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Kid intends to apply for a listing on the Oslo Stock Exchange

Lier, 5th October 2015: Kid ASA ("Kid" or the "Company") today announces its intention to launch an Initial Public Offering (the "IPO") of its ordinary shares, and to apply for a listing on the Oslo Stock Exchange.

Kid is the leading and most profitable retailer in the Norwegian home textile market, typified by products like duvets, pillows, curtains, bed linens and other accessories and decorating items. As of 30 June 2015, Kid operated a total of 128 wholly-owned stores in Norway, in addition to an established e-commerce platform. Kid traces its history back to 1937, and has since the 1950s renewed Norwegian homes by offering attractive and practical curtains, bed linens and other interior articles. Kid is among the best known brands within retail in Norway, with 97% of Norwegian women being familiar with the Company¹.

In 2014, Kid had a market share of 31% among the Norwegian pure-play home textile retailers, making it the largest player in the market in terms of revenue. From 2012 to 2014, the Company was the fastest growing by revenue of the Norwegian home textile retail chains, with a CAGR in operating revenue of 11%, relative to the market growth of 2%, taking its market share from 26% to 31% in the period.

Kid's key strength is its highly enthusiastic and competent employees, and the Company has a fully integrated value chain from the design phase, until the products are displayed and sold in stores across the country. Accordingly, the Company has an in-house design team that ensures all products are tailored to the Kid concept. Furthermore, direct sourcing ensures that the Company has full control over the price and quality of its products, and its employees in the stores across the country are inspired by the unified Kid culture and work towards delivering outstanding service to the customers.

Since Gjelsten Holding bought 100% of Kid in 2012 the company has had a positive and profitable development, having increased revenue from NOK 928 million in 2012 to NOK 1,136 million in 2014, and EBIT from NOK 115 million in 2012 to NOK 164 million in 2014, corresponding to an EBIT margin of 14.5% in 2014. KID has the last three years worked purposefully and structured to develop and renew the assortment, store portfolio and expertise among the staff, and there has been significant investment in upgrading the stores. This has resulted in Kid today having a position as an attractive brand towards consumers, with stores with a distinctive profile and warmth. The Company has a solid financial footing with the industry's best earnings and cash flow.

¹ Opinion brand research March 2015, among women aged 20+

Company highlights

- A star performer within the Norwegian home and interior market, focused on an attractive market niche
- Strong home textile retail concept with high brand recognition in the Norwegian market
- Fully integrated value chain with control over all critical aspects of the business, from in-house design, to direct sourcing, efficient logistics and store operations
- Seasoned and proven management team supported by a high quality organisation, and with a strong company culture
- Powerful marketing driven by an in-house marketing team, ensuring well-coordinated communication and brand consistency that has resulted in high customer awareness and loyalty
- Established e-commerce platform with the opportunity to expand its online presence in a true multichannel manner, and become the online leader in Norwegian home textiles
- Operational excellence leading to strong financial performance, with industry leading margins and cash flow

Kjersti Hobøl, CEO of Kid commented:

"I am proud of having been part of the Kid team over the last five years, where our employees have refocused the chain and renewed the store portfolio, all with the goal of delivering a strong value proposition and helping our customers to create beautiful homes. The Company has delivered strong growth in both revenue and profitability over the last years, and I am confident that we have many exciting opportunities to improve even further in the future. We look forward to offering both new shareholders and our employees the opportunity to invest in our Company and to help us continue to improve and grow Kid in the coming years".

Bjørn Rune Gjelsten, Owner and Chairman of Gjelsten Holding commented:

"Gjelsten Holding has been a proud and dedicated owner of Kid over the past three years, and it pleases me to see that we in Gjelsten Holding, in collaboration with the Company's talented employees, have succeeded in developing the Company both in terms of sales and profitability. I am convinced that Kid has potential for further profitable growth in Norway and Gjelsten Holding will therefore remain a significant shareholder following an IPO".

Financial highlights

Kid delivered the Company's strongest result in 2014, and continued the trend of growth and profitability, reaching NOK 1,136 million in revenues driven by 6.1% like-for-like growth and 11 net new store openings in 2014, contributing to 11% revenue CAGR since 2012. The like-for-like growth has been driven by a healthy mix of underlying sales growth as well as effects from refurbishments and relocations. Growth in profitability was even stronger, with EBIT reaching NOK 164 million, representing an increase in EBIT margin from 12.4% in 2012 to 14.5% in 2014 and an EBIT CAGR of 20% in the period. So far in 2015 the Company has been affected by negative exchange rate fluctuations, as approx. 90% of its products are sourced in USD. The strengthening of the USD

against the NOK has affected the Company's gross margins in the first 9 months of 2015. Unfavourable weather conditions during, with cold spring and summer months and a warm August, have also affected revenue development negatively. However, the company has so far in 2015 increased its market share compared to the market for pure home textile players in Norway. The Company has a positive outlook for the remainder of the year, which also is the most important in terms of generating profits.

NOKm	2012	2013	2014	H1 2014	H1 2015
Revenues	928	1,032	1,136	441	468
% Growth		25.7%	29.1%		6.1%
Gross profit	575	627	697	270	273
% Margin	62.0%	60.8%	61.3%	61.2%	58.3%
EBITDA	132	170	184	33	24
% Margin	14.2%	16.4%	16.2%	7.4%	5.2%
EBIT	115	152	164	24	13
% Margin	12.4%	14.7%	14.5%	5.3%	2.7%
Adjusted net income²	52	98	111	6	0
% Margin	5.7%	8.2%	9.8%	1.4%	0.0%

Offering highlights

Through an IPO, the Company will secure access to the capital markets, which will contribute to realizing the Company's future growth ambitions. Moreover, an IPO will also enable employees to become shareholders in the Company and take part in future value creation.

The IPO will comprise a public offering to institutional and retail investors in Norway and a private placement to certain institutional investors internationally, where the current majority owner in the Company, Gjelsten Holding, will reduce its ownership in the Company.

ABG Sundal Collier ASA and Arctic Securities AS are acting as Joint Bookrunners in the IPO.

Further announcements relating to the process will be made in due course.

Enquiries

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About Kid ASA

Kid is the leading and most profitable retailer in the Norwegian home textile market, typified by products like duvets, pillows, curtains, bed linens and other accessories and decorating items. As of 30 June 2015, Kid operated a total of 128 wholly-owned stores in Norway, in addition to an

² Adjusted for non-recurring items (related to the Company's relocation to new premises in 2015, IPO costs and management incentives), unrealised gains/losses on derivatives, and interest expense from an interest swap that will be discontinued in conjunction with the IPO)

established e-commerce platform. Kid traces its history back to 1937, and has since the 1950s renewed Norwegian homes by offering attractive and practical curtains, bed linens and other interior articles. Kid is among the best on creating value through active ownership known brands within retail in Norway, with 97% of Norwegian women being familiar with the Company³. Kid has approximately 900 employees with headquarters in new modern facilities in Lier, Norway. Kid is a wholly-owned subsidiary of Gjelsten Holding. For more information visit www.kid.no

About Gjelsten Holding AS

Gjelsten Holding is an investment company with a goal of creating sustainable value through active ownership. The company has investments in real estate, retail and the industrial sector through portfolio companies such as Fabritius, Profier, Kid, Sport1 Gruppen, Norsk Avfallshåndtering (NOAH) and Ultimovacs. Gjelsten Holding was established in 2000 and had in 2014 annual revenues of NOK 2.6 bn and approximately 1,100 employees. Gjelsten Holding is wholly owned by Bjørn Rune Gjelsten. For more information visit www.gjelsten.no

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³ Opinion brand research March 2015, among women aged 20+

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