Quarterly report 4th quarter 2013
to shareholders in Glamox AS

Highlights

- Profit before tax for the year as a whole was NOK 208.1 mill (NOK 163.5 mill), the best in the group's history despite markets that continue to be difficult.
- The increase in order intake was 7.8% and in revenues 9.3% for the year as a whole.
- Sales of LED–based products increased by over 100% in 2013.
- The increase in order intake was 20.7% and in revenues 11.0% in the 4th quarter compared with last year.
- Operating profit for the quarter was NOK 49.5 mill (8.8%), NOK 35.9 mill (7.1%) for last year.
- Strong cash flow from operations in the quarter (NOK 105.7 mill) and for the year (NOK 216.7 mill).
- Allocation of NOK 13.0 mill (NOK 12.1 mill) for extraordinary bonus to all employees.
- Proposed dividend of NOK 1.50 per share.

Main figures for Glamox Group

	4th quarter		Accumulated 31.12	
Results	**2013**	**2012**	**2013**	**2012**
(Figures in MNOK)				
Order intake	552,3	457,4	2 055,6	1 906,1
Revenues	564,5	508,6	1 997,0	1 827,9
Operating profit	49,5	35,9	202,6	166,7
Operating profit margin	8,8 %	7,1 %	10,1 %	9,1 %
Profit before tax	49,6	33,4	208,1	163,5
Profit after tax	34,3	24,8	148,5	118,2
Cash flow from operations 1)	105,7	112,4	216,7	166,3
Earnings per share (in NOK)	0,52	0,38	2,25	1,79

Balance sheet	**31.12.2013**	**31.12.2012**
(Figures in MNOK)		
ASSETS		
Fixed assets	272	279
Current assets	1 127	951
TOTAL ASSETS	1 399	1 230
EQUITY AND LIABILITIES		
Equity	635	572
Long-term debt	291	269
Short-term debt	473	389
TOTAL EQUITY AND LIABILITIES	1 399	1 230

1) Profit before tax, plus net amortisation and depreciation and amortisation on goodwill, plus/minus changes in working capital, minus investments in tangible fixed assets.

Order Intake and Revenues

The Group's order intake for the quarter totalled NOK 552.3 mill (NOK 457.4 mill), an increase of 20.7%.
Order intake for 2013 was NOK 2,055.6m (NOK 1,906.1m) an increase of 7.8%.

The quarterly turnover was NOK 564.5 mill (NOK 508.6 mill), an increase of 11.0%. Turnover for 2013 was NOK 1,997.0 mill (NOK 1,827.9 mill), an increase of 9.3%.

The Group grew in all main regions compared to 2012, with particularly high growth in Asia and Norway.

The sale of LED technology products has increased by over 100% in 2013, and continues to grow strongly. All new product families are now launched with LED technology as a result of the developments in the technology and market demand. Products with conventional technology, however, continue to represent the largest part of our revenues.

Professional Building Solutions (PBS)

The PBS division provides total lighting solutions to the professional building market. 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. The level of activity in the new construction, restoration and professional building modernisation sectors drives developments in the individual markets.

Demand has been falling on most of our main markets for light fittings throughout 2013. This has been compensated to some degree by growing interest in low-energy products and increased use of LED technology. Growth in order intake and turnover is due to our success with increasing market share on several markets, including as a result of long-term investment in the sales force and product development.

Incoming orders for PBS during the 4th quarter totalled NOK 348.9 mill (NOK 302.8 mill), an increase of 15.2% compared to last year. Order intake for 2013 was NOK 1,289.0 mill (NOK 1,192.7 mill), an increase of 8.1%.

Revenues for the quarter were NOK 348.1 mill (NOK 324.1 mill), an increase of 7.4%.
Revenues for 2013 were NOK 1,284.4 mill (NOK 1,188.2 mill), an increase of 8.1%.

Global Marine & Offshore (GMO)

The GMO division delivers professional lighting solutions to the global marine and offshore markets. The activity level within new-build, rebuilding and refurbishment of all types of maritime vessels and offshore installations controls market growth for this division.

Despite the global market downturn within GMO’s biggest segment commercial marine, the division achieved growth within the segment. This was thanks to the division's strong position within deliveries to ships related to the oil and gas industry and other types of special ships. There has been an increase in shipyard contracts for new ships compared with 2012. Otherwise, the global order book for shipyards has dropped by 3% through the year.

The market within the oil and gas segment for 2013 was good. This situation is expected to continue in 2014. The division has won several major projects, particularly in Norway, Korea and Singapore. Several new products with LED technologies were launched in 2013.

Order intake for GMO during the 4th quarter totalled NOK 203.5 mill (NOK 154.7 mill), an increase of 31.5%. Order intake for the year as a whole totalled NOK 766.6 mill (NOK 713.4 mill), an increase of 7.5%.

Revenues in the quarter were NOK 216.4 mill (NOK 184.0 mill), an increase of 17.6%. Revenues for the year as a whole totalled NOK 712.6 mill (NOK 636.9 mill), an increase of 11.9%.

Group Profit

The Group had an operating profit in the quarter of NOK 49.5 mill (NOK 35.9 mill). This gave an operating margin of 8.8% (7.1%). Operating profit for 2013 as a whole was NOK 202.6 mill (NOK 166.7m) with a gross margin of 10.1% (9.1%).

In recognition of another increase in profits and that the Group achieved its best results ever for the second successive year, the Board has declared an extraordinary bonus for all employees. The results for the quarter include an allocation for this bonus in the amount of NOK 13.0 mill (NOK 12.1 mill in 2012).

Profit before tax for the quarter was NOK 49.6 mill, compared to NOK 33.4 mill last year.
Profit before tax for 2013 as a whole was NOK 208.1 mill, compared with NOK 163.5 last year.

Profit after tax for the quarter was NOK 34.3 mill, compared to NOK 24.8 mill last year.
Consolidated earnings for the group were NOK 148.5 mill, compared to NOK 118.2 mill last year.

Improvement in the results for the quarter and year as a whole was primarily due to higher revenues. Compared to last year, there has been a further increase in the investments in product development and our sales forces.

Cash Flow and Liquidity

The quarterly cash flow from operations after investing in business assets was NOK 105.7 mill (NOK 112.4 mill). The strong cash flow in the quarter is due to the positive contribution of the results for the period, and reduction in working capital. Quarterly investments amount to NOK 10.9 mill, compared to NOK 10.5 mill.

For 2013, the cash flow from operations, following investments in business assets of NOK 23.8 mill, was NOK 216.7 mill (NOK 166.3 mill). This is cash flow before considering tax paid in the period, changes in other accruals, repayments on loans and dividends paid.

The Group has had a healthy cash flow from operations for several years. Strong focus is maintained on the management and control of working capital.

The liquidity reserve at the end of the year was NOK 718 mill (NOK 616 mill).

Capital Situation

The Group had equity of NOK 635 mill (45.4%) as of 31/12/2013. At the start of the year, it was NOK 572 mill (46.5%).

The Group’s net interest-bearing deposits as of 31/12/2013 were NOK 317 mill. At the same point last year, the Group's net interest-bearing deposits amounted to NOK 215 mill.

Proposal for allocation of the year's profit

The Board proposes that the year's result in Glamox AS of TNOK 66,329 be allocated as follows:

- Transferred from other equity capital:	TNOK (32,654)
- Allocation to dividend (NOK 1.50 per share):	TNOK 98,983

Change of form of incorporation

The extraordinary annual general meeting held on 16 December 2013 resolved to change the company's form of incorporation from a public limited company (ASA) to a limited company (AS). As a result of the change, the parent changed name to Glamox AS.

Outlook

Expected development on our main markets is still influenced by a certain degree of uncertainty, but overall, we expect modest growth on the markets we operate in.

For the year as a whole, the company expects a somewhat lower result than in 2013. The company has an ambition of continued organic growth, and intends to implement further strengthening of the sale force, and increased investments in product development. These moves will go ahead despite uncertainty concerning market development.

Glamox has extensive production in Norway. The decline in the value of the Norwegian krone in the 2nd quarter made a positive contribution to competitiveness for our Norwegian factories. For long term competitiveness, it is important that the krone does not rise again to the level it had one year ago.

Oslo, 05 March 2014

Bjørn Arnestad Chairman of the Board (signature)	Kjell Stamnes CEO (signature)