Erik Iversen

Vidar Venås
Vidar Venås

Kjell Stamnes
Kjell Stamnes
Chief Executive Officer

Profit and loss account

Parent 01.01 - 31.12 2014	2013	NOK thousands	Note	Group 01.01 - 31.12 2014	2013
1 277 879	1 151 794	Sales revenue	2	2 189 150	1 968 953
93 260	88 699	Other operating revenue	2	32 366	28 024
1 371 139	**1 240 493**	**Total revenue**		**2 221 516**	**1 996 978**
754 232	670 320	Raw materials and consumables used	3/4	1 017 939	922 063
363 728	340 255	Payroll and related costs	3/5	687 460	624 936
22 784	24 624	Depreciation of fixed assets	7	43 523	44 836
116 593	115 958	Other operating expenses	3/5	213 031	202 555
113 802	**89 337**	**Operating profit/loss**		**259 562**	**202 587**
123 315	31 364	Dividend and group contribution from subsidiaries	16		
2 123	3 486	Interest income from other group companies			
9 642	10 727	Other financial income	6	19 461	15 733
-39 746	-51 879	Other financial expenses	6	-14 130	-10 270
209 136	**83 035**	**Profit/loss before tax**		**264 893**	**208 051**
-25 257	-16 706	Tax	11	-70 965	-59 544
183 879	**66 329**	**Profit/loss after tax**		**193 929**	**148 507**
183 879	**66 329**	**Profit/loss for the year**		**193 929**	**148 507**

Allocation of profit/loss for the year

49 492	98 983	Proposed dividends	12	49 492	98 983
399 891		Distributed extraordinary dividends	12	399 891	
-157 303	-32 654	Transfered to (+)/from (-) other equity	12	-147 559	49 093
-108 200		Transfered to (+)/from (-) share premium reserve	12	-108 200	
		Minority share	12	305	431
183 879	**66 329**	**Total allocation**		**193 929**	**148 507**

Cash flow statement

Parent 01.01 - 31.12 2014	2013	NOK thousands	Note	Group 01.01 - 31.12 2014	2013
		Cash flow from operating activities			
209 136	83 035	Profit before tax		264 893	208 051
-18 467	-29 254	Taxes paid		-71 909	-37 783
		Profit/loss on sale and fixed assets		-76	-12
22 784	24 624	Depreciation	7	43 523	44 836
-11 757	-6 614	Changes in inventory		-54 949	-45 343
2 084	-11 896	Changes in accounts receivables		121	-29 968
4 554	32 971	Changes in account payables		-662	45 397
1 424	1 725	Changes in pension scheme assets/liabilities		2 837	1 154
-4 214	-2 386	Changes defined benefit plan recognised directly in equity		-4 806	-2 386
12 187	16 671	Effect of change in exchange rate		-4 705	-9 945
-43 122	-11 403	Changes in other balance sheet items		35 775	17 584
174 609	**97 473**	**Netto kontantstrøm fra operasjonelle aktiviteter**		**210 042**	**191 585**
		Cash flow from investing activities			
		Proceeds from sale of tangible fixed assets		360	53
		Proceeds from sale of investments in shares and joint ventures			
-11 535	-9 043	Purchase of tangible fixed assets and intangible assets		-36 844	-23 929
-940	-130	Purchase of investments in shares and joint ventures			
-3 182	97 724	Payment of loan to group-companies			
		Payment regarding long term receivables		-1 263	
		Proceeds from sale of other investments			326
-15 657	**88 551**	**Net cash flow from investing activities**		**-37 747**	**-23 550**
		Cash flow from financing activities			
-20 720	-19 763	Repayment of long-term loans		-23 390	-24 738
-498 874	-65 989	Payment of dividends to share holders		-498 874	-65 989
		Effect of change in exchange rate		14 423	21 339
		Payment purchase minority shares		-940	
-519 594	**-85 752**	**Net cash flow from financing activities**		**-508 781**	**-69 388**
-360 642	**100 272**	**Net change in cash and cash equivalents**		**-336 486**	**98 647**
512 310	**412 038**	**Cash and cash equivalents 01.01**	**1/14/15**	**519 071**	**420 424**
151 668	**512 310**	**Cash and cash equivalents 31.12**	**1/15**	**182 585**	**519 071**

Assets

Parent				Group	
31.12	**31.12**		**Note**	**31.12**	**31.12**
2014	**2013**	**NOK thousands**		**2014**	**2013**
		Fixed assets			
		Intangible fixed assets			
		Research and development	7		117
	64	Rights, IT system etc.	7	5 447	5 390
15 745	12 470	Deferred tax assets	11	17 752	15 721
		Goodwill	7	8 687	10 730
15 745	**12 534**	**Total intangible fixed assets**		**31 886**	**31 958**
		Tangible fixed assets			
67 165	73 539	Land, buildings and other property	7/13	128 981	133 526
32 212	36 973	Machinery and plant	7/13	75 094	73 846
12 388	12 440	Fixtures and fittings, tools, office equipment etc.	7/13	35 787	31 510
111 765	**122 951**	**Total tangible fixed assets**		**239 862**	**238 882**
		Financial fixed assets			
105 802	103 915	Investments in subsidiaries	8/13		
75 708	72 526	Loans to group companies	9/14		
115	115	Investments in shares		209	195
		Other long term receivables	9	2 708	1 145
181 626	**176 556**	**Total financial fixed assets**		**2 918**	**1 340**
309 135	**312 041**	**Total fixed assets**		**274 666**	**272 180**
		Current assets			
133 534	121 777	Inventory	4	358 614	303 665
		Debtors			
186 558	188 642	Account receivables	14	276 298	276 420
14 662	11 858	Other receivables	14	26 398	27 171
201 221	**200 501**	**Total receivables**		**302 696**	**303 590**
151 668	512 310	Cash and cash equivalents	14/15	182 585	519 071
486 423	**834 588**	**Total current assets**		**843 894**	**1 126 326**
795 558	**1 146 629**	**Total assets**		**1 118 560**	**1 398 505**

Equity and liabilities

Parent				Group	
31.12	31.12		Note	31.12	31.12
2014	2013	**NOK thousands**		2014	2013
		Equity			
		Paid-in capital			
65 989	65 989	Share capital	12	65 989	65 989
27 253	135 454	Share premium reserve	12	27 253	135 454
93 242	**201 442**	**Total paid-in capital**		**93 242**	**201 442**
		Retained earnings			
	160 379	Other equity	12	291 409	433 176
	160 379	**Total retained earnings**		**291 409**	**433 176**
		Minority interests	12	218	605
93 242	**361 822**	**Total equity**		**384 869**	**635 224**
		Liabilities			
		Provisions			
		Deferred tax	11	40 640	51 620
27 601	26 178	Pension liabilities	5	29 941	27 104
12 714	10 621	Other provisions		25 566	20 866
40 316	**36 799**	**Total provisions**		**96 147**	**99 590**
		Other long-term liabilities			
147 904	156 439	Liabilities to financial institutions	10/13	175 014	183 968
100	100	Other long-term loans	10/13	6 639	6 425
148 005	**156 540**	**Total other long-term liabilities**		**181 653**	**190 393**
		Current liabilities			
153 253	148 699	Account payable	14	172 425	173 087
26 776	18 199	Tax payable	11	51 970	49 525
19 786	17 456	Public duties payable		40 888	35 341
49 492	98 983	Dividends	12	49 492	98 983
264 689	308 132	Other current liabilities	5/14	141 118	116 363
513 996	**591 469**	**Total current liabilities**		**455 892**	**473 299**
702 317	**784 807**	**Total liabilities**		**733 691**	**763 282**
795 558	**1 146 629**	**Total equity and liabilities**		**1 118 560**	**1 398 505**

Oslo, 4 March 2015

Bjørn Arnestad
Chairman of the Board

Heidi Marie Petersen

Sverre Valvik

Torfinn Kildal

Kristine Landmark

Henny Eidem

Vidar Venås

Nils Erik Iversen

Kjell Stamnes,
Chief Executive Officer

Notes

Note 1 Accounting principles

Basic policies - incorporation and classification

The annual accounts, which are prepared by the Board and management, must be read in the context of the annual report and the auditor's report.

The annual accounts and consolidated accounts comprise of the profit and loss account, balance sheet, cash flow statement and notes and are prepared in accordance with the Companies Act, the Accounting Act and generally accepted accounting policy in Norway applicable as at 31st of December 2014.

All figures in the annual accounts and notes are shown in NOK thousands unless otherwise specified.

The annual accounts and consolidated accounts are prepared based on the basic principles of historic cost, comparability, continued operation, congruency and prudence. Transactions are incorporated into the accounts at the value of the payment at the time of the transaction. Revenue is incorporated into the profit and loss account when it is earned and costs are grouped with accrued income. Hedging and portfolio management are taken into account. The accounting policies are explained in more detail below.

Subsidiaries and associated companies in parent company

'Subsidiaries' refers to companies in which Glamox normally has a shareholding of more than 50%, in which investment is long-term and strategic and in which the company has a controlling interest. Subsidiaries are incorporated into the company accounts at the lowest of cost price or actual value.

'Associated companies' refers to companies in which Glamox normally has a shareholding of 20-50%, in which investment is long-term and strategic and in which the Group has a significant influence. Associated companies are entered in the company accounts at the lowest of cost price or actual value. For the time being the parent company does not have any associated companies.

Consolidation policies

Consolidated companies
The consolidated accounts include companies in which the parent company and the subsidiaries directly or indirectly have a controlling interest. The consolidated accounts show the companies' financial position, profit/loss from the year's activities and cash flow as a single financial entity. Controlling interest is achieved through direct or indirect ownership of more than 50% of the voting capital. Uniform accounting policies are applied to all group companies. Recently acquired subsidiaries are incorporated from the time a controlling interest is achieved and sold subsidiaries are incorporated until the time of sale.

In the case of gradual purchase of shareholdings, figures are based on the value of assets and liabilities at the time of incorporation into the Group. Subsequent purchase of shareholdings in existing subsidiaries will not effect the valuation of assets and liabilities, apart from added value in the form of goodwill, which will be analysed for each acquisition.

Elimination of internal transactions
All significant intercompany transactions and intercompany balances are eliminated.

Elimination of shareholdings in subsidiaries
Shareholdings in subsidiaries have been eliminated in the consolidated accounts in accordance with the acquisition method. The difference between the cost price of shareholdings and the book value of net assets at the time of acquisition is analysed and classified under the individual balance sheet items in accordance with actual value. Any further additional cost caused by expectations of future earnings is capitalised as goodwill and depreciated in the profit and loss account in line with underlying conditions and anticipated financial life.

Conversion of foreign subsidiaries
The conversion of foreign subsidiaries from local currency into Norwegian kroner for balance sheet items is done at the closing exchange rate for the financial year while the profit and loss items are converted at the average rate for the financial year. The discrepancy created by converting the company's opening equity and profit for the year at a different exchange rate is posted directly in the Group's equity. Bank loan and bank overdraft is used as hedging instruments.

Minority interests
The minority interests' share of profit after tax and equity are shown as separate items in the profit and loss account and balance sheet.

Associated companies
Associated companies' normally refers to companies in which the Group has a shareholding of 20-50%, in which investment is long-term and strategic and in which the Group has a significant influence. Associated companies are incorporated into the consolidated accounts in accordance with the equity method. For the time beeing the Group does not have any associated companies.

General policies
Assets/liabilities associated with the product cycle and items due within one year from the date of the balance sheet are classified as current assets/current liabilities. Current assets/current liabilities are valued at the lower/ higher value of acquisition cost and actual value. Actual value is defined as anticipated future sale price minus anticipated sale costs. Other assets are classified as fixed assets. Fixed assets are valued at acquisition price. Fixed assets that deteriorate are depreciated. If a permanent change in value occurs, the fixed asset is written down. Similar policies are normally applied to liabilities.

When using accounting policies and presenting transactions and other conditions, emphasis is placed on financial reality, not just legal practice. Conditional loss that is significant and quantifiable is entered as expenditure. Division into segments is based on the company's internal management and reporting objectives, as well as risk and income. Figures are presented for business areas as well as geographical markets if geographical categorisation of activities is significant to the assessment of the company. The figures are reconciled with the profit and loss account and balance sheet.

Note 1 Accounting principles (cont.)

Accounting policy for significant account items

Crediting the profit and loss account

Income is credited to the profit and loss account when it is earned. This means that the profit and loss account is normally credited at the time of delivery for the sale of goods and services.

Charging as expenditure/grouping

Expenses are grouped with and charged as expenditure at the same time as the income to which the expenses can be linked. Expenses that cannot be directly linked to income are entered as expenditure when they arise. In the case of restructuring and winding up of activities, all associated expenses are entered as expenditure, when the decision of restructuring and winding up is taken.

Unusual, sporadically and signigicant items

Items that are unusual, occur sporadically and are significant are specified in a separate note.

Intangible fixed assets

Intangible assets that are expected to generate income in the future, such as goodwill in subsidiaries, rights and IT systems, are capitalised. Depreciation is calculated on a straight-line basis over the financial life of the assets. Expenses associated with research and development are entered as expenditure on a continuous basis.

Tangible fixed assets

Tangible fixed assets are entered in the balance sheet at acquisition cost minus accumulated depreciation and write-downs. If the actual value of a piece of equipment is lower than its book value for reasons that are considered to be permanent in nature, the equipment is written down to actual value. Expenses associated with periodical maintenance and repairs to production equipment are periodized. Expenses associated with standard maintenance and repairs are continuously charged as expenditure. Expenses associated with large-scale replacements and updates that significantly extend the lifetime of the equipment are capitalised. Operating equipment is considered a tangible fixed asset if it has a financial life of more than three years and a cost price of more than NOK 15 000. Operating equipment leased under conditions which to all intents and purposes transfer financial rights and obligations to Glamox (financial leasing) are capitalised as operating equipment and entered as a commitment under interest-bearing liabilities at the current value of the minimum current rent. Operational leasing is charged as expenditure at ordinary rental cost and classified as ordinary operating expenses.

Depreciation

Ordinary depreciation is calculated on a straight-line basis over the financial life of the operating equipment, based on historic cost. A similar policy applies to intangible fixed assets. Depreciation is classified as ordinary operating expenses. Leasing costs entered in the balance sheet are depreciated in accordance with the plan and liability is reduced by rent paid minus calculated interest.

Stock and raw materials and consumables

Stocks of products are valued at the lower of cost price on a 'first-in-first-out' basis and anticipated sale price. Cost price for manufactured goods comprises direct materials, direct salary plus a proportion of indirect manufacturing costs, whereas cost price for purchased goods is the acquisition cost. Raw materials and consumables used for the year consist of the cost price of sold goods with a supplement for write-downs in accorance with standard accounting practice at year-end.

Receivables

Receivables are entered at nominal value minus anticipated loss.

Pension commitments and pension expenses

The company has gone over to the new pension scheme from 1st of January 2011, according to the decision taken by the Board of the joint scheme for AFP (Early retirement plan). The old pension scheme will simultaneously be phase out in the period up to 2015. The new pension scheme is recognized as a defined contribution scheme. The company has also entered into unfunded pension schemes for the CEO and the supplementary pension for former employees. The actuarial future obligations in connection with these agreements are included under pension liabilities in the balance.

Pension schemes for the the Norwegian companies are booked according to the IAS19 standard. Pension commitments are calculated on linear accrual based on assumed number of years worked, discount rate, future return on pension reserves, future adjustment of wages, pensions and national insurance provisions and actuarial assumptions regarding mortality, voluntary redundancy etc. Pension reserves are valued at actual value.

Net pension expense, which is the gross pension cost less the estimated return on pension reserves, are classified as ordinary operating expenses, and are presented along with salary and other benefits. Costs of defined contribution plans are expensed as incurred.

Changes in liabilities due to changes in pension plans, are recognized directly in equity. Changes in liabilities and pension assets due to changes and deviations from assumptions (actuarial gains and losses) are recognized directly in equity.

Deferred tax and tax

Deferred tax is calculated on the basis of temporary differences between accounting and tax values at the end of the financial year. A nominal tax rate is used in the calculation. Positive and negative differences are valued against each other in the same time intervals. Certain items are still valued separately, including added value from acquisitions and pension commitments. Deferred tax asset occurs if there are temporary differences that create tax deductions in the future. Tax for the year consists of changes in deferred tax and deferred tax asset, together with tax payable for the year, adjusted for errors in the previous year's calculations.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. Cash and cash equivalents includes cash, bank deposits and other current liquid resources that can immediately and with a minimal currency risk be converted into known cash amounts and with a due date of less than three months from the date of acquisition.

Note 2 Segment information

Sales revenue and other operating revenue divided into geographical areas

		Parent		Group	
		2014	**2013**	**2014**	**2013**
Norway	MNOK	661	612	662	613
Nordic region, excl. Norway	MNOK	193	180	473	408
Europe, excl. Nordic region	MNOK	214	216	560	519
North America	MNOK	27	26	114	118
Asia	MNOK	241	182	367	310
Other	MNOK	36	25	45	29
Total	**MNOK**	**1 371**	**1 240**	**2 221**	**1 997**

Note 3 Gain on sales of assets / Other operating expenses / Restructuring expenses and other special expenses

Effects on Parent

The accounts of 2014 contains a non-recurring item of 5 MNOK in relation to the transfer of Norselight production from Halden in Norway to Germany. There were no significant non-recurring items in 2013.

Effects on Group

The accounts of 2014 contains a non-recurring item of 5 MNOK in relation to the transfer of Norselight production from Halden in Norway to Germany. There were no significant non-recurring items in 2013.

Note 4 Inventory

	Parent		
Inventory	**2014**	**2013**	**Change**
Raw materials	49 222	46 355	2 868
Work in progress	15 363	16 815	-1 452
Manufactured goods	68 949	58 607	10 342
Total inventory	**133 534**	**121 777**	**11 757**

	Group		
Inventory	**2014**	**2013**	**Change**
Raw materials	143 576	126 672	16 904
Work in progress	39 997	36 098	3 899
Manufactured goods	175 041	140 895	34 146
Total inventory	**358 614**	**303 665**	**54 949**

Note 5 Salary costs/ Number of man-years/ Remuneration / Loans to employees /Pensions etc.

	Parent		Group	
	01.01 - 31.12		01.01 - 31.12	
Payroll and related costs	**2014**	**2013**	**2014**	**2013**
Salaries	282 930	264 229	535 457	486 692
National insurance	42 207	40 262	88 069	80 561
Pension costs	14 553	13 479	25 807	22 352
Other remuneration	9 538	9 285	23 627	22 331
Bonus to all employees *	14 500	13 000	14 500	13 000
Payroll and related costs	**363 728**	**340 255**	**687 460**	**624 936**
Average number of man-years	525	518	1 274	1 240

* During Glamox AS's board meeting held on 16.12.2014, the Board decided to pay out a one-off bonus to all employees. The parent company shall bear all costs relating to the bonus, including bonuses that are paid to employees outside the parent company. The parent company experience great benefit in motivating employees throughtout the Group to contribute to constant profit improvment. The parent company is charged with a provision of 14,5 MNOK on these bonuses.

Benefits for CEO – agreements on severance pay, bonuses, etc.
The CEO had an employment contract where the retirement age was 65 years, that was 24.06.2014. In 2013 the board and CEO agreed upon an extension of the employment contract, and CEO retire on 24.06.2015.

In his contract, the CEO has a pension contribution limit of 65 years, having a pension scheme of 70% of the basic salary starting at 65 years of age until reaching 67. Starting at 67 years of age until reaching 70 a benefit of 65% of basic salary is applied, and thereafter 60% of basic salary. This individual pension scheme is, after deduction of benefits earned through the collective plans with current employer and benefits earned from previous employers, covered as an unsecured pension arrangement. Payment of accrued pension benefits begin upon retirement.

The CEO has a performance related bonus agreement and the financial statments of 2014 is charged with NOK 981.450 as bonus to CEO.

The chairman of the board has no agreement for severence pay, bonus or profit-sharing. The CEO, chairman of the board, nor any other person in a similar position have been given a loan, or securities been put at their disposition.

Remuneration to CEO in 2014	**Salary**	**Performance-related bonus**	**Change Pension***	**Other remuneration**
Kjell Stamnes - CEO	2 978	981	764	154

*Change pension = change in earned pension rights

Remuneration to Board members in 2014	**Directors' fees**	**Salaries***	**Other remuneration***
Total remuneration	1 051	1 358	17

*Salaries and other remuneration regards employees' representatives.

	Parent		Group	
Auditor	**2014**	**2013**	**2014**	**2013**
Fee for statutory audit	865	904	2 385	2 577
Other attestation services	230	20	358	142
Tax advisory service	289	421	823	796
Other services, beyond audit			84	84
Total	**1 384**	**1 344**	**3 650**	**3 600**

Of specified fee to auditor for Parent and Group is TNOK 267 in 2014 (TNOK 81 in 2013) further charged to the parent company, Arendals Fossekompani ASA.

Note 5 Salary costs/ Number of man-years/ Remuneration / Loans to employees / Pensions etc. (cont.)

Composition of all pensions and pension obligations

The company is obligated to keep an occupational pension scheme pursuant to the Mandatory Occupational Pensions Act. The company has a pension scheme that satisfies the requirements of this Act.

Net pension funds/obligations below are valid for Norwegian companies and some foreign subsidiaries in the Group. Pension cost in most foreign subsidiaries are handled as contribution plans, and the amounts paid out are charged as expenses.

The pension schemes are handled in the accounts according to IAS. Estimated deviations from previous years is charged directly to equity.

The Group's Norwegian companies have contribution pension schemes that include all employees over the age of 20 years old and who hold more than a 20% position. Further, the Group's Norwegian companies operate an early retirement scheme for their employees (AFP).

	Parent		**Group**	
	01.01 - 31.12		**01.01 - 31.12**	
Pension expenses	**2014**	**2013**	**2014**	**2013**
Current value of this years pension accrual	552	1 166	808	1 166
Interest cost of pension commitments	731	926	743	926
Defined contribution pension scheme	13 270	11 388	24 256	20 260
Net pension expenses	**14 553**	**13 479**	**25 807**	**22 352**

	Parent		**Group**	
Reconciliation of pension scheme's financed against sum in balance sheet:	**31.12.14**	**31.12.13**	**31.12.14**	**31.12.13**
Calculated pension commitments	-33 911	-32 836	-39 567	-35 297
Pension reserves	6 310	6 658	9 626	8 193
Net pension liabilities	**-27 601**	**-26 178**	**-29 941**	**-27 104**

Financial conditions:	**2014**	**2013**
Discount rate	2,30 %	4,10 %
Anticipated salary settlement	2,50 %	3,50 %
Anticipated pension increase	2,50 %	3,50 %
Anticipated change in national insurance base rate	2,50 %	3,50 %

Standard conditions used in the insurance industry form the basis of the actuarial preconditions for demographic factors and retirement. The discount rate as of 31.12.2014 is based on the rate of norwegian corporate bonds (Obligasjoner med fortrinnsrett - OMF).

Note 6 Specification of financial items

	Parent 01.01 - 31.12 2014	 2013	Group 01.01 - 31.12 2014	 2013
Other financial income	9 642	10 727	19 461	15 733
Other financial expenses	-39 746	-51 879	-14 130	-10 270
Total other financial items	**-30 104**	**-41 152**	**5 331**	**5 463**
Of which:				
Currency effect	-36 617	-46 942	275	2 291

The Group's policy regarding conversion of foreign subsidiariesis that the discrepancy created by converting the company's opening equity and profit for the year at a different exchange rate than the outgoing equity is posted directly in the Group's equity. Conversion differences from the hedging instrument are also posted directly in equity.

Note 7 Tangible fixed assets and intangible fixed assets - Parent

	Land/ buildings	**Machinery**	**Fixtures and Fittings**	**Total**
Acquisition costs 31.12.2013	126 326	201 350	39 735	367 411
Additions		6 601	4 934	11 535
Anskaffelseskost 31.12.2014	**126 326**	**207 951**	**44 669**	**378 946**
Accumulated depreciation 31.12.2013	52 787	164 378	27 295	244 460
This years depreciation	6 374	11 361	4 985	22 720
Accumulated depreciation 31.12.2014	**59 161**	**175 739**	**32 281**	**267 180**
Balance sheet value at 31.12.2014	**67 165**	**32 212**	**12 388**	**111 765**
Financial life	Up to 20 yrs.	Up to 8,3 yrs.	Up to 8,3 yrs.	
Depreciation plan	Straight-line	Straight-line	Straight-line	

Further the parent company has lease agreements on operating equipment. These lease agreements are regarded as operational leasing and annual lease payment in 2014 amounted to 4,5 MNOK.

	Rights, IT systems	**Product Development**	**Total**
Acquisition costs 31.12.2013	109 495	4 532	114 027
Additions			
Acquisition costs 31.12.2014	**109 495**	**4 532**	**114 027**
Accumulated depreciation 31.12.2013	109 431	4 532	113 963
This years depreciation	64		64
Accumulated depreciation 31.12.2014	**109 495**	**4 532**	**114 027**
Balance sheet value at 31.12.2014	**-**	**-**	**-**
Financial life	Up to 7 yrs.	Up to 7 yrs.	
Depreciation plan	Straight-line	Straight-line	

Note 7 Tangible fixed assets and intangible fixed assets - Group

	Land/ Buildings	**Machinery**	**Fixtures and Fittings**	**Total**
Acquisition cost 31.12.2013	243 808	315 079	135 264	694 151
Currency translation effects with rates at 31.12.2014	5 265	9 482	7 589	22 337
Acquisition cost 01.01.2014	**249 073**	**324 561**	**142 854**	**716 488**
Additions	531	20 007	14 797	35 335
Disposals	-144	-1 368	-4 259	-5 771
Reclassification		521	-521	
Acquisition cost 31.12.2014	**249 459**	**343 722**	**152 870**	**746 052**
Acc. depreciation and write downs at 31.12.2013	110 282	241 234	103 754	455 270
Currency translation effect with rates at 31.12.2014	1 659	7 369	5 976	15 004
Acc. depreciation and write downs at 01.01.2014	**111 941**	**248 603**	**109 730**	**470 275**
This years depreciation	8 659	21 071	11 674	41 403
Reversed acc. depreciation and write down due to disposal	-121	-1 241	-4 126	-5 487
Reclassification		195	-195	
Acc. depreciation and write downs at 31.12.2014	**120 479**	**268 628**	**117 083**	**506 190**
Balance sheet value at 31.12.2014	**128 981**	**75 094**	**35 787**	**239 862**
Financial life	Up to 20 yrs.	Up to 10 yrs.	Up to10 yrs.	
Depreciation plan	Straight-line	Straight-line	Straight-line	

The Group has lease agreements on other operating equipment. These lease agreements are regarded as operational leasing and annual lease payment in 2014 amounted to 4,5 MNOK. The Group has lease agreements on some production facilities and the lease payment in 2014 amounted to 6,6 MNOK.

	Rights, IT systems	**Product Development**	**Goodwill**	**Total**
Acquisition cost 31.12.2013	132 853	7 175	76 719	216 747
Currency translation effects with rates at 31.12.2014	500	31		531
Acquisition cost 01.01.2014	**133 353**	**7 206**	**76 719**	**217 277**
Additions	1 509			1 509
Acquisition cost 31.12.2014	**134 862**	**7 206**	**76 719**	**218 786**
Acc. depreciation and write downs at 31.12.2013	127 463	7 058	65 989	200 510
Currency translation effect with rates at 31.12.2014	462	29		491
Acc. depreciation and write downs at 01.01.2014	**127 925**	**7 087**	**65 989**	**201 001**
This years depreciation	1 491	119	2 043	3 652
Acc. depreciation and write downs at 31.12.2014	**129 416**	**7 205**	**68 032**	**204 654**
Balance sheet value at 31.12.2014	**5 447**	**-**	**8 687**	**14 133**
Financial life	Up to 7 yrs.	Up to 7 yrs.	10 yrs.	
Depreciation plan	Straight-line	Straight-line	Straight-line	

Note 7 Tangible fixed assets and intangible fixed assets - Group (cont.)

The parent's and the Group's expenses on research and development are charged to profit and loss when they arise.
Goodwill is depreciated over 10 years as the company believes this to be the financial life on which the assessment should be based.

In the notes, all figures related to 2014 are translated at the currency exchange rates on 31.12.2014. For this reason there will be a discrepancy between depreciation for the year in the notes and depreciation in the accounts, which is calculated based on average exchange rates for the year.

Sum this years depreciation ref. Note 7	45 055
Sum this years depreciation ref. Profit & Loss	43 523
Currency deviation = Deviation average-rate and closing-rate	**1 532**

Note 8 Subsidiaries and jointly controlled companies for the parent

Name of company		**Share capital**	**Shareholding in Glamox AS**	**Book value in Glamox AS TNOK**	**Group's vouting ownership share**
Glamox Luxo Lighting A/S, Denmark	DKK	4 900 000	100,0%	8 045	100,0%
Glamox Luxo Lighting AB, Sweden	SEK	600 000	100,0%	1 681	100,0%
Glamox Luxo Lighting Oy, Finland	EUR	100 000	100,0%	6 082	100,0%
Glamox Luxo Lighting Ltd., England	GBP	3 500	100,0%	680	100,0%
Glamox Ireland Ltd., Ireland	EUR	168 768	100,0%	1 787	100,0%
Glamox Luxo Lighting GmbH, Germany	EUR	682 667	25,0%	21 570	100,0%
AS Glamox HE, Estonia	EUR	166 140	20,0%	2 723	100,0%
Glamox Aqua Signal GmbH, Germany	EUR	3 859 690	5,1%	6 344	100,0%
aqua signal Teterow GmbH & Co. KG, Germany	EUR	5 844 874	0,0%	0	100,0%
Glamox Aqua Signal Corporation, USA	USD	100 000	100,0%	443	100,0%
Glamox Canada Inc., Canada	CAD	2 207 510	100,0%	0	100,0%
Glamox Far East Pte Ltd., Singapore	SGD	6 100 000	98,7%	23 666	98,7% 1)
Glamox (Suzhou) Lighting Co. Ltd, China	CNY	20 387 517	100,0%	4 050	100,0%
Suzhou Glamox Trade Co. Ltd, China	CNY	500 000	0,0%	0	100,0%
Glamox Korea Co. Ltd., South Korea	KRW	775 020 000	100,0%	4 483	100,0% 2)
Luxo AS, Norway	NOK	1 759 250	100,0%	15 980	100,0% 4)
Luxo Corporation, USA	USD	101	100,0%	6 765	100,0%
Glamox Brasil Iluminacao LTDA, Brasil	BRL	50 000	100,0%	130	100,0% 3)
Birger Hatlebakks veg 15 AS, Norway	NOK	100 000	100,0%	1 373	100,0%
Total book value				**105 802**	

1) Minority interests in Glamox Far East Pte Ltd is 1,27%.

2) During 2014 Glamox AS has brought the minority shares in Glamox Korea Co. Ltd. Before the acquisition the minority had 5,0% of the shares.

3) Minority interests in Glamox Brazil Iluminacao LTDA owns 1 share of totally 50.000 shares, corresponding to 0,002%.

4) Glamox AS has given a group contribution to Luxo AS of TNOK 947 (after tax deduction) in 2014. This is entered as investment in subsidiaries in the financial accoutns of the parent company.

Note 9 Receivables due for payment later than one year

Balance sheet value of receivables due for payment later than one year for parent and Group:

	Parent		Group	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
Receivables, Group Companies	69 873	54 711		
Other long term receivables			2 708	1 145
Total	**69 873**	**54 711**	**2 708**	**1 145**

Note 10 Liabilities due for payment more than five years after the financial year end for parent and Group

	Parent		Group	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
Liabilities to financial institutions	53 504	61 935	53 504	63 224

Note 11 Tax

	Parent		Group	
	01.01 - 31.12		01.01 - 31.12	
	2014	**2013**	**2014**	**2013**
Tax payable calculated as follows:				
Ordinary profit before tax	209 136	83 035		
Permanent differences	-115 592	-24 474		
Change in temporary differences	12 127	12 219		
Change defined benefit plan recognised directly against equity	-4 212	-2 386		
Basis for tax payable	**101 459**	**68 394**		
Tax payable on profit for the year	**27 394**	**19 150**	**74 354**	**34 401**
Tax for the year is calculated as follows				
Tax payable on profit for the year	27 394	19 150	74 354	34 401
Correction for tax payable for previous years		-153		-153
Change deferred tax/deferred tax assets in Balance sheet	-3 275	-2 959	-13 011	10 163
Currency effekt regarding change in deferred tax			-2 041	
Change in deferred tax booked directly against equity	1 138	668	1 138	668
Estimated tax related to currency hedging booked against equity			10 525	14 466
Total tax for the year	**25 257**	**16 706**	**70 965**	**59 544**

Note 11 Tax (cont.)

	Parent		Group	
	01.01 - 31.12		01.01 - 31.12	
	2014	**2013**	**2014**	**2013**
Total tax for the year on group level				
Norwegian companies			24 907	16 029
Foreign companies			46 058	43 515
Total tax for the year			**70 965**	**59 544**
Current tax liabilities consist of				
Tax payable for the year as above	27 394	19 150	74 354	34 401
- of which paid in fiscal year			-42 472	-3 645
- not due for earlier years			20 356	19 019
- tax on group contribution from subsidiaries	-350	-702		
- payment of withholding tax	-268	-250	-268	-250
Current tax liabilities 31.12	**26 776**	**18 199**	**51 970**	**49 525**

	Parent		Group	
Specification of basis for deferred tax	**31.12.2014**	**31.12.2013**	**31.12.2014**	**31.12.2013**
Offsetting differences				
Fixed assets	-14 684	-9 319	9 813	17 944
Other current assets	5 598	3 240	4 025	1 255
Liabilities	-21 626	-13 929	3 680	2 982
Net pension reserves/commitments	-27 601	-26 178	-27 601	-26 178
Gross basis for deferred tax:	**-58 313**	**-46 186**	**-10 083**	**-3 997**
Losses carried forward (including tax credit)			-38 493	-36 094
Untaxed profit			157 597	207 324
Basis for deferred tax liabilities/ (assets):	**-58 313**	**-46 186**	**109 021**	**167 233**
Calculated deferred tax assets	**15 745**	**12 470**	**21 943**	**18 614**
- not posted as deferred tax assets in balance sheet			-4 191	-2 893
Net deferred tax assets posted in balance	**15 745**	**12 470**	**17 752**	**15 721**
Calculated deferred tax and posted in balance			**-40 640**	**-51 620**

The Group Management and Board does a continuous evaluation of the amount they consider to be secured to book in the companies' balance sheet, based on the expected future income and realistic tax adaptation. Based on these evaluations, 17.8 MNOK have been booked as deferred tax assets in the balance sheet.

The parent company has write-down on receivables from its subsidiaries. These write-downs are done without any tax reduction effect, but are also not included in the above basis of deferred tax since there is uncertainty if or when the differences will be reversed. Due to changes in the tax legislation in 2011 it is also uncertainty to what extent the company will receive taxable deduction. The change of the write down amount is presented as a permanent difference.

Note 12 Equity and sharesholders

Parent	**Share capital**	**Other reserves**	**Other equity**	**Total**
Equity 31.12.2013	**65 989**	**135 454**	**160 379**	**361 822**
Change in equity for the year				
Profit for the year			183 879	183 879
Proposed dividends			-49 492	-49 492
Distributed extraordinary dividends			-399 891	-399 891
Pension actuarial gain/loss recognized in equity			-4 214	-4 214
Tax on pension actuarial gain/loss recognized in equity			1 137	1 137
Transfered from Other reserves		-108 200	108 200	
Equity 31.12.2014	**65 989**	**27 254**	**-**	**93 242**

Group	**Share capital**	**Other reserves**	**Reserves in Group**	**Minority interests**	**Total**
Equity 31.12.2013	**65 989**	**135 454**	**433 176**	**605**	**635 224**
Change in equity for the year					
Profit for the year			193 624	305	193 929
Proposed dividends			-49 492		-49 492
Distributed extraordinary dividends			-399 891		-399 891
Dividends to minority				-251	-251
Pension actuarial gain/loss recognized in equity			-4 806		-4 806
Tax on pension actuarial gain/loss recognized in equity			1 137		1 137
Remitted liability in liquidated subsidiary			-499	-441	-940
Estimated tax related to currency hedging booked against equity			10 525		10 525
Conversion differences			-566		-566
Transfered from Other reserves		-108 200	108 200		
Equity 31.12.2014	**65 989**	**27 253**	**291 409**	**218**	**384 869**

Conversion differenses are presented net in the equity note. This means that conversion differences arasing from conversion of foreign subsidiaries of 38.4 MNOK are offset against currency effects from hedging instrument of 39.0 MNOK.

Note 12 Equity and sharesholders (cont.)

Share capital and shareholder information

Share capital in Glamox ASA at 31.12.2014 consist of	Number	Nominal Value	Balance Sheet
Shares	65 988 668	1	65 989
Total	**65 988 668**	**1**	**65 989**

All shares have the same voting rights.

Ownership structure:

The largest shareholders in Glamox ASA at 31.12.2014 were	Total shares	Shareholding/ Voting
Arendals Fossekompani ASA	49 024 584	74,29 %
Fondsavanse AS	15 160 083	22,97 %
Erik Must	639 388	0,97 %
SBL Vintage 1999 Ltd P565	573 518	0,87 %
Rebecka Must	100 000	0,15 %
Jonathan Must	100 000	0,15 %
Nora Must	100 000	0,15 %
Iben Must	100 000	0,15 %
Selma Must	100 000	0,15 %
Lege Fr Arentz Legat	59 237	0,09 %
Total 10 largest shareholders	**65 956 810**	**99,95 %**
Others (161 shareholders)	31 858	0,05 %
Total number of shares	**65 988 668**	**100,00 %**

Shares and options owned by Board members and the Group Management:

Name	Position	Shares
Henny Eidem	Board member	14

Note 13 Assets pledged as security and guarantee liabilities

	Parent		Group	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
Secured balance sheet liabilities				
Liabilities to financial institutions	147 904	156 439	175 014	183 968
Balance sheet value of assets pledged as security for secured liabilities:				
Land, buildings etc.	67 165	73 539	110 364	117 166
Machinery and plant			4 853	5 819
Fixture and fittings			20 540	15 930
Rights, IT system			1 572	475
Shares	6 344	6 344		
Inventory	133 534	121 777	214 306	188 873
Accounts receivable	186 558	188 642	159 650	166 593
Total	**393 601**	**390 302**	**511 285**	**494 856**

The same assets that are pledged as security in the parent company are also security for liabilities in the subsidiares.
In the loan agreements, the lenders also have demand to key figures as equity ratio, debt ratio etc.

On Group level, shares in subsidiaries with a total equity of 69.4 MNOK are pledged as security. Book value of the assets in these subsidiaries are also included in the table above.

The Parent company and the Group company has not given guarantees towards third party as of 31.12.2014. The same applies for 2013.

Note 14 Outstanding accounts against Group companies

	Parent		Group	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
Account receivables	85 253	70 809		
Loans to Group companies	75 708	72 526		
Total receivables on Group companies	**160 961**	**143 335**		
Account payables to Group companies	52 269	47 087		
Other short term liabilities to Group companies	165 690	227 561		
Total payables to Group companies	**217 959**	**274 648**		

Some subsidiaries participate in the Group's common cash pool arrangement. In the parent company this is presented as cash deposit and liabilities to subsidiaries.

Of Other short term liabilities to Group companies amounted to 165.7 mnok (227.6 mnok in 2013) is 164.4 mnok (225.1 mnok in 2013) the subsidiaries share of the parent's cash deposit.

Note 15 Cash etc.

	Parent		Group	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
Liquidity reserve	312 810	675 629	382 683	718 325

The liquidity reserve is the total overdraft and revolver facilites of all Group companies, minus all utilised overdraft and revolver facilities, and added all cash on hand and deposits.

The liquidity reserve for the Group is organized in a Multi Currency Cashpool. This implies that the cash deposit of the subsidiaries formally are account receivables towards the parent company, and all participating group companies are jointly responsible for overdraft within the Cashpool.

Accounts with deposit and debt within the cashpool are netted in the Group balance sheet.

Locked-up deposits in Glamox AS and the Group amounted to 13.9 MNOK.

Note 16 Related parties for parent company and Group

Related parties are Group companies, major shareholders, board and senior management in the parent company and the group subsidiaries.
Agreements on remuneration for Group Management appear in note 5.

Transactions between Glamox AS and other group companies

	2014	**2013**
Sales revenue	374 541	320 960
Services	65 223	63 211
Interest income	2 123	3 486
Dividend from subsidiaries	123 315	31 364
Cost of Goods	260 126	207 668
Group contribution paid	1 298	2 507

No transactions or agreements of significance were entered into with related parties in 2014 or in the financial years for which comparison figures are given, other than standard business transactions with subsidiaries and associated companies.

Note 17 Financial market risk

This note discusses the interest and currency risk the group is exposed to and the methods used in managing the risks.

a) Interest risk and control

The Group aims to follow the general long-term development in the money market interest levels. The effects of short-term fluctuations in money market interest levels can be reduced by managing the loan portfolio's average interest and the timing of the interest payments.

Underlying loan agreements is used to manage the interest risk.

b) Currency risk and control

Operational cash flow (transaction risk)

Glamox is exposed to transaction risk by purchasing and selling in different currencies. Purchase and production expenses are mainly in NOK and EUR, with sales mainly in NOK, EUR, SEK, DKK, GBP, SGD, CAD and USD.

Glamox aims to minimize the risk of changes in the value of net cash flows arising from the short-term fluctuations in exchange rates.

Transaction risk is controlled by means of internal invoicing rules, matching of income and expenses in the same currency and by using financial instruments (forward contracts).

As of 31.12.2014, the Group had forward contracts for both sale and purchase of currencies. Currency sales amounted to 187 MNOK while the currency purchase amounted to 146 MNOK based on 31.12.2014 exchange rates.

Forward contracts that are not recognized in the balance sheet, had a market value of -2.6 MNOK as of 01.01.2014 and -5.5 MNOK as of 31.12.2014.

Equity in foreign subsidiaries

Glamox is exposed to book value changes in equity in foreign subsidiaries. Changes in the value of equity for foreign subsidiaries are partly offset by loans and overdrafts in the same currency.

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To the Annual Shareholders' meeting in Glamox AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Glamox AS, which comprise the financial statements of the parent company Glamox AS, showing a profit of NOK 183 879 000, and the consolidated financial statements of Glamox AS and its subsidiaries, showing a profit of NOK 193 929 000. The parent company's and the consolidated financial statements comprise balance sheet as at 31 December 2014, and the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the parent company Glamox AS and of Glamox AS and its subsidiaries as at 31 December 2014, and of their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

KPMG AS, a Norwegian member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening.

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Sandnessjøen
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Stord
Straume
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Trondheim
Tynset
Tønsberg
Ålesund

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures, we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 9 March 2015
KPMG AS

Lone Brith Frogner
State authorised public accountant

[Translation has been made for information purposes only]

Key figures

			2014	2013	2012	2011	2010
	Sales / Profit						
1.	Total income	MNOK	2 221.5	1 997.0	1 827.9	1 714.0	1 789.5
2.	Operating profit/loss	MNOK	259.6	202.6	166.7	151.7	136.9
3.	Profit/loss before tax and extraordinary items	MNOK	264.9	208.1	163.5	150.3	143.7
4.	Profit/loss before extraordinary items	MNOK	193.9	148.5	118.2	107.6	112.8
	Profitability						
5.	Operating margin	%	11.7	10.1	9.1	8.9	7.7
6.	Gross profit margin	%	11.9	10.4	8.9	8.8	8.0
7.	Gross profit margin	%	8.7	7.4	6.5	6.3	6.3
8.	Total profitability	%	22.2	16.6	15.0	13.9	15.0
9.	Return on equity	%	38.0	24.6	21.7	21.6	24.7
	Capital / Liquidity						
10.	Current ratio		1.9	2.4	2.4	2.4	2.2
11.	Cash flow	MNOK	236.5	215.1	185.5	181.4	192.0
12.	Cash flow from activities	MNOK	172.3	168.0	141.7	117.1	199.4
13.	Equity	MNOK	384.9	635.2	571.6	518.7	479.7
14.	Equity ratio	%	34.4	45.4	46.5	43.7	41.1
15.	Investments	MNOK	36.8	23.9	23.6	24.1	23.9
	Share-related key figures						
16.	Earnings per share	NOK	2.94	2.25	1.79	1.63	1.71
17.	Cash flow per share	NOK	3.58	3.26	2.81	2.75	2.91
18.	Book equity per share	NOK	5.83	9.63	8.66	7.86	7.27

Defination of key figures

5) **Operating margin:** Operating profit/loss as a percentage of total sales revenue and other operating revenue
6) **Gross profit margin:** Profit/loss before tax and extraordinary items as a percentage of total sales income and other operating revenue
7) **Net profit margin:** Profit/loss before extraordinary items as a percentage of total sales revenue and other operating revenue
8) **Total profitability:** Profit/loss before tax plus financial costs as a percentage of average total capital
9) **Return on equity:** Profit/loss after tax as a percentage of average equity
10) **Current ratio:** Current assets in relation to current liabilities
11) **Cash flow:** Profit/loss before tax and extraordinary items, minus tax payable, plus ordinary depreciation
12) **Cash flow from activities:** From cash flow statement. Net cash flow from operating activities plus net cash flow from investing activities
13) **Equity:** Book equity including minority items and subordinated loans
14) **Equity ratio:** Book equity including minority items and subordinated loans as a percentage of total capital at 31.12
15) **Investments:** Investments excluding leased assets
18) **Book equity per share:** Book equity (not incl. subordinated loans) divided on number of ordinary shares

Photo: Arild Moen

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