GLAMOX

Annual report 2015

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 2,5 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 2,498 mill. (NOK 2,222 mill), an increase of 12.5%
- Operating profit/margin of NOK 298.5 mill/11.9% compared with NOK 259.6 mill/11.7% in 2014. An increase in the operating result of 15.0%.
- Profit after tax was NOK 214.4 mill (NOK 193.9 mill), the best in the Group's history.
- Positive operational cash flow of NOK 188.2 mill compared with NOK 172.3 mill the previous year.
- Continued growth in sales of LED products.
- NOK 15.7 mill (NOK 14.5 mill) has been allocated for extraordinary bonus for all employees.
- Proposed ordinary dividend of NOK 1.50 per share.

Key figures

		2015	2014	2013	2012	2011
Total revenue	MNOK	2 498,4	2 221,5	1 997,0	1 827,9	1 714,0
Operating profit/loss	MNOK	298,5	259,6	202,6	166,7	151,7
Profit/loss before tax	MNOK	293,1	264,9	208,1	163,5	150,3
Profit/loss after tax	MNOK	214,4	193,9	148,5	118,2	107,6
Cash flow from operations	MNOK	188,2	172,3	168,0	141,7	117,1
Total profitability	%	25,9	22,2	16,6	15,0	13,9
Equity ratio	%	39,1	34,4	45,4	46,5	43,7
Earnings per share	NOK	3,25	2,94	2,25	1,79	1,63

The lighting company

Our product brands

The Glamox Group owns five international product brands.

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

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.

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.

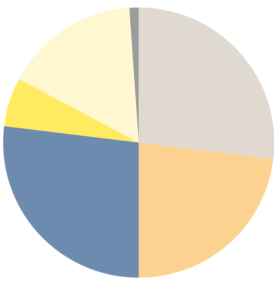
Cooperation
We team up with customers and colleagues to find the best solutions.

Commitment
We are dedicated to deliver as promised.

Quality
We understand the importance of quality in products and performance.

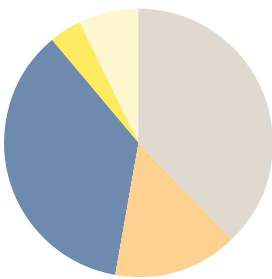
Ethics
We treat people with respect and dignity.

Revenues by market: 2 498 MNOK



27 %	Norway
23 %	Nordic Region ex. Norway
27 %	Europe ex. Nordic Region
6 %	North-America
16 %	Asia
1 %	Others

Man-years (average) by market: 1 315



38 %	Norway
15 %	Nordic Region ex. Norway
36 %	Europe ex. Nordic Region
4 %	North-America
7 %	Asia

Group organisation

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 seven 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
Rune Marthinussen

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

Business Development
Håkon Helmersen
Director

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
- **Glamox B.V.** – The Netherlands
- **Luxo Corporation** – USA

Global Marine & Offshore
Jan Berner
Senior Vice President

- **Glamox International** – Norway
- **Glamox Aqua Signal GmbH** – Germany
- **Glamox B.V.** – The Netherlands
- **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

Sourcing, Production and Logistics
Meelis Peterson
Senior Vice President

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

Main points from the divisions

Professional Building Solutions (PBS)

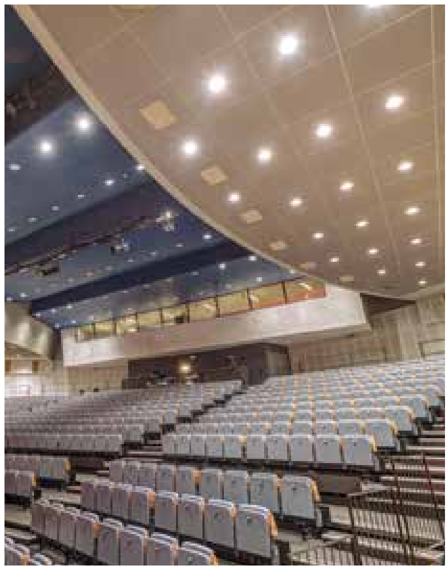
The division offers total solutions within the following segments: Office and commercial buildings, industrial buildings, educational establishments, health institutions, retail and shopping centers, hotels and restaurants.

- Office and commercial buildings
- Industrial buildings
- Educational establishments
- Health institutions
- Retail and shopping centers
- Hotels and restaurants

The Professional Buildings Solutions (PBS) division is organized 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 Division SPL.

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 a wide range within decorative general lighting and industrial lighting, special fittings adapted to all the segments we operate in, plus arm-based 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 almost all segments and areas of use.

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

The prioritized market segments are office and commercial building, industrial building, educational building and health institution sectors. Lighting solutions are also delivered to hotels, shops/shopping centers 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 2015 PBS had total revenues of NOK 1,585 m compared with NOK 1,357 m in 2014, a growth of 17 %. At year-end 2015, the number of man-labour years in PBS was 297, of which 64 % 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 Global Marine & Offshore (GMO) division is organized 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 Division SPL and in the division's Canadian production unit.

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.

© Kårstø - Svein Egil Økland.

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 the oil and gas industry.

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. The division is the global leader in the commercial marine and the cruise and ferry sectors. GMO also holds a strong position in the oil and gas segment with regard to floating installations in both Europe and Asia. Further, GMO has 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 2015 GMO had total revenues of NOK 928m compared with NOK 865m in 2014, a growth of 7.3 %. At year-end 2015, the number of man-labour years in Global Marine & Offshore was 154, of which 80 % 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 Sourcing, Production and Logistics (SPL) division 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 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. Its 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 our 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 through systematic and long-term efforts. The Group's production units in Molde, Kirkenær, Sweden and Estonia are certified in accordance with EN ISO 14001.

At year end 2015, the number of man labour years in Sourcing, Production and Logistics was 843. Around 63% of these employees are employed in business units outside Norway.

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Main points and key figures

- Revenues reached NOK 2,498 mill. (NOK 2,222 mill), an increase of 12.5%
- Operating profit/margin of NOK 298.5 mill/11.9% compared with NOK 259.6 mill/11.7% in 2014. An increase in the operating result of 15.0%.
- Profit after tax was NOK 214.4 mill (NOK 193.9 mill), the best in the Group's history.
- Positive operational cash flow of NOK 188.2 mill compared with NOK 172.3 mill the previous year.
- Continued growth in sales of LED products.
- NOK 15.7 mill (NOK 14.5 mill) has been allocated for extra-ordinary bonus for all employees.
- Proposed ordinary dividend of NOK 1.50 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 registered office is in Oslo.

In 2015, Glamox had incomming orders of NOK 2,437 mill compared to NOK 2,261 mill in 2014, an increase of 7.8%. Revenues were NOK 2,498 mill, compared to NOK 2,222 mill in 2014, an increase of 12.5%. Adjusted for currency exchange rates, growth in turnover was 6.1%.

The Group achieved growth of 12.5% in revenues compared to 2014. On several of the main markets, we have experienced better growth than the market as a whole. The Group grew in all main regions, with particularly high growth in Scandinavia and the rest of our European markets. Within GMO, we have a strong growth in China and we consolidated our strong market positions in Korea and Singapore. We further strengthened the sales team on several markets throughout 2015. Sales of LED-based products continued to show strong growth in 2015. These are products with a higher sales value than conventional alternatives, whilst being more energy-efficient and have more uses for our customers. A weaker Norwegian krone affected turnover in the Group positively compared to the previous year.

Operating profit was NOK 298.5 mill compared to NOK 259.6 mill in 2014. Operating margin was 11.9% compared to 11.7% in 2014. Growth in revenues of 12.5%, improved contribution margin and somewhat lower cost-ratio are the main factors behind an increase in the operating profit of 15.0%.

The Group had net financial costs of NOK 5.4 mill in 2015 compared to net financial income of NOK 5.3 mill in 2014.

The net income before taxes was NOK 293.1 mill, compared with NOK 264.9 mill the previous year.

Profit after tax was NOK 214.4 mill compared to NOK 193.9 mill the previous year.

As of 31.12.2015, the Group has a tax deficit for carrying forward of NOK 30 mill, and an untaxed profit of NOK 279 mill (NOK 157 mill).

Market development within our land-based division (Professional Building Solutions) is governed by activities within new-build, modernisation and commercial building. Most of this division's main markets showed growth in 2015. This is primarily due to the switch to LED. Market trends within our maritime and offshore-related division (Global Marine & Offshore) are dictated by the level of activity within new-build, refurbishment and rehabilitation of all types of maritime vessels and offshore installations. Particularly in the second half of 2015 we experienced a significant decrease in demand for products for the oil and gas segment. The global market for merchant vessels, cruise ships, ferries and military marine vessels has remained stable.

In 2015, the Group had a high level of activity in product development and several new product series were launched. All new product families are now launched with LED-technology.

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The Group generated a strong positive cash flow in 2015. Cash flow from operations (operational and investments) was NOK 188.3 mill., compared with NOK 172.3 mill. in 2014. An improved result from operations and lower tax payments during the period were the main contributors to the increase in cash flow. Investments in fixed assets of NOK 44.4 mill was made in 2015 compared to NOK 36.8 mill in 2014. The Group also acquired a business in the Netherlands for a price of NOK 17.0 mill.

Revenues in the parent company Glamox AS was NOK 1,433 mill, compared to NOK 1,371 mill in 2014. Operating profit was NOK 104.3 mill compared to NOK 113.8 mill in 2014. The decrease is due to higher material and purchasing costs as a result of the weakened Norwegian krone. Net income before tax was NOK 126.8 mill, compared to NOK 216.6 mill in 2014. The decrease is primarily due to lower dividends from subsidiary companies and higer unrealised exchange rate losses. 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 Board is satisfied that the Group is showing healthy growth in turnover and further improved profit and operating margin. The operating result for 2015 was the best in the Group's history. In recognition of the improvement in results, the Board decided to give an extraordinary bonus to all Group employees totalling NOK 15.7 mill (NOK 14.5 mill). The bonus is recognised in full in the accounts of the parent company. The parent company believes strongly in motivating the entire Group's personnel to contribute to continuous improvement in results. The Board wishes to thank all Glamox employees for their contribution to the good results in 2015.

Capital and liquidity

The closing balance as at 31.12.2015 was NOK 1,327 mill, compared with NOK 1,119 mill as at 31.12.2014.

At the turn of the year, the Group's equity capital was NOK 519 mill. The equity ratio was 39.1%. Glamox AS had equity capital of NOK 135 mill and an equity ratio of 13.4%.

Cash flow from operations was NOK 188.3 mill, compared to NOK 172.3 mill in 2014.

At the turn of the year, the liquidity reserve amounted to NOK 485 mill, compared with NOK 383 mill the previous year.
The Group's net interest-bearing deposit as at 31.12.2015 was NOK 125.8 mill compared to net interest-bearing debt of NOK 13.0 mill in 2014.

The Board believes that the company's equity and liquidity as of 31.12.2015 to be satisfactory, including after provision for a dividend of NOK 1.50 per share, corresponding to total dividend distribution of NOK 99.0 mill.

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 18 in the Annual Accounts.

Development by division

The Group is organised into three divisions. Division Professional Building Solutions (PBS) is responsible for lighting solutions for the onshore market and Global Marine & Offshore (GMO) division is responsible for lighting solutions for the maritime and offshore-related markets, plus onshore plants within the oil and gas sector. Both divisions have total responsibility for their markets, including sales, product development and product management. The third division, Sourcing, Production and Logistics (SPL) is responsible for sourcing, production and logistics.

Professional Building Solutions (PBS)

This division achieved order intake in 2015 of NOK 1,598 mill (NOK 1,385 mill), an increase of 15.4% compared to 2014. In the same period, revenues were NOK 1,585 mill (NOK 1,357 mill), which is an increase of 16.8% from 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 2015. This is primarily due to strong growth in demand for LED-products and increased interest in energy-saving solutions. The rise in demand has been utilised well by the division. Growth in order intake and revenues is also due to the division succeeding in increasing its market share on several markets.

The European and global lighting industry is in a state of change, driven by the shift in technology that LED represents. This change also paves the way for new players and business models. The industry is very fragmented with over-capacity in production. This puts pressure on margins, particularly within LED-technology light-fittings. The division invested further in more sales resources for certain markets in 2015, along with an increase in capacity for product development.

In 2015, we saw continued increasing interest in energy-saving lighting solutions and new technological solutions. Several new products were launched in this business unit 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 contributed to good solutions. PBS has several new concepts focusing on energy-effective lighting, possibilities to customise lighting for users, and flexibility for building owners were also launched.

Global Marine & Offshore (GMO)

This division had an order intake of NOK 830 mill (NOK 855 mill), a decrease of 2.9%. Revenues were NOK 928 mill (NOK 865 mill), an increase of 7.3%.

The division increased its order intake from China within the oil and gas segment and merchant fleet segment. China became the biggest market for the division in 2015. An increase was seen in Europe within the merchant fleet segment and cruise liners. The development in the Middle East and Canada was particularly positive whilst other areas saw a downturn in order intake, particularly within the oil and gas segment.

Glamox signed a framework agreement with Statoil in 2015 for supply of LED-lighting to the Johan Sverdrup oil field. This will have a positive effect on order intakes over the next few years.

The division achieved a healthy increase in deliveries to China, Singapore, Canada and Europe, where we achieved a good

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growth in revenues in the Netherlands after the acquisition of our former distributor. The growth in revenues in 2015 was highest in the merchant fleet segment, along with cruise liners and ferries. The oil and gas segment managed a weak increase in revenues.

Shipyards experienced a fall in contracts for new merchant ships in 2015. The level of delivery of new ships is expected to remain the same in 2016 as in 2015. There has been a significant downturn in new offshore construction products in 2015, with very few orders for new mobile drilling units. Our delivery of lighting comes late in the project phase. The downturn in new contracts for mobile offshore units has led to fewer deliveries to the offshore market in the second half of 2015 and will fall further through 2016.

Throughout 2015, the division invested further in product development. There was an increase in energy-saving solutions and solutions able to operate under Arctic conditions in 2015. New LED-based EX products were introduced and well received by the market.

Sourcing, Production and Logistics (SPL)

The SPL division is responsible for the purchase of raw materials and trading products, production of the products the Group has developed itself and for logistics throughout the Group. It operates production units at six different sites in Europe and one in China. Two of the European sites are in Norway, two in Germany, one in Sweden and one in Estonia. At year-end 2015, the division had employed 843 (831) man-labour years, 63% (57%) of which were outside Norway. SPL sells almost all of its products via the two sales divisions GMO and PBS.

Production of maritime searchlights, formerly located at Halden, Norway, was relocated to our production facilities in German in Q1. We also insourced more of our arm-based products to our factory in Suzhou, China. These products were previously produced by a third-party supplier in China.

The continuously growing demand for LED products has affected our production units in several areas, including within sourcing, ESD (electrostatic discharge) requirements and production processes. To maintain our competitive edge, the processes of making savings on materials and rationalising production have been given high priority. In addition to the major changes in the value chain caused by LED technology, there are engineering and logistics challenges involved in handling such frequent changes in technology for vital components used in our products. We have therefore strengthened the SPL division during the year with a new function - VP SPL Technology.

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.
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.

Human resources and working environment

The number of man-labour years was 1,319 as of 31.12.2015, compared to 1,277 the previous year.

At year-end, the number of man-labour years in Glamox AS was 476, compared to 526 in 2014.

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

The sick leave rate at Glamox AS was 6.2% in 2015, compared to 6.0% in 2014. The increase was primarily within the production units. We are not satisfied that sick leave has increased from an already high level. We have introduced new routines for following up sick leave and recruited a company doctor during the year. During the year, sick leave showed a downward trend. We are totally dependent on achieving a reduction moving forwards to maintain competitiveness for the Norwegian units. Reduction of sick leave will continue to figure on our agenda. Sick leave in the Group's other units is lower overall than in the Norwegian units.

Six accidents that led to days off in Glamox AS were reported in 2015, compared to three in 2014. H-value was 6.6 in 2015, compared to 3.4 in 2014. H-value is defined as the number of accidents and subsequent lost working days per 1 million working hours. We are concerned that the number of accidents increased in 2015. 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 523 (567). The percentage of women was 34% (33%).

There were 42% (40%) women among operators. The percentage of women in white collar jobs was 24% (24%) and the number in management positions with personnel responsibility was 23% (21%).

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 the opportunity to qualify for all types of work and opportunities for promotion regardless of ethnic background.

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 109,224 be allocated as follows:
Transferred to other equity capital:
TNOK 10,241
Provision for ordinary dividend of
(NOK 1.50 per share): TNOK (98,983)

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 further in the Netherlands within PBS and GMO. The experience,

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knowledge of the local market and customer base that Bell Licht has combined with closer, wider collaboration with Glamox will help us realise growth ambitions. Bell Licht B.V. changed name to Glamox B.V. after the acquisition.

Recruitment of new CEO

Civil Engineer Rune Marthinussen (56) joined as new Group CEO for Glamox on 25 June 2015. He succeeds Kjell Stamnes who retired after 14 years as Group CEO. Rune Marthinussen has extensive management and business experience from large Norwegian industrial companies operating internationally.

Outlook

We expect low to medium market growth for PBS despite our main markets continuing to suffer from uncertainty as a result of the weak economic situation, particularly in Europe. The number of products with LED-technology is expected to continue to grow, thus causing the value of the overall market to increase.

We expect a weaker market in 2016 for the GMO division than in 2015. There is the prospect of weaker market growth within merchant vessels - and particularly within oil and gas. Increased sales focus in other areas, such as cruise and military marine, plus greater value from light packs in general will help compensate somewhat.

The lighting industry is going through dramatic change as a result of the shift in technology brought by LED. It paves the way for new, aggressive suppliers and distributors, new customer solutions and business models. The industry is very fragmented with over-capacity in production, which has resulted in aspects such as increased price pressure.

The Group’s long-term strategy continues to focus on profitable organic growth and financial strength. The Glamox Group has developed a healthy position within the lighting market over the years.

Glamox has extensive production in Norway. The weaker Norwegian kroner was positive for our Norwegian production units in 2015.

For the year as a whole, the Board expects a somewhat lower result than in 2015.

Oslo, 7 March 2016

Bjørn Arnestad
Chairman of the Board

Torfinn Kildal

Kristine Landmark

Heidi Marie Petersen

Sverre Valvik

Henny Eidem

Espen Ytterstad

Vidar Venås

Rune E. Marthinussen
Group CEO

Profit and loss account

Parent				Group	
01.01 - 31.12			Note	01.01 - 31.12	
2015	**2014***	**NOK thousands**		**2015**	**2014**
1 329 802	1 277 879	Sales revenue	2	2 463 555	2 189 150
103 117	93 260	Other operating revenue	2	34 805	32 366
1 432 919	**1 371 139**	**Total revenue**		**2 498 360**	**2 221 516**
821 521	754 232	Raw materials and consumables used	3/4	1 151 074	1 017 939
371 927	363 728	Payroll and related costs	3/5	751 840	687 460
21 574	22 784	Depreciation of fixed assets	7	45 578	43 523
113 637	116 593	Other operating expenses	3/5	251 375	213 031
104 260	**113 802**	**Operating profit/loss**		**298 494**	**259 562**
65 924	130 781	Dividend and group contribution from subsidiaries	16		
2 289	2 123	Interest income from other group companies			
5 311	9 642	Other financial income	6	17 932	19 461
-51 032	-39 746	Other financial expenses	6	-23 316	-14 130
126 751	**216 601**	**Profit/loss before tax**		**293 110**	**264 893**
-17 527	-25 257	Tax	11	-78 678	-70 965
109 224	**191 344**	**Profit/loss after tax**		**214 432**	**193 929**
109 224	**191 344**	**Profit/loss for the year**		**214 432**	**193 929**

Allocation of profit/loss for the year

98 983	49 492	Proposed dividends	12	98 983	49 492
0	399 891	Distributed extraordinary dividends		0	399 891
10 241	-149 838	Transfered to (+)/from (-) other equity	12	115 337	-147 559
0	-108 200	Transfered to (+)/from (-) share premium reserve		0	-108 200
		Minority share	12	112	305
109 224	**191 344**	**Total allocation**		**214 432**	**193 929**

* The comparable figures are restated, cf. Note 1

Cash flow statement

Parent 01.01 - 31.12 2015	Parent 01.01 - 31.12 2014*	NOK thousands	Note	Group 01.01 - 31.12 2015	Group 01.01 - 31.12 2014
		Cash flow from operating activities			
126 751	216 601	Profit before tax		293 110	264 893
-28 848	-18 467	Taxes paid		-48 960	-71 909
		Profit/loss on sale and fixed assets			-76
21 574	22 784	Depreciation	7	45 578	43 523
2 745	-11 757	Changes in inventory		-48 087	-54 949
-23 280	2 084	Changes in accounts receivable		-13 780	121
21 791	4 554	Changes in accounts payable		21 500	-662
-5 051	1 424	Changes in pension scheme assets/liabilities		-4 337	2 837
3 507	-4 214	Changes defined benefit plan recognised directly in equity		3 353	-4 806
8 459	12 187	Effect of change in exchange rate		-1 232	-4 705
-71 197	10 076	Changes in other balance sheet items		3 184	35 775
56 451	**235 272**	**Net cash flow from operating activities**		**250 329**	**210 042**
		Cash flow from investing activities			
		Proceeds from sale of tangible fixed assets			360
-17 948	-11 535	Purchase of tangible fixed assets and intangible assets		-44 396	-36 844
-813	-940	Purchase of investments in shares and joint ventures			
-20 325		Purchase of shares in subsidiary		-17 045	
-3 064	-3 182	Payment of loan to group-companies			
		Payment regarding long term receivables		-643	-1 263
-42 150	**-15 657**	**Net cash flow from investing activities**		**-62 084**	**-37 747**
		Cash flow from financing activities			
-18 364	-20 720	Repayment of long-term loans		-44 258	-23 390
-49 492	-498 874	Payment of dividends to share holders		-49 492	-498 874
		Effect of change in exchange rate		7 686	14 423
		Payment purchase minority shares			-940
135 251	-60 662	Change in transfered cash from common cash pool arrangement within the Group			
67 395	**-580 256**	**Net cash flow from financing activities**		**-86 064**	**-508 781**
81 696	**-360 641**	**Net change in cash and cash equivalents**		**102 181**	**-336 486**
151 668	**512 310**	**Cash and cash equivalents 01.01**	**1/14/15**	**182 585**	**519 071**
233 365	**151 668**	**Cash and cash equivalents 31.12**	**1/15**	**284 766**	**182 585**

* The comparable figures are restated, cf. Note 1

Assets

Parent 31.12 2015	Parent 31.12 2014*	NOK thousands	Note	Group 31.12 2015	Group 31.12 2014
		Fixed assets			
		Intangible fixed assets			
		Research and development	7		
		Goodwill	7/17	13 666	8 687
15 534	15 745	Deferred tax assets	11	17 017	17 752
		Other intangible assets	7	6 838	5 447
15 534	**15 745**	**Total intangible fixed assets**		**37 522**	**31 886**
		Tangible fixed assets			
60 791	67 165	Land, buildings and other property	7/13	123 487	128 981
34 439	32 212	Machinery and plant	7/13	87 858	75 094
12 909	12 388	Fixtures and fittings, tools, office equipment etc.	7/13	38 616	35 787
108 139	**111 765**	**Total tangible fixed assets**		**249 961**	**239 862**
		Financial fixed assets			
126 940	105 802	Investments in subsidiaries	8/13		
78 772	75 708	Loans to group companies	9/14		
115	115	Investments in shares		206	209
		Other long term receivables	9	3 591	2 708
205 827	**181 626**	**Total financial fixed assets**		**3 797**	**2 918**
329 499	**309 135**	**Total fixed assets**		**291 279**	**274 666**
		Current assets			
130 790	133 534	Inventory	4/13	412 994	358 614
		Debtors			
209 838	186 558	Accounts receivable	13/14	294 638	276 298
103 317	43 478	Other receivables	14	43 134	26 398
313 155	**230 037**	**Total receivables**		**337 771**	**302 696**
233 365	151 668	Cash and cash equivalents	14/15	284 766	182 585
677 309	**515 239**	**Total current assets**		**1 035 531**	**843 894**
1 006 808	**824 374**	**Total assets**		**1 326 810**	**1 118 560**

* The comparable figures are restated, cf. Note 1

Equity and liabilities

Parent				Group	
31.12	**31.12**		**Note**	**31.12**	**31.12**
2015	**2014***	**NOK thousands**		**2015**	**2014**
		Equity			
		Paid-in capital			
65 989	65 989	Share capital	12	65 989	65 989
27 253	27 253	Share premium reserve	12	27 253	27 253
93 242	**93 242**	**Total paid-in capital**		**93 242**	**93 242**
		Retained earnings			
41 617	28 816	Other equity	12	425 211	291 409
41 617	**28 816**	**Total retained earnings**		**425 211**	**291 409**
		Minority interests	12	219	218
134 859	**122 058**	**Total equity**		**518 671**	**384 869**
		Liabilities			
		Provisions			
		Deferred tax	11	71 175	40 640
22 551	27 601	Pension liabilities	5	25 604	29 941
17 581	12 714	Other provisions		34 214	25 566
40 131	**40 316**	**Total provisions**		**130 994**	**96 147**
		Other long-term liabilities			
136 837	147 904	Liabilities to financial institutions	10/13	136 837	175 014
100	100	Other long-term loans	10/13	8 247	6 639
136 938	**148 005**	**Total other long-term liabilities**		**145 084**	**181 653**
		Current liabilities			
175 045	153 253	Accounts payable	14	197 906	172 425
15 920	26 776	Tax payable	11	43 158	51 970
13 025	19 786	Public duties payable		43 753	40 888
98 983	49 492	Dividends	12	98 983	49 492
391 908	264 689	Other current liabilities	5/14	148 262	141 118
694 881	**513 996**	**Total current liabilities**		**532 061**	**455 892**
871 950	**702 317**	**Total liabilities**		**808 139**	**733 691**
1 006 808	**824 374**	**Total equity and liabilities**		**1 326 810**	**1 118 560**

* The comparable figures are restated, cf. Note 1

Oslo, 7 March 2016

Bjørn Arnestad
Chairman of the Board

Heidi Marie Petersen

Sverre Valvik

Torfinn Kildal

Kristine Landmark

Henny Eidem

Vidar Venås

Espen Ytterstad

Rune E. Marthinussen
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 2015.

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 is 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%, 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.

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 each month at this months rate. 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.

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.

Accounting policy for significant account items

Revenue recognition

Revenue from sale of goods and services is recognised according the fair value of the payment, net after dedution of VAT, returns and discounts. Sale of goods are recognised as revenue when the goods are delivered to the customer and there are no more unfulfilled obligations that can affect the customers acceptance of the delivery. The delivery is fulfilled when the goods are transferred to the customer according to the delivery terms. Experience is used to estiamte provisions regarding discounts and returns on the time of delivery. Provision for claims is made. Any sale of services is recognised according to the level of the completion rate of the service.

Charging as expenditure/matching

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

Note 1 Accounting principles (cont.)

entered as expenditure, when the decision of restructuring and winding up is taken.

Unusual, sporadically and significant 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. 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 accordance 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 phased 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 and supplementary pension for some former employees. The actuarial future obligations in connection with these agreements are included under pension liabilities in the balance.

Pension schemes for the Norwegian companies are booked according to the NRS6/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.

Change of recognition principle
The parent company, Glamox AS, has changed the revenue recognition principle regarding revenue recognition of dividend from subsidiaries. Earlier the dividend was recognised in the same period as the dividend was paid by the subsidiary. Now, the dividend is recognised in the same period as the dividend is accrued. The comparable figures are restated according to new revenue recognition principle.

Note 2 Segment information

Sales revenue and other operating revenue divided into geographical areas

		Parent		Group	
		2015	**2014**	**2015**	**2014**
Norway	MNOK	685	661	686	662
Nordic region, excl. Norway	MNOK	218	193	566	473
Europe, excl. Nordic region	MNOK	242	214	662	560
North America	MNOK	28	27	146	114
Asia	MNOK	245	241	408	367
Other	MNOK	14	36	30	45
Total	**MNOK**	**1 433**	**1 371**	**2 498**	**2 221**

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

Effects on Parent

It was no significant non-recurring items in 2015. The accounts of 2014 contained a non-recurring item of 5 MNOK in relation to the transfer of Norselight production from Halden in Norway to Germany.

Effects on Group

It was no significant non-recurring items in 2015. The accounts of 2014 contained a non-recurring item of 5 MNOK in relation to the transfer of Norselight production from Halden in Norway to Germany.

Note 4 Inventory

	Parent		
Inventory	**2015**	**2014**	**Change**
Raw materials	44 380	49 222	-4 843
Work in progress	11 300	15 363	-4 063
Manufactured goods	75 110	68 949	6 161
Total inventory	**130 790**	**133 534**	**-2 744**

	Group		
Inventory	**2015**	**2014**	**Change**
Raw materials	168 033	143 576	24 456
Work in progress	51 391	39 997	11 394
Manufactured goods	193 570	175 041	18 529
Total inventory	**412 994**	**358 614**	**54 380**

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	**2015**	**2014**	**2015**	**2014**
Salaries	291 163	282 930	587 877	535 457
National insurance	43 201	42 207	101 034	88 069
Pension costs	15 350	15 933	28 430	25 807
Other remuneration	6 513	8 158	18 799	23 627
Bonus to all employees *	15 700	14 500	15 700	14 500
Payroll and related costs	**371 927**	**363 728**	**751 840**	**687 460**
Average number of man-years	505	525	1 315	1 274

* During Glamox AS's board meeting held on 16.12.2015, 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 15,7 MNOK on these bonuses.

Benefits for CEO - agreements on severance pay, bonuses, etc.
The CEO is a member of the collective contribution pension schemes for salary up to 12G. The company has not a contribution pension scheme related to salary that exceeds 12G. To compensate this, CEO receive a specific salary compensation of 20% of ordinary fixed salary that exceeds 12G. Bonus and other remuneration is not included in the basis for calculating the salary compensation.

The CEO has a performance related bonus agreement and the financial statments of 2015 is charged with NOK 340.000 as bonus to CEO.

Upon termination from the company, the CEO is entitle to severence pay, without other remuneration, for 12 months.

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 2015	**Salary**	**Performance-related bonus**	**Pension vesting**	**Other remuneration**
Rune Marthinussen - CEO from 25.06.2015	1 897	340	46	114
Kjell Stamnes - CEO to 24.06.2015	2 292	575		71

Remuneration to Board members in 2015	**Directors' fees**	**Salaries***	**Other remuneration***
Total remuneration	1 082	1 497	64

* Salaries and other remuneration regards employees' representatives

	Parent		Group	
Auditor	**2015**	**2014**	**2015**	**2014**
Fee for statutory audit	869	865	2 744	2 385
Other attestation services	35	230	272	358
Tax advisory service	182	289	900	823
Other services, beyond audit	209		313	84
Total	**1 295**	**1 384**	**4 229**	**3 650**

Of specified fee to auditor for Parent and Group is TNOK 46 in 2015 (TNOK 267 in 2014) 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	**2015**	**2014**	**2015**	**2014**
Current value of this years pension accrual	-	552	820	808
Interest cost of pension commitments	627	731	719	743
Defined contribution pension scheme	14 723	14 650	26 892	24 256
Net pension expenses/ (income)	**15 350**	**15 933**	**28 430**	**25 807**

	Parent		**Group**	
Reconciliation of pension scheme's financed against sum in balance sheet:	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Calculated pension commitments	-28 986	-33 911	-35 776	-39 567
Pension reserves	6 435	6 310	10 171	9 626
Net pension liabilities	**-22 551**	**-27 601**	**-25 604**	**-29 941**

Financial conditions:	**2015**	**2014**
Discount rate	2,70 %	2,30 %
Anticipated salary settlement	2,25 %	2,50 %
Anticipated pension increase	2,25 %	2,50 %
Anticipated change in national insurance base rate	2,25 %	2,50 %

Standard conditions used in the insurance industry form the basis of the actuarial preconditions for demographic factors and retirement. The discount rate as of 31.12.2015 is based on the rate of norwegian corporate bonds (Obligasjoner med fortrinnsrett - OMF).

Note 6 Specification of financial items

	Parent 01.01 - 31.12		Group 01.01 - 31.12	
	2015	2014	2015	2014
Other financial income	5 311	9 642	17 932	19 461
Other financial expenses	-51 032	-39 746	-23 316	-14 130
Total other financial items	**-45 721**	**-30 104**	**-5 384**	**5 331**
Of which:				
Currency effect	-46 444	-36 617	-4 232	275

The Group's policy regarding conversion of foreign subsidiaries is 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 31.12.2014	126 326	207 951	44 669	378 946
Additions		12 683	5 265	17 948
Reclassification		-104	104	
Disposals			-101	-101
Acquisition costs 31.12.2015	**126 326**	**220 530**	**49 937**	**396 793**
Accumulated depreciation 31.12.2014	59 161	175 739	32 281	267 180
This years depreciation	6 374	10 352	4 848	21 574
Reversed acc. depreciation and write down due to disposal			-101	-101
Accumulated depreciation 31.12.2015	**65 535**	**186 091**	**37 028**	**288 654**
Balance sheet value 31.12.2015	**60 791**	**34 439**	**12 909**	**108 138**
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 2015 amounted to 4,6 MNOK.

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

	Product development	Other intangible assets	Total
Acquisition cost 31.12.2014	4 532	109 495	114 027
Additions			
Acquisition costs 31.12.2015	**4 532**	**109 495**	**114 027**
Accumulated depreciation 31.12.2014	4 532	109 495	114 027
This years depreciation			
Accumulated depreciation 31.12.2015	**4 532**	**109 495**	**114 027**
Balance sheet value at 31.12.2015	**-**	**-**	**-**
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 31.12.2014	249 459	343 722	152 870	746 052
Currency translation effects with rates at 31.12.2015	5 340	11 204	7 082	23 626
Acquisition cost 01.01.2015	**254 800**	**354 926**	**159 952**	**769 678**
Additions	149	30 152	12 902	43 204
Disposals		-5 461	-829	-6 290
Additions from acquisitions		802	133	936
Reclassification		-96	96	
Acquisition cost 31.12.2015	**254 949**	**380 323**	**172 255**	**807 527**
Acc. depreciation and write downs at 31.12.2014	120 479	268 628	117 083	506 190
Currency effect on balance with rates at 31.12.2015	2 037	8 041	5 348	15 427
Acc. depreciation and write downs at 01.01.2015	**122 516**	**276 669**	**122 431**	**521 617**
This years depreciation	8 946	21 139	11 919	42 003
Reversed acc. Depreciation and write down due to disposal	-	-5 247	-807	-6 054
Reclassification		-96	96	
Acc. depreciation and write downs at 31.12.2015	**131 462**	**292 466**	**133 639**	**557 567**
Balance sheet value at 31.12.2015	**123 487**	**87 858**	**38 616**	**249 961**
Financial life	Up to 20 yrs.	Up to 10 yrs.	Up to 10 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 2015 amounted to 4,6 MNOK. The Group has lease agreements on some production facilities and the lease payment in 2015 amounted to 7,3 MNOK. At the end of 2015, the duration of these lease agreements is 3-5 years.

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

	Product Development	Goodwill	Other intangible assets	Total
Acquisition cost 31.12.2014	7 206	76 719	134 862	218 786
Currency translation effects with rates at 31.12.2015			520	520
Acquisition cost 01.01.2015	**7 206**	**76 719**	**135 382**	**219 307**
Additions			1 192	1 192
Additions from acquisitions		7 753	2 475	10 228
Acquisition cost 31.12.2015	**7 206**	**84 472**	**139 049**	**230 727**
Acc. depreciation and write downs at 31.12.2014	7 206	68 032	129 416	204 654
Currency effect on balance with rates at 31.12.2015			409	409
Acc. depreciation and write downs at 01.01.2015	**7 206**	**68 032**	**129 825**	**205 063**
This years depreciation		2 773	2 387	5 160
Acc. depreciation and write downs at 31.12.2015	**7 206**	**70 805**	**132 211**	**210 222**
Balance sheet value at 31.12.2015	**-**	**13 667**	**6 838**	**20 504**
Financial life	Up to 7 yrs.	Up to 7 yrs.	10 yrs.	
Depreciation plan	Straight-line	Straight-line	Straight-line	

The parent's and the Group's expenses on research and development are charged to profit and loss when they arise. Capitalized expenses regarding product development arised with the acquisitions of Luxo in 2009.
Goodwill is depreciated over 10 years as the company believes this to be the financial life on which the assessment should be based.
Other intangible assets consist of IT-systems, rights and customer relations from acquisitions.

In the notes, all figures related to 2015 are translated at the currency exchange rates on 31.12.2015. 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	47 163
Sum this years depreciation ref. Profit & Loss	45 578
Currency deviation = Deviation average-rate and closing-rate	**1 585**

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%	
Glamox Production GmbH & Co. KG, Germany	EUR	5 844 874	0,0%	0	100,0%	
Glamox B.V., The Netherlands	EUR	18	100,0%	20 346	100,0%	2)
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%	
Luxo AS, Norway	NOK	1 759 250	100,0%	16 771	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 of shares in subsidiaries				**126 940**		

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

2) During 2015 Glamox AS has acquired100% of the shares in Glamox B.V.

3) Minority interests in Glamox Brasil 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 791 (after tax deduction) in 2015. This is entered as investment in subsidiaries in the financial accounts 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

	Parent		Group	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Receivables, Group Companies	73 765	69 873		
Other long term receivables			3 591	2 708
Total	**73 765**	**69 873**	**3 591**	**2 708**

Note 10 Liabilities due for payment more than five years after financial year end

	Parent		Group	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Liabilities to financial institutions	15 500	53 504	15 500	53 504

Note 11 Tax

	Parent		Group	
	01.01 - 31.12		01.01 - 31.12	
	2015	**2014**	**2015**	**2014**
Tax payable calculated as follows:				
Ordinary profit before tax	126 751	209 136		
Permanent differences	-66 037	-115 592		
Change in temporary differences	3 822	12 127		
Change defined benefit plan recognised directly against equity	3 507	-4 212		
Basis for tax payable	**68 043**	**101 459**		
Tax payable on profit for the year	**18 372**	**27 394**	**40 256**	**74 354**
Tax for the year is calculated as follows				
Tax payable on profit for the year	18 372	27 394	40 256	74 354
Correction for tax payable for previous years	-108		-108	
Change deferred tax/deferred tax assets in balance sheet	210	-3 275	30 582	-13 011
Currency effect regarding change in deferred tax			-3 429	-2 041
Change in deferred tax booked directly against equity	-947	1 138	-947	1 138
Estimated tax related to currency hedging booked against equity			12 324	10 525
Total tax for the year	**17 526**	**25 257**	**78 678**	**70 965**
Effect of changed tax rate	1 243		1 243	
Total tax for the year on group level:				
Norwegian companies			17 255	24 907
Foreign companies			61 423	46 058
Total tax for the year			**78 678**	**70 965**
Current tax liabilities consist of:				
Tax payable for the year as above	18 372	27 394	40 256	74 354
- of which paid in fiscal year	-1 134		-15 813	-42 472
- not due for earlier years			19 740	20 356
- tax on group contribution from subsidiaries	-293	-350		
- payment of withholding tax	-1 025	-268	-1 025	-268
Current tax liabilities 31.12	**15 920**	**26 777**	**43 158**	**51 970**

Note 11 Tax (cont.)

	Parent		Group	
Specification of basis for deferred tax:	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Offsetting differences:				
Fixed assets	-18 547	-14 684	7 589	9 813
Other current assets	5 275	5 598	529	4 025
Liabilities	-26 312	-21 626	11 374	3 680
Net pension reserves/commitments	-22 551	-27 601	-22 551	-27 601
Gross basis for deferred tax:	**-62 135**	**-58 313**	**-3 059**	**-10 083**
Losses carried forward (including tax credit)			-30 168	-38 493
Untaxed profit			279 413	157 597
Basis for deferred tax liabilities/ (assets):	**-62 135**	**-58 313**	**246 186**	**109 021**
Calculated deferred tax assets	**15 534**	**15 745**	**23 758**	**21 943**
- not posted as deferred tax assets in balance sheet			-6 741	-4 191
Net deferred tax assets posted in balance	**15 534**	**15 745**	**17 017**	**17 752**
Deferred tax on intangible assets from acquisition during 2015			-688	
Calculated deferred tax and posted in balance			**-71 175**	**-40 640**

The Group Management and Board do 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, 17,0 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 31.12.2014	**65 989**	**27 253**	**0**	**93 242**
Effect of changing the revenue recognition principle reg dividend			28 816	28 816
Equity 01.01.2015	**65 989**	**27 253**	**28 816**	**122 058**
Change in equity for the year:				
Profit for the year			109 224	109 224
Proposed dividends			-98 983	-98 983
Pension actuarial gain/loss recognized in equity			3 507	3 507
Tax on pension actuarial gain/loss recognized in equity			-947	-947
Equity 31.12.2015	**65 989**	**27 253**	**41 618**	**134 859**

Note 12 Equity and sharesholders (cont.)

Group	Share capital	Other reserves	Other equity	Minority interests	Total
Equity 31.12.2014	**65 989**	**27 253**	**291 409**	**218**	**384 869**
Change in equity for the year					
Profit for the year			214 320	112	214 432
Proposed dividends			-98 983		-98 983
Dividends to minority				-111	-111
Pension actuarial gain/loss recognized in equity			3 353		3 353
Tax on pension actuarial gain/loss recognized in equity			-947		-947
Estimated tax related to currency hedging booked against equity			12 324		12 324
Conversion differences			3 735		3 735
Equity 31.12.2015	**65 989**	**27 253**	**425 211**	**219**	**518 671**

Conversion differenses are presented net in the equity note. This means that conversion differences arasing from conversion of foreign subsidiaries of 49,3 MNOK are offset against currency effects from hedging instrument of 45,6 MNOK.

Share capital and shareholder information

Share capital in Glamox AS at 31.12.2015 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 AS at 31.12.2015	Total shares	Shareholding/ Voting
Arendals Fossekompani ASA	49 598 116	75,16 %
Fondsavanse AS	15 160 083	22,97 %
Erik Must	639 388	0,97 %
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 C/O DNT Oslo og omegn	59 237	0,09 %
Polleninvest AS NIL	11 353	0,02 %
Total 10 largest shareholders	**65 968 177**	**99,97 %**
Others (159 shareholders)	20 491	0,03 %
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	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Secured balance sheet liabilities				
Liabilities to financial institutions	136 837	147 904	136 837	175 014
Balance sheet value of assets pledged as security for secured liabilities:				
Land, buildings etc.	60 791	67 165	96 548	110 364
Machinery and plant			4 406	4 853
Fixture and fittings			21 421	20 540
Rights, IT system			1 824	1 572
Shares	6 344	6 344		
Inventory	130 790	133 534	245 410	214 306
Accounts receivable	209 838	186 558	149 222	159 650
Total	**407 763**	**393 601**	**518 831**	**511 285**

The same assets that are pledged as security in the parent company are also security for liabilities in the subsidiaries. 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 73,9 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 have not given guarantees towards third party as of 31.12.2015. The same applies for 2014.

Note 14 Outstanding accounts against Group companies

	Parent	
	31.12.2015	**31.12.2014***
Account receivables on Group companies	108 305	81 441
Short term receivables on Group companies	91 039	32 627
Loans to Group companies	78 772	75 708
Total receivables on Group companies	**278 116**	**189 776**
Account payables to Group companies	67 386	52 269
Other short term liabilities to Group companies	300 726	165 690
Total payables to Group companies	**368 112**	**217 959**

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 300,7 mnok (165,7 mnok in 2014) is 299,6 mnok (164,4 mnok in 2014) the subsidiaries share of the parent's cash deposit.

* The comparable figures are restated, cf. Note 1

Note 15 Cash etc.

	Parent		Group	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Liquidity reserve	394 189	312 810	487 186	382 683

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 is 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 14,2 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

	2015	**2014***
Sales revenue	450 233	374 541
Services	73 997	65 223
Interest income	2 289	2 123
Dividend from subsidiaries	65 924	130 781
Cost of Goods	311 741	260 126
Group contribution paid	1 084	1 298

No transactions or agreements of significance were entered into with related parties in 2015 or in the financial years for which comparison figures are given, other than standard business transactions with subsidiaries and associated companies

* The comparable figures are restated, cf. Note 1

Note 17 Acquisition of subsidiary in 2015

Glamox AS has acquired 100% of the shares in the Dutch company, Mooilicht B.V. The company has now changed name to Glamox B.V.
The date of acquisition was 19.01.2015.

The acquisition cost was 20,3 MNOK in cash.

The company had a turnover of 4,3 MEUR in 2014 and 5,1 MEUR in 2015.

The acquisition resulted in a value added of 9,6 MNOK. This was allocated with 2,5 MNOK to customer relations and 7,8 MNOK as goodwill, with reduction of deferred tax of 0,7 MNOK.

Note 18 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 at 31.12.2015, the Group had forward contracts for both sale and purchase of currencies. Currency sales amounted to 145 MNOK while the currency purchase amounted to 135 MNOK based on 31.12.2015 exchange rates.

Forward contracts that are not recognized in the balance sheet, had a market value of -5,5 MNOK as of 01.01.2015 and -1,7 MNOK as of 31.12.2015.

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 109 224 000, and the consolidated financial statements of Glamox AS and its subsidiaries, showing a profit of NOK 214 432 000. The parent company's and the consolidated financial statements comprise balance sheet as at 31 December 2015, 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 2015, 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.

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, 18 March 2016
KPMG AS

Lone Brith Frogner
State authorised public accountant

[Translation has been made for information purposes only]

Key figures

			2015	2014	2013	2012	2011
	Sales / Profit						
1.	Total income	MNOK	2 498.4	2 221.5	1 997.0	1 827.9	1 714.0
2.	Operating profit/loss	MNOK	298.5	259.6	202.6	166.7	151.7
3.	Profit/loss before tax	MNOK	293.1	264.9	208.1	163.5	150.3
4.	Profit/loss for the year	MNOK	214.4	193.9	148.5	118.2	107.6
	Profitability						
5.	Operating margin	%	11.9	11.7	10.1	9.1	8.9
6.	Gross profit margin	%	11.7	11.9	10.4	8.9	8.8
7.	Net profit margin	%	8.6	8.7	7.4	6.5	6.3
8.	Total profitability	%	25.9	22.2	16.6	15.0	13.9
9.	Return on equity	%	47.5	38.0	24.6	21.7	21.6
	Capital / Liquidity						
10.	Current ratio		1.9	1.9	2.4	2.4	2.4
11.	Cash flow	MNOK	289.7	236.5	215.1	185.5	181.4
12.	Cash flow from activities	MNOK	188.2	172.3	168.0	141.7	117.1
13.	Equity	MNOK	518.7	384.9	635.2	571.6	518.7
14.	Equity ratio	%	39.1	34.4	45.4	46.5	43.7
15.	Investments	MNOK	44.4	36.8	23.9	23.6	24.1
	Share-related key figures						
16.	Earnings per share	NOK	3.25	2.94	2.25	1.79	1.63
17.	Cash flow per share	NOK	4.39	3.58	3.26	2.81	2.75
18.	Book equity per share	NOK	7.86	5.83	9.63	8.66	7.86

Defination of key figures

5) **Operating margin:** 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.

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