BEERENBERG

BEERENBERG HOLDCO II AS

ANNUAL REPORT

14

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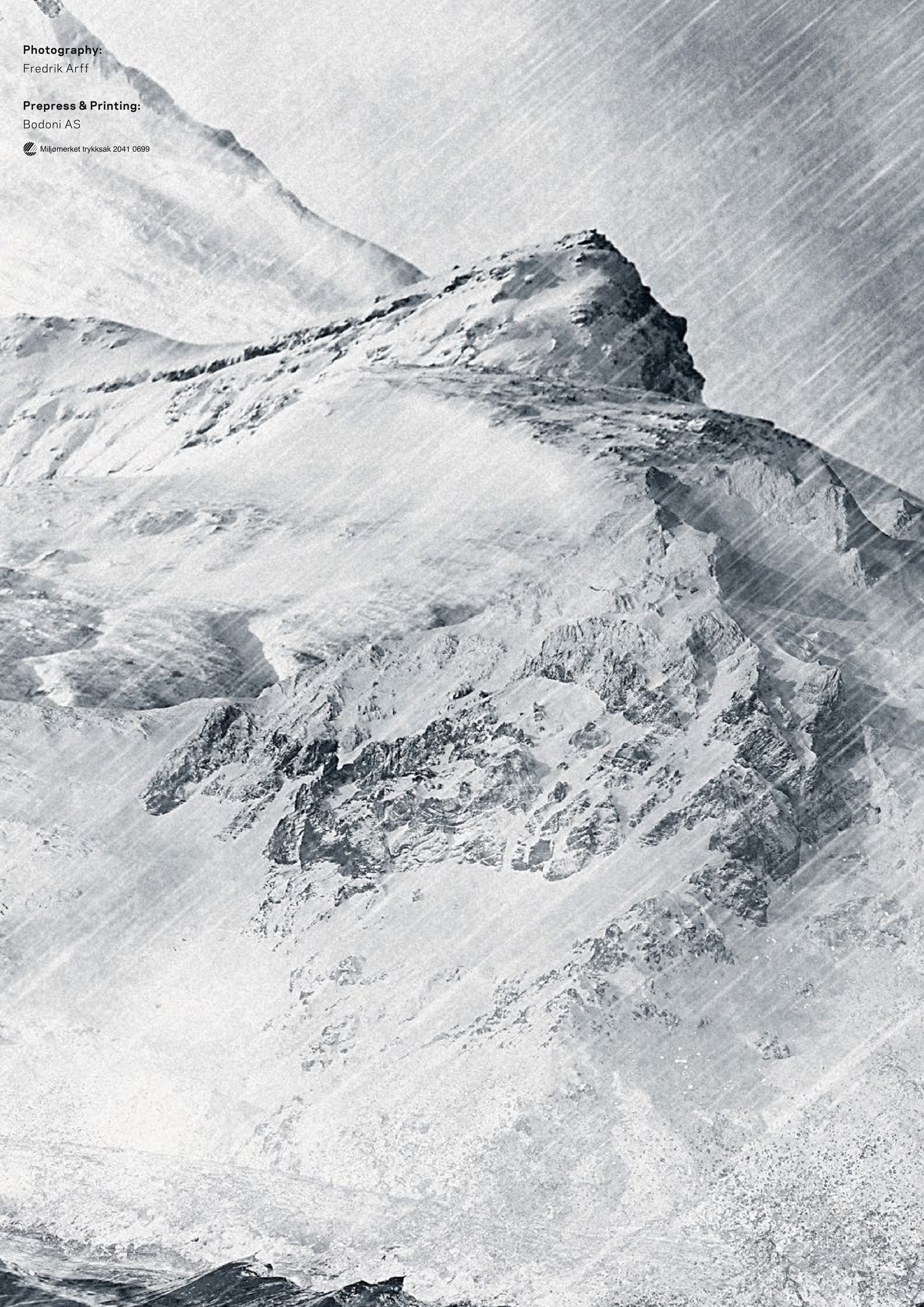


Contents

OUR VISION

Beyond Expectations

Our vision commits the corporation and all of its employees to seek solutions that exceed the expectations of the wider world.

OUR CORE VALUES

Inclusive – Innovative – Responsible

The company shall be ***inclusive*** towards individuals, other companies and society as a whole. An open and accommodating attitude shall prevail throughout the group. The company's ability to be ***innovative*** will help safeguard our own future, improve conditions for the local environment and generally help create positive social development. A ***responsible*** attitude shall prevail at the company at all levels and in all contexts.

Key figures

ORDERS AND RESULTS		2014	2013	2012	2011	2010
Order backlog	MNOK	**7 900**	**9 796**	**11 390**	**8 836**	**9 012**
Revenue	MNOK	**2 306,3**	**1 926,9**	**1 436,3**	**1 417,6**	**1 432,1**
Growth in revenue	Percent	19,7%	34,2%	1,3%	-1,0%	-2,0%
EBITDA	MNOK	**280,4**	**221,5**	**172,0**	**127,3**	**103,6**
Ebitda margin	Percent	12,2%	11,5%	12,0%	9,0%	7,2%
EBIT	MNOK	**208,3**	**117,2**	**119,2**	**81,8**	**61,8**
Net Profit	MNOK	**41,0**	**NA**	**47,2**	**30,7**	**9,6**
Net margin	Percent	1,8%	NA	3,3%	2,2%	0,7%
CASH FLOW AND CAPEX						
Cash flow from operating activities	MNOK	**105,2**	**NA**	**86,9**	**-8,3**	**119,6**
Capex	MNOK	**74,1**	**48,5**	**44,6**	**55,7**	**75,3**
BALANCE SHEET						
Equity	MNOK	**330,2**	**290,6**	**128,7**	**197,2**	**167,0**
Equity ratio	Percent	17,6%	16,3%	11,5%	17,1%	15,8%
Net working capital	MNOK	**118,4**	**75,0**	**65,8**	**51,6**	**-39,3**
NWC / revenue ratio	Percent	5,1%	3,9%	4,6%	3,6%	-2,7%
Total debt	MNOK	**1 551,1**	**1 488,4**	**985,9**	**958,0**	**886,9**
Total assets	MNOK	**1 881,4**	**1 779,0**	**1 114,6**	**1 155,2**	**1 053,9**
EMPLOYEES						
Employees 31.12.	Number	**1 649**	**1 677**	**1 354**	**1 280**	**1 353**
Man years - own employees	Number	**1 648**	**1 675**	**1 352**	**1 156**	**1 036**
Man years - totally employed	Number	**2 125**	**1 993**	**1 597**	**1 538**	**1 329**
Growth in total resources employed	Percent	6,6%	24,8%	3,8%	15,7%	NA
Hours produced	In thousands	**3 431**	**3 090**	**2 427**	**2 574**	**2 233**
Growth in hours produced	Percent	11,0%	27,3%	-5,7%	15,3%	NA
HSE						
Sick leave	Percent	**6,5**	**6,4**	**7,8**	**7,7**	**9**
Serious Personnel injuries	Number	**0**	**0**	**0**	**0**	**0**
Lost time incidents Frequency (LTIF)	Per million hours worked	**0,3**	**0**	**0**	**0**	**0**
Total recordable incidents frequency	Per million hours worked	**5,2**	**4,1**	**2,4**	**6,1**	**4,3**

Figures for 2013 are pro forma as the Beerenberg Holdco II Group was formed on 01.01.2013.
Figures for 2012 and earlier are presented for the Beerenberg Holding Group.

Message from the CEO

MARKETS
For a number of years after the financial crisis the international oil and gas industry was blessed with oil equivalents fetching high prices. This all changed in late 2014, when oil prices dropped by half in a short period of time. Rapid fluctuations in the oil price are nothing new. The commodities markets have always been cyclical, and always will be. The long-term price of oil is more about fundamental factors taking effect over time, whereby the long-term marginal costs associated with new production continue to have an impact on future prices. In this perspective, the price of oil is highly likely to rise again in the long term. There is reason to believe that the deeper the price fall – with an associated reduction in supply and a stimulation of demand for oil equivalents – the stronger the rebound.

In light of this, it will be interesting to see the effect on the bottom line of more flexible capacity in the production of unconventional oil equivalents, a segment known for its significantly shorter cash flows. OPEC's future production targets along with geopolitical developments in the Middle East and Europe are other key factors that will affect prices.

At a macro level there were signs of an impending slowdown in growth in the international oil and gas industry long before the fall in oil prices materialised. The returns on capital employed amongst conventional oil operators have been gradually sent into a downward spiral by growing investment and cost levels in recent years. The negative impact this had on free cash flows – as experienced by the vast majority of the big players – suggested that activity and cost levels could flatline or fall. For that reason, Beerenberg predicted turbulent times in the market well before the oil price drop, which only served to reinforce these trends (see the Beerenberg 2013 annual report). On the basis of its analysis, the company has taken fundamental steps to introduce ongoing improvement processes with a view to industrialising the company's delivery pattern. Focus on improving delivery consistency and productivity in order to boost competitiveness has been a key element in this evolution.

The improvement processes have helped ensure that Beerenberg performed well in 2014, both financially and from an operational perspective. The estimated total value of the company's order backlog at the start of 2015 is considerable, and it provides a robust basis for consistent growth in a turbulent market.

HSE/Q, PRODUCTIVITY AND CONSISTENCY
Quality sells in good times and in bad. Irrespective of market trends, Beerenberg continues to focus on robust HSE/Q deliveries, a high level of productivity and delivery consistency as its main competitive advantages.

It is usually recessions that separate the wheat from the chaff in the world of business, since it is easy to do well when times are good. During the financial crisis Beerenberg showed that it was able to adapt to rapid changes in the market. However, recreating good performances is not always easy. In 2014 Beerenberg processed activities designed to improve the company's ability to adapt to the cyclical nature of the market in a dynamic manner. The quality of these processes will have an impact on the company's growth in the coming years. As Darwin stated in his theory of evolution, it is not necessarily the strongest who survives, but the most adaptable.

FUTURE PERSPECTIVES
At the start of 2015 Beerenberg is working in a market that will continue to see relatively low oil prices. This requires the entire industry to cut the cost per oil equivalent produced. Such trends can bring up challenges on the horizon, especially if ill-considered cost cuts to improve matters in the short term are implemented by the leading operators, the authorities and the supplier industry. Experience shows that quick profits rarely last. Well thought out change processes that generate a long-term effect in a market that will continue to process oil equivalents for many generations to come are Beerenbergs solution to ensure a sustainable future for the company.

In this perspective there are three fundamental rules that will provide the basis for Beerenberg's strategic choices in the coming years. Rule number one is that the total value of the company's deliveries should always be perceived as exceeding the price tag. Rule number two is that the company's revenues must always be greater than its costs. Rule number three is that there are no more rules.

Morten Walde
CEO

Beerenberg management

Beerenberg management (as at 26.03.15)
From left: Ola Jordal, Stig Tuastad, Gro Hatleskog, Morten Walde, Arild Apelthun, Ove Johan Solem and Tore Angelskår

MORTEN WALDE
President & CEO

HSEQ & RISK
OLA JORDAL
EVP

FINANCE
ARILD APELTHUN
EVP & CFO

BUSINESS SUPPORT
GRO HATLESKOG
EVP

PEOPLE
STIG TUASTAD
EVP

BENARX SOLUTIONS
OVE JOHAN SOLEM
EVP

OPERATIONS
TORE ANGELSKÅR
COO

HSE/Q, productivity and consistency

For more than 35 years Beerenberg has made oil and gas production possible in inhospitable environments by delivering intelligent and innovative service solutions. Our expertise covers the entire life cycle of the petroleum industry from field studies and newbuilds to maintenance, modifications and lifetime extensions.

Beerenberg is a leading supplier of maintenance and modifications services. More than 1,600 Beerenbergers are working as problem solvers for the company's clients both in Norway and abroad. The company sees it as its duty to challenge conventional thinking in the industry through innovation and creative solutions – always focusing on improved HSE/Q, productivity and consistency.

Beerenberg has organised its activities into the two divisions Operations and Benarx Solutions.

SERVICES

- Engineering
- Insulation
- Architect
- Scaffolding
- Habitat Solutions (Sveisolat®)
- Surface Treatment
- Rope Access Techniques (RAT)
- Passive Fire Protection
- Cold Cutting
- Technical Cleaning

BENARX SOLUTIONS

- Engineering
- Benarx®
- Subsea Insulation

A SELECTION OF OUR CLIENTS

Oil & gas
- ConocoPhillips
- DETNORSKE
- Shell
- Statoil

MMO
- Aibel
- Aker Solutions
- Kværner
- Reinertsen
- WorleyParsons

Yards
- Daewoo
- Hyundai
- Samsung
- SMOE

Subsea
- FMC
- OneSubsea
- Cameron

Services

Services has the overall responsibility for Beerenberg's newbuild, maintenance and modifications contracts.

Alongside the ISS disciplines (insulation, scaffolding and surface treatment), the division also covers passive fire protection, technical cleaning, rope access techniques, architectural/outfitting services and the cold work concepts Sveisolat (habitats) and cold cutting/mobile machining.

Services' key business areas have been divided into four segments:
- Integrated Operators
- Upstream Operators
- Major Projects
- Added Services

The four key areas are designed to meet future demand on the Norwegian Continental Shelf. As well as direct maintenance contracts on installations and plants in operation, Beerenberg is also involved in business concepts aimed at modification projects and newbuilds in the oil and gas sector.

As a supplement to the traditional ISS disciplines, Beerenberg also delivers a range of technology-driven additional services whose innovative approach helps to ensure effective, consistent and HSE/Q-friendly operation.

Beerenberg's engineering services are an integrated part of the company's overall service concept. The company has extensive experience with studies, FEED, pre-engineering, fabrication engineering and as-built from a number of developments and installations in Norway and abroad. The company's expertise includes design, specifications and modelling, technical drawing, working documents, documentation, plans and methods, inspections and other field engineering, and as-built.

Benarx Solutions

High-tech insulation products and advanced subsea insulation make up the core activities of Benarx Solutions.

The Benarx® product series is a range of industrialised insulation solutions developed by Beerenberg for passive fire protection and thermal and acoustic insulation.

In the context of LCC (life cycle cost), the solutions are cost-effective, and they save space and time (installation) while simplifying logistics, improving HSE performance and providing unique properties with regard to fire technology, thermodynamics, acoustics and CUI optimisation. The company's in-house insulation products have a life span that far exceeds that of conventional solutions. Extensive and ongoing research and product development is undertaken, often in close co-operation with key clients and suppliers as well as institutions such as SINTEF, DNV, the National Institute of Technology, CRM, GexCon and Lloyds (type approval). The solutions have been tested and approved according to all relevant specifications/standards.

Benarx has been established as best practice on the Norwegian Continental Shelf (NCS). During 2014 Benarx Solutions continued to broaden the target market for its products and is experiencing significant global growth. International partners have been identified in the UK, Poland, Kazakhstan, Thailand and Korea.

New and modern production facilities were established in Norway in 2012 and in Poland in 2014.

The market for thermal subsea insulation is seeing strong growth. Beerenberg has been awarded major contracts in this market over a number of years and is well positioned for future growth. Benarx Solutions is working with FMC, OneSubsea, Aker Solutions and other major operators in the sector. The company's solutions include the use of market-leading materials and application methods developed in-house. We carry out assignments all over the world. Equipment/personnel are therefore organised in such a way as to allow them to be quickly deployed and carry out assignments wherever the clients want. The company expanded further in 2014 with the establishment of a subsidiary in Singapore.

NEW PRODUCTS
Corrosion under insulation (CUI) is one of the biggest challenges for the international oil and gas industry. Strict criteria for effective and lasting maintenance solutions will help significantly reduce these challenges. Ninety-five of all installations (60%) on the NCS will be more than 20 years old by 2020. Current, conventional maintenance systems and technologies are not optimal for the tests facing the industry. CUI therefore represents one of the biggest challenges in terms of safety, cost and stable production. Beerenberg's R&D department focuses especially on developing solutions that effectively monitor CUI and reduce the risk of CUI-related incidents. The first automated monitoring systems are about to be introduced to the market by the company.

Ethics and social responsibility

Social responsibility

Beerenberg assumes social responsibility by taking systematic steps to ensure profitable and sustainable growth in the areas affected by its business. The company's core values – Inclusive, Innovative and Responsible – are key factors in this process. Beerenberg has adopted a "Corporate Social Responsibility Policy" which covers human rights, workers' rights, the environment, anti-corruption and wider society.

Due to the nature of the business, the areas of health, safety and environment are given the highest priority by the Beerenberg group. Its health, safety and environmental initiatives are embedded in a zero accidents philosophy and based on the idea that HSE should be an integrated element in all parts of the business.

Beerenberg's reputation is formed and sustained by the attitudes, conduct and work of the company's employees at all levels of the organisation. The company's objective is to create value for its owners, customers, employees, partners and society in general. The way in which value is created and managed has an impact on the value of the company. For that reason it is important for Beerenberg to ensure that its employees work and conduct themselves in line with the company's core values and ethical guidelines.

SOCIAL COMMITMENT

In 2014 Beerenberg supported Save the Children's work to give children affected by war and disaster the opportunity to go to school. It also supported Amnesty International's work to ensure freedom, fairness and equality for all. Our involvement with these two organisations is directly linked to the company's core values.

On various occasions the company has also provided funding for children's sports in locations where the company operates. In this context the company has placed particular emphasis on the positive role played by sports with regard to multicultural integration.

Ethics

The Beerenberg group's ethical guidelines are designed to ensure that everyone acting on behalf of the company goes about their business in an ethical manner and in line with the company's values and principles on business practices and personal conduct.

The company's ethical guidelines are revised annually and adopted by the group's executive bodies. The guidelines are also reviewed by the company's employee organisation (the Works Council).

Raising awareness and training employees in the principles of ethics and ethical guidelines are part of the company's induction course for new employees. Ethics are a recurring topic at monthly themed meetings in the operations arm of the organisation. They are also upheld by the "power of example" – in other words by the management's attitudes and conduct at various levels. Ethics is a regular topic in various fora such as the working environment committee and health and safety seminars. During 2014 Beerenberg has been working to ensure that the company's employees are familiar with its HSE and ethical standards. As part of this process the company further developed and extended its in-house ethics and HSE training programme. A whistleblowing regime for staff has been implemented to help ensure compliance with the ethical guidelines. The system includes channels for alerting external and independent third parties. A Compliance Officer role has also been established.

Review of the principles of corporate governance according to The Norwegian Code of Practice for Corporate Governance (NUES) dated 30 Oct 2014

1. Review of corporate governance
The purpose of the principles of corporate governance at Beerenberg Holdco II AS is to clarify the division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

The group's vision is "Beyond Expectations". The vision commits the corporation and all of its employees to seek solutions that exceed the expectations of the wider world.

The group has set out three core values:

- ***Inclusive*** towards individuals, other companies and society as a whole. An open and accommodating attitude shall prevail throughout the group
- ***Innovative*** approach in order to help create positive social development, improve the environment and safeguard a better future
- ***Responsible*** attitudes shall prevail at the company at all levels and in all contexts

The group has established ethical guidelines that should form the basis for how Beerenberg conducts business.

Deviation from code of recommendation: None

2. Business
The group's operational activity is conducted by its subsidiary, Beerenberg Corp. AS. In article 3 in Beerenberg Corp. AS' Articles of Association the object of the business is defined thus:

"The objects of the company are to engage in contract work, production, industrial maintenance, trading, agency and commission work, and to take interests in other enterprises engaged in similar activities by way of share subscriptions or other means".

Deviation from code of recommendation: None

3. Equity and dividends
Total assets as at 31 December 2014 stood at NOK 1,881 million with equity of NOK 330 million, giving an equity ratio of 17.5%. The Group's solidity is evaluated on the basis of current targets, strategy and risk profile.

The company has issued a bond that is listed on the Oslo stock exchange under the ticker BBER01.

Deviation from code of recommendation: Dividend policy and specific capital requirement targets. The Group's financing restricts the company's rights to pay dividends. Consequently the board has not found it practical to develop a dividend policy. Furthermore the board has not deemed it necessary to establish specific targets for leverage or equity ratio in addition to the evaluations that are made continuously and specified in budgets and strategy plans.

4. Equal treatment of shareholders and transactions with close associates
The company has one owner and one share class. The shares are not listed. As a consequence there is no specific policy relating to preferential treatment of existing shareholders, nor is there a policy relating to the sale of shares.

With regards to transactions with close associates, the board of directors has prepared guidelines whereby the transaction should be based on an independent 3rd-party valuation. However, if the matter relating to the valuation has been satisfactory handled, the board may decide forego the independent valuation.

A procedure concerning reporting potential conflicts of interest to the board has been established.

Deviation from code of recommendation: Policies relating to preferential treatment of shareholders and sales of own shares have not been established.

5. Freely negotiable shares
No form of restriction on negotiability is described in the company's Articles of Association.

Deviation from code of recommendation: None

6. Annual general meeting
The company's shares are not listed. As a consequence the board has not prepared separate procedures regarding an annual general meeting.

Deviation from code of recommendation: On the basis of the current ownership structure, the board has not deemed it necessary to develop additional guidelines beyond what is described in the legal framework (the Norwegian Limited Liability Companies Act).

7. Nomination committee
The company's shares are not listed. As a consequence the board has not prepared procedures regarding a nomination committee.

Deviation from recommendation: On the basis of the current ownership structure, the board has not deemed it necessary to appoint a nomination committee.

8. Corporate assembly and board of directors: Composition and independence
The company does not have a corporate assembly.

At the annual general meeting on 19 June 2014 Ketil Lenning was appointed chairman and Sebastian Ehrnrooth and Marcus Planting-Bergloo were appointed members of the board for a 2-year term.

The board of directors has the following members:

NAME	POSITION	PERIOD
Ketil Lenning	Chairman	2014-2016
Sebastian Ehrnrooth	Member	2014-2016
Marcus Planting-Bergloo	Member	2014-2016
Svein Eggen	Member	2013-2015
Lars Marcusson	Member	2013-2015

Beerenberg Invest A.S. owns 100% of the shares in Beerenberg Holdco II AS.

Sebastian Ehrnrooth and Marcus Planting-Bergloo represent Segulah IV L.P., which holds 81% of the shares in Beerenberg Invest AS. Ketil Lenning (1.4%), Svein Eggen (0.5%) and Lars Marcusson (0.5%) also own shares in Beerenberg Invest AS.

Ketil Lenning, Lars Marcusson and Svein Eggen are all independent of the company, its management and its biggest shareholder.

Deviation from code of recommendation: None

9. The work of the board of directors
The board has established procedures to clarify areas of responsibility as a group and as individuals.

The board has established an annual plan for the year, and has in 2014 held five meetings. The annual plan includes a 2-year strategy plan, budget and target setting and a review of operations with focus on control and risk evaluation.

The board has appointed an audit committee and established guidelines for its work.

The members of the audit committee are:
Lars Marcusson, leader of the committee
Svein Eggen
Marcus Planting-Bergloo

The company does not have a compensation committee, and evaluates the need annually.

The board prepares an annual evaluation of the work of the board.

Deviation from code of recommendation: None.

10. Risk management and internal controls

The board regularly reviews the performance of the company, including in its monthly and quarterly reports. These reports contain financial information about the company and specific information relating to the business segments in addition to other important areas such as HSE. In addition the board approves significant tenders and investments.

The board of directors conducts an annual review of risk areas and internal controls systems, including ethical guidelines.

Deviation from code of recommendation: None

11. Remuneration of the board of directors

The remuneration of the board of directors is established by the annual general assembly and is based on an evaluation of the workload. The remuneration is not dependent on the financial performance of the group. There is no form of incentive scheme or similar. Please see note 19 for additional information.

Deviation from code of recommendation: None

12. Remuneration of leading employees

The board's view on the remuneration level for leading employees is that it should be competitive and motivating. The board of directors has established an annual bonus plan for leading employees based on, among other things, financial targets. The board has established guidelines relating to remuneration of leading employees. These are included in note 19 in the annual accounts for 2014.

Deviation from code of recommendation: None

13. Information and communication

The group has established policies relating to financial information. Beerenberg's reporting aims to be clear and precise and to ensure that the general principle of equal treatment is fulfilled.

Deviation from code of recommendation: None

14. Takeover

There are no provisions or limitations in the Articles of Association regarding takeovers. There are no other limitations to limit acquisition of the company's shares.

Deviation from code of recommendation: Guidelines relating to takeovers have not been established. The board has, in light of the current ownership structure, not seen the need for establishing guidelines in the case of a takeover.

15. Auditor

The auditor holds at least two meetings with the audit committee. In addition the auditor participates in one board meeting in connection with the approval of the annual accounts where parts of the meeting are without participation of the management.

The auditor presents the plan for the annual audit to the audit committee where priorities and risk evaluations including internal control are presented. The auditor prepares an audit report in connection with the annual accounts based on the annual audit plan.

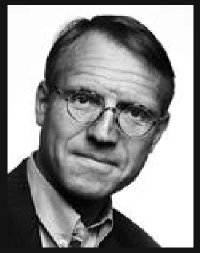
The total fee paid to the auditor, where a distinction is made between the auditor fee for the annual audit and other services rendered, is shown in note 7. The extent of other services outside the audit is reviewed by the audit committee. The audit committee evaluates the auditor's independence.

Deviation from code of recommendation: The board has not found it necessary to establish additional guidelines relating to the use of additional services from the auditor.

Board of Directors Beerenberg Holdco II AS

Ketil Lenning (1950), Chairman of the Board, former CEO of Odfjell Drilling Ltd. He has extensive international experience in the oil industry, including as COO of Smedvig ASA, Norsk Hydro Oil Division etc. He holds a number of boardroom positions in the oil services industry. Mr Lenning is an independent Board member.

Svein Eggen (1950) has more than 30 years' experience in the international offshore, oil and gas industries. He was President and CEO of Technip Offshore Inc. until 2005. Prior to that he held leading positions in the Aker group, including those of President and CEO of Aker Maritime ASA and President and CEO of Aker Maritime Inc. in Houston, USA. He holds several boardroom positions both in Norway and abroad. Svein Eggen is an independent Board member.



Sebastian Ehrnrooth (1963), investors' representative and partner at Segulah Advisor AB. He qualified as a civil engineer at Linköping University and holds an MBA from IMD in Lausanne. He was formerly Deputy CEO of CityMail, Project Manager at Bain & Company and Sales Manager at Motorola. He holds boardroom positions at Segulah Advisor AB, PMC Group, KP Komponenter A/S and ScanCoin.

Lars Marcusson (1947), former CEO of Callenberg Group AB. He has previously held boardroom positions at Marinteknikst Forum and Entreprenörsarenan AB. Mr Marcusson is an independent Board member.

Marcus Planting-Bergloo (1977), investors' representative and junior partner at Segulah Advisor AB. He holds an MSc in Economics from the Stockholm School of Economics. He previously worked as a consultant at LEK Consulting in London and at Occam Associates in Stockholm. He holds boardroom positions at ScanCoin, Øglænd System and Balco.

Annual Directors' Report 2014

2014 was a positive and eventful year for the group Beerenberg Holdco II (Beerenberg). Revenue growth of 20% and increasing profitability resulted in the best financial result in the Company's history. As the business environment changed during 2014, partly caused by a drop in oil prices, the Company's focus on productivity and innovation makes it well positioned for the future.

Beerenberg's operational business is conducted by the subsidiary Beerenberg Corp. AS which, in addition to the ISS disciplines (insulation, scaffolding and surface treatment), also covers passive fire protection, technical cleaning, rope access techniques, architectural services and the cold work concepts Sveisolat® (habitats) and cold cutting / mobile machining. The business also includes the Benarx® product series – a range of industrialised insulation solutions developed by Beerenberg for passive fire protection and thermal and acoustic insulation.

Long-term maintenance contracts both offshore and onshore continue to make up the majority of Beerenberg's business. However, greenfield projects are a growing part of Beerenberg's business and represent a diversification in the project portfolio. The estimated order backlog at the end of the year was NOK 7.9 billion, down from NOK 9.8 billion at the end of last year.

In December 2014 Beerenberg changed its organisational structure to optimise and focus its business. As a consequence it has merged the former business segments Cold Work Concepts and Maintenance and Modifications into one segment: Services. The Benarx division, which consists of prefabricated insulation topside and subsea, remains unchanged.

Beerenberg has its headquarters in Bergen and branch offices in Stavanger, Os, Molde and Oslo.

SIGNIFICANT EVENTS IN 2014

The main events in 2014 were:

- The first half of 2014 saw a high level of activity, especially on the offshore maintenance and modifications contracts.
- Beerenberg successfully refinanced by issuing a 4-year, NOK 1,100 million senior secured bond in June 2014. The bond was listed at Oslo Stock Exchange in September 2014.
- At the beginning of July in Q3 a major customer exercised an option to extend a framework agreement for 3 years.
- In Q3 Statoil awarded the Company an ISS framework agreement at the Mongstad refinery. In the same period Beerenberg was notified that its framework agreement at the Kårstø site would terminate at year end 2014.
- In Q4 Beerenberg acquired bonds with a face value of NOK 55 million.

ANNUAL FINANCIAL STATEMENTS

Comparison to 2013 is made with reference to pro forma figures representing the full year. Please see note 31 for additional information.

Operating revenues in 2014 rose by 20% to NOK 2,306 million, compared with NOK 1,926 million in 2013. The increase in activity is spread across all segments of Beerenberg's business. The increase in revenue stems mainly from greenfield projects which are ramping up, while the business for brownfield projects has shown a lower activity level, especially in the second half of the year.

The operating profit for 2014 was NOK 208 million, compared to NOK 117 million in 2013. The operating margin has improved from 6.1% to 9.0%. However, the margin in 2013 was influenced negatively by the sale of a business in the USA. Corrected for this one-off effect, the comparable margin is 8.5%.

Net financial costs stood at NOK 149 million, compared to NOK 86 million in 2013. The increase in financial costs relates to one-off costs related to refinancing and expensing of the change in market value of interest hedge instruments as a consequence of the refinancing.

Profit before tax was NOK 59 million, compared to NOK 32 million last year, and net profit was NOK 41 million, compared to NOK 36 million last year.

CAPITAL, CASH FLOWS AND LIQUIDITY

Total assets at the end of 2014 stood at NOK 1,881 million, an increase from NOK 1,779 million last year. Equity was NOK 330 million, an increase from NOK 290 million last year.

Working capital development has increased slightly this year with the increase in activity. Working capital fluctuates quite significantly through the year, but measured on the basis of annual revenue the working capital has been stable.

Cash flow from operations, including paid interest, was NOK 105 million, compared to NOK 128 million last year. This is largely explained by an increase in net working capital. Net capital expenditures increased by NOK 28 million compared to last year. The majority of the investments relate to equipment.

The cash flow from financial activities was negative at NOK 23 million (2013: negative at 31) and relates to the refinancing of the business but also includes the acquisition of own bonds of NOK 55 million.

The Company refinanced its debts during 2014. In June it successfully issued a 4-year senior secured bond of NOK 1,100 million, which in effect has secured predictable, long-term financial funding on reasonable terms.

Beerenberg is in compliance with its covenant as at 31.12.2014.

SHAREHOLDERS

Beerenberg Holdco I AS owns 100% of the shares in Beerenberg Holdco II. AS.

FINANCIAL RISK

The Company Board sets out frameworks and guidelines for the Company's risk management by adopting overarching policies and procedures and by carrying out continual controls and supervision of the business.

The Company's central finance department has overall responsibility for day-to-day management and follow-up of the Group's financial risks and works closely with the operational units to identify, evaluate and implement necessary measures to reduce risk.

Risk management covers credit risk, currency risk, interest rate risk and the use of financial derivatives.

Credit risk

The Company conducts business in an environment dominated by large and strong clients, and historically there have been limited losses on receivables. New customers are usually credit-checked before entering into contracts, and efforts are made during international operations to use letters of credit to safeguard receivables and payment demands wherever possible.

Currency and interest rate risk

A key principle for the Group is to keep the currency risk as neutral as possible by using the same currency for both income and expenditure. The Company and the Group are still exposed to fluctuations in exchange rates to some degree through their international operations, as a limited part of revenues and expenditure are in foreign currencies. In line with the adopted policy, committed client and supplier contracts involving currency exposure above and beyond the defined limits must be hedged.

The Company and the Group's interest rate risk in relation to interest-bearing debts are the most part hedged through a long-term interest rate agreement, whereby a variable NIBOR-based interest rate plus a spread has been swapped so that the exposure towards fluctuations in the short-term interest rate is reduced.

Financial and liquidity risk

The Group refinanced its debts by issuing a NOK 1,100 million senior secured bond during 2014. In addition it renegotiated its credit lines with one bank to ensure its working capital requirements and bonding requirements. Under these agreements the Company must measure and report on a set of covenants relating to leverage and interest coverage quarterly.

The Company and the Group are continually managed and measured in line with the framework stipulated by the agreements. The Company's financing arrangements remain subject to its continuing to achieve cash flow and earnings levels.

Market risk

The Group operates in the oil and gas market, which can be volatile. Beerenberg is therefore affected by the oil companies' actions and the prevailing oil and gas prices. The fall in oil prices in the second half of 2014 illustrates the impact it has on the market. To mitigate this volatility, Beerenberg has diversified its business to include both new building projects and product segments in addition to maintenance and modifications projects.

There is reason to believe that investment growth on the Norwegian Continental Shelf will abate in the long term, which in turn will impact activity levels. In order to expand its operations and customer base, the Company has widened its international presence and areas of operation to help counteract market fluctuations on the NCS.

Technology risk

The market in which Beerenberg operates will continue to seek improved solutions and products for the future. In order to refine its competitive edge, the Company has adopted a strategy of continuing to invest in engineering services and R&D along with an ambition to protect its assets through patents and other property rights.

RESEARCH AND DEVELOPMENT

The Company has a dedicated research and development department. It is managed by the business division Benarx Solutions but co-ordinates all of the Group's R&D activities via its "Technology Forum". A key principle for the Group is to register patents in order to protect its developed assets. As at 31.12.14 the Company had registered a total of 13 patents, three patents pending, six trademarks and one design in relevant domestic and international markets.

The Group's main focus as regards research and development is product and method development in the field of ISS.

Beerenberg capitalised NOK 3.2 million of its total activities in the area of research and development in 2014, compared with NOK 2.0 million in 2013.

SOCIAL RESPONSIBILITY AND ETHICS

The annual report includes a separate account of the Company's approach, conduct and guidelines in relation to social responsibilities and ethics. In that regard the Group's values and integrity will not be compromised.

The Company's ethical guidelines have been prepared on the basis of fundamental human rights and clarify the Group's unambiguous stance against corruption. The Company's ethical guidelines are central to its training programmes, because the Company's business is reliant on trust and reputation. Training in the Company's ethical guidelines helps ensure that employees and others acting on behalf of the Group exercise good judgment and behave in a manner that is consistent with the Company's ethical rules.

HR, ORGANISATION AND WORKING ENVIRONMENT

HR and working environment

The Group employed 1,649 people (equivalent to 1,648 FTEs) as at 31.12.2014, a reduction of 28 since the end of 2013. The number of contract FTEs rose to 477 at the end of the year, taking the total number of FTEs at year end to 2,125.

Beerenberg seeks to sustain a good working environment with enthusiastic and motivated staff who feel that they are being well looked after. The working environment is measured every two years, and a survey has been planned for 2015.

The Company has staff arrangements and fora for co-operation between staff and management, as are common within the sector.

Equality and discrimination

Beerenberg strives to treat all employees at all levels equally, regardless of gender, religion, ethnic background or other factors. Similarly, remuneration should reflect job content and qualifications, regardless of gender or other factors.

Beerenberg operates in a male-dominated industry, and the Company's employees are therefore predominantly male. The proportion of female employees, mostly in administrative positions was 5.6% at the end of the year – a level similar to last year. There were no female members of the Company's Board or management in 2014.

The Company's ambition is to increase the number of female employees at all levels by working systematically with recruitment.

Organisation

With effect from December 2014, the Company was restructured into two business divisions with joint staff functions to oversee measuring and controls as well as shared services and frameworks.

The reason for the reorganisation was primarily to utilise synergies further within its strategic business areas.

HEALTH, SAFETY AND THE ENVIRONMENT

Health and safety of its employees and caring for the environment are core values for the Company. Continuous focus on Health, Safety and Environment at all levels of the organisation will reduce the risk of incidents and is a key enabler in developing the group.

Through a well functioning partnership with the Occupational Health Service, personnel are followed up by health monitoring programmes, risk assessments are being performed, and surveys onshore and offshore are conducted. Beerenberg personnel are defined as a group at particular risk. These risks have been identified, and relevant measures have been taken and are monitored continuously.

The Company has a strong focus on employee training and participation in national projects. This is reflected by our specific e-learning courses aimed at identified risks and by our committed participation in the Norwegian Oil and Gas Association's NOISE project. Noise and vibration exposure is a high-priority risk, and through individual training and Veripro testing employees learn more about attenuation and fit testing of earplugs. The Company has also conducted a survey on the use of handheld vibrating tools, symptoms and health problems after use and training. Reports from these projects have been published internally and on the Norwegian Oil and Gas Association homepage.

In 2014 total sickness absence stood at 6.5%, compared with 6.4% in 2013, of which short-term sickness absence accounted for 2.9% and long-term absence for 3.6%, compared with 3.1% and 3.3% respectively in 2013. Sickness absence has been a high priority with an increased focus on measuring and supervision. The Company has signed up to and renewed the Inclusive Workplace scheme *(Inkluderende Arbeidsliv)*.

The Company has adopted a "zero philosophy" in respect of HSE, meaning it takes a zero tolerance approach to injuries and accidents, because the nature of the business places strict demands, and subsequently a high level of focus, on HSE issues. All new employees must undergo separate HSE training, and the Company has developed several e-learning programmes specifically for this purpose. HSE is an element in all training activities, and in 2014 Beerenberg continued working on the standardisation of processes. The work to implement standardised procedures as well as life-saving safety rules was followed up throughout the organisation.

In 2014 the Company recorded eighteen incidents/accidents, fifteen of which were on customer sites, compared with thirteen and ten incidents respectively in 2013. A number of measures have been initiated to reduce the number of incidents, and the second half of the year saw significantly fewer incidents.

The external environment

Beerenberg places great emphasis on minimising the impact of its activities on nature and the environment.

The Company's impact on the natural environment is primarily considered to stem from emissions of volatile organic compounds (VOCs) as a result of the use of paint products and solvents. This is a natural consequence of the Company's activities, and the volume of VOC emissions will always reflect the volume of assignments and the type of products being ordered and delivered. The Company endeavours to use alternative products with a lesser impact on the environment where possible (the substitution requirement). In order to reduce the negative environmental effects of the significant amounts of waste that it generates, the Company has put in place robust procedures for waste disposal and treatment (recycling of materials and energy).

The Company has also taken environmental measures concerning paper and office waste in its administrative functions.

Beerenberg is certified in accordance with NS-EN ISO 9001: 2008 Quality management systems, NS-EN ISO 14001: 2004 Environmental management systems, and OHSAS 18001: 2007 Occupational health and safety.

FUTURE PROSPECTS

Beerenberg has at the start of 2015 realised the plans that were developed relating to growth in revenue and profitability. On that basis the Board of Directors believes that it has a solid foundation for realising future growth in the years to come.

The Company's strategy plan was revised in the autumn of 2014. The plan provides a framework for the Company's development up until 2017 and signals further growth in volumes of business and profitability.

The prospects in the Company's primary markets are generally considered to be positive. However, it is expected that there will be lower activity in the parts of its business relating to the modifications segment, where external factors such as oil prices could have a longer term negative impact on the total market for Beerenberg.

Beerenberg has introduced a number of changes aimed at improving the competitiveness of the Company in 2014, and additional measures are planned for 2015. In total this creates a good foundation for growth.

The Board should like to stress that there is always a degree of uncertainty surrounding assessments of the future.

THE BOARD'S STATEMENT OF CORPORATE GOVERNANCE

In the governance manual the Board of Directors has stipulated that the Group should develop procedures and systems to ensure compliance with the Norwegian Code of Practice for Corporate Governance. Please see separate section relating to compliance.

THE BOARD'S OPINION AND EVENTS AFTER THE REPORTING DATE

In the Board's view the financial statements and statement of financial position with accompanying notes provide a true picture of the activities of Beerenberg Holdco II AS and of the Company's position at year end.

In accordance with Section 3-3a of the Norwegian Accounting Act, the Board can confirm that the requirements for the going concern assumption have been satisfied and that the financial statements have been prepared on that basis.

No events have occurred after the end of the financial year of significance to the assessment of the Company's financial statements and position.

THANKS TO OUR PARTNERS AND EMPLOYEES

The Board of Directors should like to thank all employees and business partners for their co-operation and efforts in 2014.

BERGEN, 26 MARCH 2015

The Beerenberg Holdco II AS, Board of Directors

Ketil Lenning Chairman	**Sebastian Ehrnrooth** Member	**Svein Eggen** Member
Lars Marcusson Member	**Marcus Planting-Bergloo** Member	
		Morten H. Walde CEO

Beerenberg Holdco II AS Group

Consolidated Income Statement

Amounts in NOK 1,000	Note	2014	01.03.-31.12 2013
Sales Revenue		**2 300 069**	1 671 439
Other revenue		**6 235**	0
Operating revenue	5, 6	**2 306 304**	1 671 439
Materials, goods and services		**144 972**	85 281
Pay and other social services	8,18,19	**1 496 684**	1 154 464
Other operating costs	7	**384 298**	239 339
Total operating expenses		**2 025 954**	1 479 084
Operating result before depreciation, amortisation and impairment losses		**280 350**	192 355
Depreciation, amortisation and impairment losses	11, 12	**72 018**	95 516
Operating result		**208 333**	96 838
Financial revenue	9	**8 437**	2 631
Financial expenditure	9, 24, 27	**157 782**	82 437
Result before tax		**58 988**	17 032
Tax	10	**17 986**	-8 420
Annual profit/loss		**41 001**	25 452
The annual profit/loss is attributable to:			
The owners of the parent company		**41 001**	25 452
Annual profit/loss		**41 001**	25 452
Basic earnings, and diluted earnings per share for 267.300.000 shares	17	**0,00015**	0,00010

Diluted earnings per share are identical as there is no dilutive effect.

The accompanying notes 1-31 are an integral part of these financial statements.

Consolidated Statement of Performance

Amounts in NOK 1,000	Note	2014	01.03.-31.12 2013
Annual profit/loss		**41 001**	25 452
Other revenue and expenses			
Change in value of derivatives	27	**-1 051**	-709
Conversion differences		**-198**	-1 173
Total Statement of performance		**39 753**	23 569
The statement of performance is attributable to:			
The owners of the parent company		**39 753**	23 569
Total Statement of performance		**39 753**	23 569

Other revenue and expenses is after tax and will be reversed in the income statement.

The accompanying notes 1-31 are an integral part of these financial statements.

Consolidated Statement of Financial Position

Assets (Amounts in NOK 1,000)	Note	31.12.2014	31.12.2013
NONCURRENT ASSETS			
Intangible assets	12, 28	**187 156**	223 606
Goodwill	12	**883 860**	890 145
Property, plants and equipment	11, 28, 30	**203 486**	170 320
Loans to enterprises in the same Group	13, 24, 28	**608**	0
Other investments	25	**41**	0
Total Noncurrent assets		**1 275 151**	1 284 071
CURRENT ASSETS			
Goods	14, 28, 30	**38 810**	54 286
Accounts receivable from customers	13, 15, 28, 30	**214 995**	175 808
Other receivables	13, 15, 28	**23 094**	27 912
Earned, not invoiced	15, 23, 28	**238 748**	165 017
Cash at bank, cash in hand and similar	13, 16	**90 597**	71 937
Total current assets		**606 244**	494 959
Total Assets		**1 881 395**	1 779 031

Equity and Liabilities (Amounts in NOK 1,000)	Note	31.12.2014	31.12.2013
EQUITY			
Share capital		**26 730**	26 730
Share premium		**240 310**	240 310
Other equity		**63 209**	23 565
Total equity	17	**330 249**	290 605
LIABILITIES			
Pension obligations	18, 28	**7 949**	7 968
Deferred tax obligations	10, 28	**40 323**	66 120
Other long-term obligations	20, 28	**4 000**	3 500
Other long-term debt	24, 29	**0**	323 247
Interest bearing long-term liabilities	29, 30	**1 029 705**	686 447
Derivatives	27	**32 992**	709
Total long-term liabilities		**1 114 969**	1 087 992
Liabilities to credit institutions	13, 16, 29, 30	**377**	43 760
Supplier liabilities	21, 28	**137 438**	71 472
Tax payable	10, 28	**38 524**	8 655
Owed government charges and special taxes	28	**79 606**	72 084
Other -short term liabililities	21, 23, 28	**180 232**	204 463
Total short-term liabilities		**436 176**	400 434
Total liabilities		**1 551 146**	1 488 426
Total equity and liabilities		**1 881 395**	1 779 031

The accompanying notes 1-31 are an integral part of these financial statements.

BERGEN 26 MARCH 2015
Beerenberg Holdco II AS board of directors

Ketil Lenning
Chairman

Sebastian Ehrnrooth

Svein Eggen

Lars Marcusson

Marcus Planting-Bergloo

Morten H. Walde
CEO

Consolidated Statement of Changes in Equity

	Share capital	Share pre-mium	Conversion reserve	Hedging reserve	Retained earnings	Total
March 1, 2013	**26 730**	**240 310**	**0**		**0**	**267 040**
Total result for the period						
Result					25 452	25 452
Other revenue and expenses						
Change in market value derivatives				-709		-709
Conversion difference			-1 173			-1 173
Total other revenue and expenses	**0**	**0**	**-1 173**	**-709**	**25 452**	**23 569**
Total result for the period	**0**	**0**	**-1 173**	**-709**	**25 452**	**23 569**
Transactions with shareholders						
Total transactions with shareholders	**0**	**0**	**0**	**0**	**0**	**0**
Equity as per 31.12.2013	**26 730**	**240 310**	**-1 178**	**-709**	**25 452**	**290 605**
Total result for the period						
Result					41 001	41 001
Other revenue and expenses						
Change in market value derivatives				-1 051		-1 051
Conversion difference			-198			-198
Correction of classification			1 376	199	-1 574	0
Total other revenue and expenses	0	0	1 178	-852	-1 574	-1 248
Total result for the period	0	0	1 178	-852	39 427	39 753
Transactions with shareholders						
Group contributions					-109	-109
Total transactions with shareholders	**0**	**0**	**0**	**0**	**-109**	**-109**
Equity as per 31.12.2014	**26 730**	**240 310**	**0**	**-1 562**	**64 771**	**330 249**

The accompanying notes 1-31 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

Amounts in NOK 1,000	Note	2014	01.03-31.12 2 013
Cash flows from operating activities			
Result for the period before tax		58 988	17 032
Tax paid for the period		-13 487	-10 381
Gains/losses from sales of fixed assets		-5 310	236
Depreciation, write-down and amortisation	10, 11	72 018	95 516
Changes to inventory		15 476	-15 099
Changes to accounts receivable from customers	14	-39 187	-16 978
Changes to supplier liabilities		65 966	-39 513
Difference between expensed and paid-in/out pension premium		-19	-596
Changes to other time restricted items		-49 250	97 443
Net cash flow from operating activities		105 195	127 660
Net cash flows from investment activities			
Incoming payments from the sale of tangible and intangible fixed assets	10	10 669	16 093
Outgoing payments from acquisition of tangible and intangible fixed assets	10, 11	-74 092	-46 198
Outgoing payments from other investments		-41	0
Reimbursement part of purchase price of shares		6 285	0
Outgoing payment of loan to parent company		-500	0
Net cash flow from investment activities		-57 679	-30 105
Cash flows from financing activities			
Incoming payment of new long-term debt	32	1 100 000	0
Repayment of long-term liabilities (outgoing)		-1 128 704	-33 305
Accrued interests		0	2 529
Net overdraft changes		0	-1 008
Repayment of receivables on shareholders		0	308
Payments of Group contributions (outgoing)		-151	0
Net cash flow from financing activities		-28 855	-31 477
Net changes to cash and cash equivalents		18 660	66 078
Cash and cash equivalents per 01.01		71 937	5 858
Cash and cash equivalents per 31.12	15	90 597	71 937

The accompanying notes 1-31 are an integral part of these financial statements.

Note 1 Information about the Group

Beerenberg Holdco II. AS is a limited liability company registered in Bergen, Norway. The Beerenberg Holdco II Group comprises the parent company Beerenberg Holdco II. AS and the subsidiaries Beerenberg Holding AS, Beerenberg Corp. AS and Benarx Pacific Asia PTE. LTD. Beerenberg Corp. AS and subsidiaries make up the Beerenberg Corp. AS sub-Group and is the operative company. The head office is in Bergen and the Group has offices in Stavanger, Os, Molde and Oslo.

The Group delivers expertise and technology as well as engineering and inspection services in the fields of surface treatment, passive fire protection, insulation, architecture/interiors, scaffolding, Rope access techniques, and habitats as well as mobile machining, cutting and decommissioning.

The Group was established 01. March 2013. Comparative figures for 2013 are therefore for the period 01.03.2013 to 31.12.2013. Note 31 shows pro forma figures for 2013 showing income statement for 2013 as if the Group had been established 01.01.2013.

The consolidated financial statements comprise the parent company and subsidiary companies, referred to collectively as "the Group" and individually as "Group entities".

The consolidated financial statements with accompanying notes have been prepared in accordance with IFRS. The financial statements with accompanying notes for the parent company Beerenberg Holdco II AS have been prepared in accordance with regulations on simplified application of IFRS.

The annual financial statements were authorised for issue by the board of directors on 26 March 2015.

Note 2 Basis of preparation

Confirmation of financial framework

The consolidated financial statements have been prepared in accordance with EU-approved IFRS standards and associated interpretations as required as at 31 December 2014 and in accordance with additional Norwegian disclosure requirements under the provisions of the Norwegian Accounting Act as at 31 December 2014.

The financial statements of Beerenberg Holdco II. AS have been prepared in accordance with regulations on simplified application of IFRS.

The proposed consolidated financial statements were authorised by the board and CEO on the date stated in the signed statement of financial position. The consolidated financial statements shall be reviewed by an ordinary general meeting for final approval.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

NOK is the Group's functional currency and presentation currency.

BASIS OF CALCULATIONS

The consolidated financial statements have been prepared using historical cost principles, with the exception of

- Derivatives, which are assesed at fair value.
- The net defined benefit pension obligation, which is estimated as the present value of future defined benefit pension obligations, less the sum of net plan assets, and adjusted for unrecognized expenses relating to pension accruals from previous periods.

ESTIMATES AND ASSESSMENTS

Preparing the financial accounts in accordance with IFRS requires the management to make assessments, estimates and assumptions that affect the application of the accounting principles. The carrying amounts of assets and liabilities, as well as revenues and costs, are affected by these assessments. Actual results may deviate from estimated amounts. Estimates and their associated assumptions are based on historical data and other factors that are deemed to be relevant and representative. These calculations form the basis for assessing the amounts recognised in respect of assets and liabilities that cannot be determined on the basis of other sources. The estimates and assessments section gives an account of accounting assessments made that significantly affect the financial accounts and of estimates with a considerable risk of significant adjustments in the next financial year.

Estimates and underlying assumptions are reviewed continually. Changes to accounting estimates are recognised in the period in which they occur if they only apply to that period.

If the changes also pertain to future periods, the effect is distributed over the current and future periods.

Note 3 Accounting principles

The accounting principles described below have been consistently applied to all companies in the Group in all periods.

Consolidation principles

SUBSIDIARY COMPANIES

The subsidiary companies include all entities where the Group has a deciding influence on the entity's financial and operational strategy, normally through the ownership of more than 50% of the voting capital, and where the entity constitutes an enterprise. Subsidiaries are consolidated from the date when control was transferred to the Group. Consolidation ceases on the date when the Group no longer has control.

Acquired subsidiaries are accounted for in the consolidated financial statements based on the parent company's acquisition cost. When acquiring a subsidiary company, the purchase price of the acquired undertaking must be distributed so that the opening balance of the Group reflects the estimated fair value of the assets and liabilities that have been acquired. In order to establish the fair value of an acquisition, alternative methods must be used for assets for which there is no active market. Excess value beyond that which can be attributed to identifiable assets and liabilities is recognised as goodwill. If the fair value of the equity in an acquired company exceeds the consideration paid, the excess is immediately recognised as income. The allocation of the purchase price upon consolidation is amended if new information appears about the fair value applicable on the date control was obtained, no later than 12 months after the acquisition took place.

IntraGroup transactions, balances and unrealised gains are eliminated. Unrealised losses are also eliminated but are considered to be an indicator of impairment, which would require an assessment to be made as to whether the transferred asset should be written down.

TRANSLATION OF FOREIGN CURRENCY

The bulk of the Group's activities are conducted in NOK.

The accounts of individual entities within the Group are measured in the currency used where the entity predominantly operates (functional currency). The consolidated financial statements are presented in NOK, which is both the functional currency of the parent company and the presentation currency of the Group.

Transactions and balance sheet items

Transactions in other currencies are converted to the functional currency using the transaction exchange rate. Foreign currency gains and losses resulting from the settlement of such transactions and from the conversion of monetary items (assets and liabilities) in other currencies at year-end using the exchange rate at the end of the reporting period are recognised in profit or loss.

Foreign currency gains and losses relating to loans, cash and cash equivalents are presented (net) as financial income or financial expenses. All other foreign currency gains and losses are presented on the line for other (losses) gains.

The currency effect of non-monetary items (both assets and liabilities) is included in the fair value assessment.

Group entities

The statements of financial position and comprehensive income of Group entities with a functional currency that differs from the presentation currency are translated as follows:

a) The statement of financial position is translated using the exchange rate at the end of the reporting period
b) The statement of comprehensive income is translated using the average exchange rate (if the average exchange rate does not give a reasonable overall estimate for the transaction exchange rate, then the transaction exchange rate is used)
c) Translation differences are taken to other revenues and costs and are specified as a separate item.

Financial instruments

The Group initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when the Group transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. All rights and liabilities in transferred financial assets that are created or retained as a result of the transfer are recognised separately as assets or liabilities.

Financial assets and liabilities are offset if the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Offset amounts are presented net in the statement of financial position.

CLASSIFICATION

The Group classifies its financial assets in the categories (1) financial assets at fair value through profit or loss, (2) loans and receivables, and (3) available-for-sale financial assets. Classification is dependent on the objective.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are financial assets that are held for trading. A financial asset is classified in this category if it was acquired primarily with a view to generating a gain from short-term price fluctuations. Attributable transaction costs are initially recognised in profit or loss when they are incurred. The instruments are measured at fair value, and changes in the value are recognised in profit or loss. Derivatives are classed as financial assets at fair value through profit or loss, unless they are part of a hedge relationship.

The fair value of forward exchange contracts is based on their listed market price if available. If the market price is not available, the fair value is determined by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract at a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. The quotes are tested for reasonableness by discounting estimated, future cash flows based on the terms and maturity of each contract, using the market interest rate for an equivalent instrument at the measurement date.

The fair value reflects the instrument's credit risk.

FINANCIAL DERIVATIVE INSTRUMENTS

The Group holds a limited number of financial derivative instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are recognised initially at fair value. Changes in fair value are recognised in profit or loss, except for hedging instruments that meet the criteria for hedge accounting.

The Group's criteria for classifying a derivative instrument as a hedging instrument follow the requirements of IAS 39 and are as follows:

1. There is sufficient documentation at the time of the inception of the hedge relationship that the instrument is effective
2. The hedging instrument is expected to be highly effective in offsetting the changes in fair value or cash flows of the hedged item
3. For a cash flow hedge, the transaction must be highly likely to occur
4. The effectiveness of the hedging instrument can be reliably measured, and
5. The hedging instrument is continually assessed and has proven to be effective

Hedging instruments classed as cash flow hedges offset variations in cash flows caused by changes in exchange rates, interest rates and market values. For cash flow hedges that meet the criteria for hedge accounting, all gains and losses on the effective part of the contract are recognised in comprehensive income, while those on the ineffective part are recognised in the income statement under finance.

Derivative financial instruments with positive fair value are classified as current assets if the remaining maturity of the hedged item is less than a year into the future, and as fixed assets when the remaining maturity of the hedged item is more than a year ahead. Financial derivatives with negative fair value are classified as a current liability if the remaining maturity of the hedged item is less than a year into the future, and as a long term liability when the remaining maturity is more than a year ahead.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classed as current assets unless they expire within 12 months of the end of the reporting period. Loans and receivables are classed as trade receivables, other long-term receivables and other receivables.

Trade receivables

Trade receivables are initially recognised at fair value. The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the end of the reporting period (the reporting date). Due to their short residual maturity, the nominal value of the receivables is deemed to reflect their fair value. Provisions for losses are accounted for when there are objective indicators that the Group will not receive payment in accordance with the original terms and conditions. The provision is the difference between the nominal/amortised cost and expected payment (present value of expected future cash flow) from the customer.

Trade payables and other short-term payables

Trade payables are measured at fair value when initially recognised and at amortised cost in subsequent periods. Due to their short residual maturity, the nominal value of the payables is deemed to reflect their fair value / amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits.

Share capital

Ordinary shares are classed as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity (share premium) net of any tax effects.

Tangible non-current assets

The Group's tangible non-current assets comprise production equipment, workshops and improvements to buildings and other operating equipment. Tangible non-current assets are recognised in the statement of financial position at cost less accumulated depreciation and write-downs. The cost price of tangible non-current assets is the purchase price including expenses directly attributable to the purchase of the asset. The cost of self-constructed assets includes the cost of materials, direct labour costs, borrowing costs and other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items, and restoring the site on which they are used.

Expenses incurred after the non-current asset has been put into use, such as ongoing daily maintenance, are recognised in profit or loss in the period in which they were incurred, except for other expenses expected to generate future economic benefits that are recognised as a part of the non-current asset.

If substantial, individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate components.

Gains and losses on disposal are included in the operating profit or loss.

Goodwill

The Group measures goodwill as the fair value of the consideration transferred, less the net amount (normally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Goodwill is distributed to cash-generating units and is not subject to an amortisation schedule but is tested for impairment annually and when there is an indication that a write-down is necessary. Goodwill write-downs are not reversed. For the purpose of testing goodwill for impairment, goodwill is allocated to the cash-generating units that are expected to benefit from the acquisition.

Intangible assets

RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge, is recognised in profit or loss as incurred.

Development activities include designs or plans for the production of new or substantially improved products and processes. Development expenditure is capitalised only if it can be reliably measured, if the product or process is technically or commercially viable, if future economic benefits are probable, and if the Group intends to and has sufficient resources to complete the development and to sell or use the asset. The expenditure capitalised includes materials, direct labour, directly attributable overhead costs and borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

The Group's intangible assets relate to identified excess value such as technology and customer relationships arising in connection with the acquisition of Bjørge Norcoat AS in 2007 and the acquisition of Beerenberg Holding AS by Beerenberg Holdco II in 2013, and also relating to in-house insulation technology (Benarx). See also Note 12 concerning intangible assets.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful life. Depreciation is calculated on the basis of the cost of the asset or other amount substituted for cost, less its residual value.

The economic useful life of our scaffolding was reassessed in 2010, and its period of use has now been set at 20 years. The period of use is the period in which the company expects to use the scaffolding and may thus be shorter than its economic useful life. The period of use and the residual value are assessed at the end of each reporting period and adjusted if necessary. Scaffolding are depreciated over a period of 15 years.

Containers and workshops are depreciated over a period of 10 years, while other production equipment and other assets are depreciated over a period of 3¬–7 years.

Intangible assets are amortised on a straight-line basis over their estimated useful life from the time they are available for use, since this most closely reflects the consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current period and comparative periods are as follows:

- Customer relationships 10 years
- Technology 10 years

Amortisation method, useful life and residual value are reviewed annually and adjusted if necessary.

Impairment losses

When the carrying amount of a non-current asset is higher than the estimated recoverable amount, the value is written down to the recoverable amount. The recoverable amount is the greatest of fair value less cost to sell and its value in use. The scope for reversing any previous write-downs (except goodwill) is assessed on each reporting date.

With the exception of inventories (see Inventories) and deferred tax assets (see Income tax), the carrying amount of the Group's fixed assets is continually assessed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (refer to Calculating the recoverable amount below).

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognised through profit or loss.

Impairments estimated for cash-generating units are allocated so that the carrying amount of any goodwill in the cash-generating units is reduced first. Next, the remaining impairment losses on the other assets in the unit are allocated pro rata based on the carrying amount.

If an impairment in the fair value of a financial asset available for sale has been taken directly to other income and expenses, and if there is objective evidence that the asset has been the subject of an impairment, the accumulated loss that has been recognised directly in other income and expenses in profit or loss will be recognised. This applies even if the financial asset has not been realised. The loss recognised in profit or loss is the difference between the acquisition cost at the time of acquisition and the current fair value, less any impairment of the financial asset previously recognised in profit or loss.

CALCULATING THE RECOVERABLE AMOUNT

The recoverable amount of an asset is the greater of the net selling price (less cost to sell) and value in use. The value in use is estimated by discounting expected future cash flows to their present value using a market-based risk-adjusted discount rate. For assets that do not generally generate independent cash flows, the recoverable amount is determined for the smallest cash-generating unit to which the asset belongs.

REVERSING IMPAIRMENT LOSSES

Impairment losses on goodwill are not reversed. In respect of other assets, impairment losses are reversed if there is any change to the estimates used to calculate the recoverable amount.

Lease agreements (as a lessee)

Leases under which the Group assumes substantially all the risks and rewards of ownership are classed as financial leases. Upon initial recognition the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is subject to the same accounting principle as equivalent assets.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

Inventories

Inventories are measured at an amount equal to the lower of acquisition cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The acquisition cost of manufactured inventories includes the direct cost of materials, direct labour and a share of indirect production overheads, while the acquisition cost of purchased inventories is the cost price based on the first-in-first-out principle and includes the cost incurred in acquiring the inventories, production or conversion overheads and other costs incurred in bringing them to their existing location and condition. In accordance with IAS 2.28, the value of inventories is written down to the net realisable value if the inventories have been damaged or have become wholly or partially obsolete or if the selling price has fallen.

Cost of sales for the year comprises the cost price of goods sold plus any write-down in accordance with IAS 2.28 at the end of the year.

Pension costs and pension obligations

Pension costs and pension obligations are treated in accordance with IAS 19R. Pensions are described in Note 18. The net pension costs for the period are classed as salary and personnel costs.

The Group operates a pension scheme financed by contributions paid into a separate legal entity (insurance company) in the form of a defined contribution plan. A defined contribution plan is a pension scheme under which the Group pays fixed contributions to the insurance company. The company has no further payment obligations once the contributions have been paid. The contributions are recognised in profit or loss as salary costs as incurred. Prepaid contributions are recognised as assets to the extent that they can be refunded or reduce future contributions.

The Group is a member of an AFP defined benefit scheme. A defined benefit plan is a pension scheme that is not contribution-based. The accounting obligations for defined benefit plans is the present value of the obligation at the balance sheet date less the fair value of plan assets. Gross obligation is calculated by independent actuaries that uses linear method ("unit credit method") for the calculation. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of corporate bonds (OMF). The Company believes that the interest rate for bonds can be used as these are traded in an active market and the securities are of high quality. Moreover, the term is in satisfactory compliance with the remaining contribution pension schemes. Gains and losses resulting from the recalculation of the liability resulting from experience variances and changes in actuarial assumptions are recognized in equity through other comprehensive income in the period they occur. The effect of changes in the plans' benefits are recognized immediately.

The ordinary pension scheme (which is a defined benefit plan) and the AFP scheme are both unfunded schemes.

At the turn of the year, a total of 6 retirees have signed up to the AFP plan. Provisions for future pension obligations have been made on recommendation by the Norwegian Accounting Standards Board.

The company recognises gains or losses on the curtailment or settlement of a defined benefit plan at the time the curtailment or settlement occurs. The gain or loss on a curtailment or settlement includes:

a) All changes in the present value of the defined benefit pension obligation resulting from the curtailment or settlement.

b) All changes in the fair value of the plan assets resulting from the curtailment or settlement.

c) All associated actuarial gains and losses as well as the cost of pension accruals from previous periods which, in accordance with specific exceptions described in IAS 19, has not previously been recognised.

A curtailment occurs when the company has either

a) demonstrably committed itself to substantially reducing the number of employees covered by a scheme, or

b) changed the terms and conditions of a defined benefit plan so that a significant element of the future service of current employees no longer qualifies for benefits or only qualifies for reduced benefits.

See further information in Note 18 on pensions.

Provisions

Provisions are accounted for when the Group has an obligation (legal or self-imposed) resulting from a previous event if it is likely (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be reliably calculated. If the effect is significant, the provision is calculated by discounting expected future cash flows with a discount rate before tax that reflects the market's valuation of the time value of money and, if relevant, risks specifically linked to this obligation.

WARRANTIES

A provision for warranties is recognised when the underlying products or services are delivered. The warranty period is normally two years. At the end of a project, a provision is made to meet any warranty claims and complaints. The provision is based on historical information about warranties weighted by the probability that a warranty expense will be incurred. It is normal for such provisions to be a fixed proportion of the contract value, but a larger or smaller provision may be made depending on the specific assessment of individual projects. Experience from previous projects provides the best basis for making both general and specific warranty provisions. Factors that may affect the size of the provision include the Group's quality measures and project implementation model.

RESTRUCTURING

A provision for restructuring is recognised once the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or been communicated to the affected parties.

ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the Group's expected revenue from a contract is lower than the unavoidable cost of meeting its contractual obligations. The estimated provision is the present value of the lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract. Before a provision is made, all impairment losses on assets associated with the contract are recognised.

Revenue recognition

Most of the company's revenues are associated with the sale of services, goods and hire of equipment in connection with maintenance contracts that the company has entered into. Revenues are recognised in accordance with IAS 18 Revenue. According to IAS 18.21 the percentage of completion method is also applied and the income is recognized in the periods in which the services are rendered. IAS 18.21 also refers to IAS 11. IAS 11 requires that revenue is recognized on this basis, and the requirements of IAS 11 is applied for recognition of revenue and associated costs for transactions involving services.

The majority of the Group's contracts is invoiced and recognized as income on basis of hours incurred multiplied by a defined hourly rate associated with the services provided, unit price contracts are recognized as income in accordance with measured progress and equipment rental is recognized as income in the period the equipment is leased.

Contract revenues include the initial amount agreed in the contract plus any variations in contract work, disputed amounts and incentive payments to the extent that it is probable that they will result in revenue and can be estimated reliably. When the outcome of a contract can be estimated reliably, the contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The outcome of a transaction may, according to IAS 18, be estimated reliably when:

a) The revenue can be reliably measured

b) It is probable that the economic benefits associated with the transaction will fall to the company

c) The stage of completion of the transaction at the end of the reporting period can be measured reliably

d) The expenses incurred in connection with the transaction and the expenses that will be incurred in completing the transaction can be measured reliably.

Contract expenses are recognised as incurred, unless they generate an asset related to future contract activity. Indirect expenses which are applicable to the company as a whole, or to the project activities, but which cannot be allocated to an individual project, are not included.

Revenue relating to ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates etc.

Revenue from services rendered is recognised when persuasive evidence exists that the work completed has been, or is highly likely to be, approved by the customer. This is assessed on the basis of the stage of completion of the service at the end of the reporting period. The stage of completion is assessed on the basis of work completed.

If the outcome of a maintenance contract cannot be measured reliably, the contract revenues are recognised only to the extent that the incurred contract expenses are expected to be met by the customer. An expected loss on a contract is recognised in profit or loss as incurred.

Revenue from the sale of goods is recognised when persuasive evidence exists that the significant risks and rewards of owning the goods have been transferred to the buyer. For sales of the company's products, transfer normally occurs once the product is received at the customer's warehouse or installation.

MAINTENANCE CONTRACTS

Most of the Group's turnover is associated with long-term maintenance contracts. As a general rule, these contracts are agreed with a fixed price per unit (unit price contracts) or a fixed price per hour, and variations thereof. What constitutes a unit varies from contract to contract, but it may be a square metre of surface treatment, for example.

At the end of each billing period, the Group reports to the customer the number of hours and/or number of units completed in the period. The former is based on the recorded and approved number of hours, while the latter is based on physical progress recorded by a detailed inspection. The customer reviews the supporting documentation and issues a payment certificate to the Group. On the basis of the payment certificate, the Group recognises the revenue for the period as income and bills the customer. By having the customer review the documentation of work completed and issue a payment certificate, the revenue has the prior approval of the customer.

DELIVERY OF MATERIALS

In some contracts, the delivery of materials is incorporated in the fixed hourly price or the fixed unit price. In other cases, the delivery of materials is billed separately. The delivery of materials is recognised as income when the materials have been put into use on a project or transferred to the customer in some other way.

OTHER REVENUES

On smaller projects, the work carried out in the period is billed and recognised as income based on work completed or, as a general rule, based on approved timesheets, but without the customer issuing a payment certificate in advance. Some smaller projects are also billed and recognised as income upon completion of the project. These types of projects will rarely stretch over multiple reporting periods. Letting of scaffolding and other equipment is invoiced and recognized as income in the period it has been let.

ACCRUED, NOT INVOICED CONTRACT REVENUES

Accrued, not invoiced contract revenues represent the value of completed contract work less payment from the customer. The value of completed contract work is measured at cost plus accrued net profit to date. Payment from customers is offset in the statement of financial position against contract work in progress. Received customer advances in excess of the amount allocated to inventories are classed as current liabilities.

Expense recognition / matching

Expenses are matched with and recognised alongside the revenues to which they can be allocated. Expenses that cannot be allocated directly to revenue are recognised as incurred. All expenses linked to the restructuring or discontinuation of an operation are recognised at the time the decision is made.

Government grants

The company receives various types of government grants in relation to its research and development activities. These may be funding through the SkatteFUNN scheme or other grants. Such grants, whereby the company is compensated for expenses incurred, are systematically recognised in profit or loss over the period that the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss over the useful life of the asset.

Finance income and finance costs

Finance income comprises interest income on funds invested during the year. Finance costs comprise interest costs incurred during the year.

Foreign currency gains and losses are reported on a net basis.

Income tax and deferred tax

Income tax expenses comprise current and deferred tax. Tax is recognised in profit or loss, except when it relates to items taken to other income and expenses or directly to equity, or are linked to business combinations. If this is the case, the tax is also taken to other income and expenses or directly to equity.

Tax payable for the period is calculated in accordance with tax laws and rules that have been enacted, or substantially enacted, by the tax authorities at the end of the reporting period. Taxable income is calculated on the basis of the legislation in the countries in which the Group's subsidiaries operate and generate taxable income.

Using the liability method, deferred tax is calculated on all temporary differences between the tax value and consolidated accounting value of assets and liabilities. The following temporary differences are not taken into account:

- Goodwill that is not tax deductible
- Initial recognition of assets or liabilities that affects neither accounting nor taxable profit or loss
- Differences relating to investments in subsidiaries that are not likely to reverse in the near future

Deferred tax is calculated using tax rates and tax legislation that have been enacted, or substantially enacted, at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be generated against which the deductible temporary differences can be realised.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset them.

Estimates and judgements

Estimates and judgements are reviewed on an ongoing basis and are based on historical information and other factors, including assumptions and future events that are deemed likely under the current circumstances.

ESTIMATES/ASSUMPTIONS

The Group produces estimates and makes judgements/assumptions about the future. The resulting accounting estimates will rarely correspond fully to the final outcome. Estimates and assumptions that entail a significant risk of substantial changes in the carrying amounts of assets and liabilities during the next accounting year are:

i) Tangible non-current assets – Depreciation and potential write-downs of equipment are based on assumptions concerning periods of use, residual value, expected revenues and interest rate levels. A negative change in the basic assumptions could lead to higher depreciation than previously and potentially to a write-down of the assets.

ii) Revenue recognition – As described in recognized sale of services for under IAS 18 Revenue. This includes income recognition according to the percentage of completion of physical progress in the service delivery, which in some cases lead to use of estimates.

The most significant source of uncertainty in respect of contract revenues relates to the estimation of supplementary work, additional requirements and bonus payments that are recognised as income to the extent that the Group finds it probable that they will result in additional revenue and that reliable estimates can be made. For many projects, there may be substantial changes to the agreed scope of work that may lead to a number of variations in contract work. It is normal for contracts to contain provisions for how such changes should be handled. At any given time there will be unapproved variations in contract work and requirements included in the contract revenues. Although the management has extensive experience in assessing the outcome of such negotiations, there will always be an element of uncertainty.

The cost of completion depends on both productivity factors and salary levels. Factors that may substantially affect cost estimates, requirements and variations in contract work include weather conditions, access to work sites, the price of raw materials and other circumstances that may have an effect on time use.

Revenue recognition of contracts with mobilisation and demobilisation costs requires assumptions to be made about the duration of the contract, including potential extension options, in order to allocate expenses and revenues from the mobilisation/demobilisation period over the delivery period. Changes in the delivery period may result in adjustments being made to the accrued amount.

iii) Income tax – On some projects, the company will operate outside Norway and must then comply with local legislation. On operations taking place abroad, the company will primarily operate as a sub-contractor to a customer with an established business in the country in question and will normally not incur any tax liabilities, as these will be assumed by the customer. Tax incurred in a third country will in some cases be income tax and in other cases operating expenses. An assessment of potential tax liabilities has been made, with the conclusion that the Group has no latent overseas tax liabilities as at 31.12.2014.

Capitalised tax assets usually arise as a result of loss carryforwards that can be used to reduce income tax on future profits. Recognition of such assets is based on having sufficient basis for assuming that such future profits will be available against which the loss carryforwards can be utilised. When the final outcome deviates from the original provision, the deviation will affect the tax payable and the provision for deferred tax in the period that the outcome becomes clear. Specific information about the Group's tax situation can be found in Note 10 Tax.

General assessments have been carried out of potential tax liabilities, but to date they have not resulted in any income tax being paid or provided for. Such assessments may be challenged and lead to tax being paid. The company normally hedges its contracts with customers so that the customer assumes the tax risk. However, there may be elements of uncertainty in relation to the extent of any tax refund and the cost of processing any tax claims.

iv) Pensions – The present value of pension obligations is based on a number of assumptions and depends on a number of factors determined on an actuarial basis. The assumptions used to determine the net pension cost include economic factors such as the discount rate, expected future wage inflation, inflation and the return on plan assets as well as demographic factors such as life expectancy, disability, early retirement and voluntary retirement. Any change in the assumptions will affect the estimated pension obligations. For further information see Note 18 Employee benefits – pensions.

v) Warranties – The warranty period is normally two years. At the end of a project, a provision is usually made to meet any warranty claims and complaints. It is normal for such provisions to be one per cent of the contract value, but a larger or smaller provision may be made depending on the specific assessment of individual projects. Experience from previous projects provides the best basis for making both general and specific warranty provisions.

vi) Goodwill – In accordance with the accounting principles, the Group performs tests annually, or more frequently if necessary, to determine whether goodwill recognised in the statement of financial position should be written down. The estimated recoverable amount is calculated on the basis of the present value of budgeted cash flows for the cash-generating unit. The calculations require the use of estimates and that they are consistent with the market valuation of the Group. Specific information about goodwill and the testing of carrying amounts is provided in Note 12 Intangible assets.

vi) Research and development – In accordance with the accounting principles, the Group performs tests annually, or more frequently if necessary, to determine whether recognised research and development should be written down. The estimated recoverable amount is calculated on the basis of the present value of budgeted cash flows for the cash-generating unit. The calculations require the use of estimates and that they are consistent with the market valuation of the Group. Specific information about research and development and the testing of recognised amounts is provided in Note 12 Intangible assets.

Events after the reporting period

New information after the reporting period about the company's financial position at the end of the reporting period has been taken into account in the financial statements. Events after the reporting period that do not affect the company's financial position at the end of the reporting period but that will affect the company's financial position in the future are disclosed if they are significant.

Refer to note 26 for events after the reporting period.

New and amended standards adopted by the group

No new standards or amendments of standards have been adopted by the Group in 2014.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for future annual periods, and have not been applied in preparing these consolidated financial statement. Amongst new standards that the Group have chosen not to early adapt, the most material are disclosed below

IFRS 9 'FINANCIAL INSTRUMENTS'

IFRS 9 Financial Instruments addresses classification, measurement, and recognition of financial assets, and financial liabilities and hedge accounting. The complete version of IFRS 9 was issued in July 2014. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 simplifies requirements of hedge accounting by tying the hedging effectiveness closer to risk management policies and allows for greater room for assessment. The implementation date for IFRS 9 is set for annual accounts for 2017, but early adoption is allowed. The Group has not yet fully evaluated the impact of IFRS 9.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and corresponding interpretations. The implementation date for IFRS 15 is set for annual accounts for 2017, but early adoption is allowed. The Group is currently evaluating the impact of IFRS 15.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Statement of cash flows

The Group's consolidated statement of cash flows shows the Group's total cash flows spread over operating, investing and financing activities. The statement shows the effect of each activity on the Group's liquid assets.

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term highly liquid investments with insignificant risk convertible into known amounts of cash with maturities less than three months from acquisition date.

Earnings per share

Basic earnings per share and diluted earnings per share are presented for ordinary shares. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share are determined by adjusting the profit or loss and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for dilutive potential.

Determination of fair values

The Group's accounting principles and note information require the determination of fair value for both financial and non-financial assets and liabilities. Fair values are determined for measurement and/or disclosure purposes based on the methods described below. If relevant, further information about the assumptions made is disclosed in the notes relating to the respective assets and liabilities.

TANGIBLE NON-CURRENT ASSETS
The fair value of property, plant and equipment is recognised at fair value if is part of a business combination. The fair value of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

INTANGIBLE ASSETS
The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method. The value is established residually by deducting a fair return on all other assets that together with customer relationships generate the cash flows used in the calculation.

The fair value of other intangible assets is based on the discounted expected cash flows derived from the use and subsequent sale of the assets.

INVENTORIES
The fair value of inventories acquired in a business combination is the estimated selling price in the ordinary course of business less the cost of completion and sale, to include a profit margin based on the effort required to complete and sell the inventories.

INVESTMENTS IN SHARES AND BONDS
The fair value of financial assets at fair value through profit or loss, investments held to maturity and available-for-sale financial assets is set to the quoted market price at the end of the reporting period. The fair value of held-to-maturity investments is only provided for disclosure purposes.

TRADE RECEIVABLES AND OTHER RECEIVABLES
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the end of the reporting period (the reporting date).

ACCOUNTS PAYABLE AND OTHER LIABILITIES
Trade payables are obligations to pay for goods and services from suppliers to the ordinary operations and are measured at fair value (historical cost)

Loans are recognized initially at fair value when the loan is paid, net of transaction costs. In subsequent periods, loans are measured at amortized cost using effective interest rate.

Other liabilities are measured at fair value.

Note 4 Financial risk management

As a global supplier of oil services, the Group is exposed to market risks (exchange rate risk and interest rate risk), credit risk, inflation risk and liquidity risk.

The Group has established procedures and guidelines for setting appropriate risk levels for its main risks and for monitoring its risk exposure. The Group's objectives for capital management are to sustain the Group's position as a going concern in order to generate a return for shareholders, to be of benefit to other interested parties, and to maintain an optimal capital structure in order to reduce the cost of capital.

Risk management for the Group is undertaken centrally in accordance with guidelines approved by the board of directors. The Group identifies, measures, manages and reports financial risks in collaboration with the various operating units.

Managing the capital structure involves actively monitoring and adjusting the composition in accordance with changes in financial and economic circumstances and in the risk linked to underlying assets. In order to maintain the desired capital structure, the Group may refinance debts, buy or issue new shares or debt instruments, or it may sell assets.

The Group continuously monitors counterparties in order to reduce risk relating to financing, investing excess liquidity, bank balances from operations and derivatives. The Group's guidelines impose limitations on exposure to individual counterparties and contain procedures for identifying risk factors when they occur.

The board produces written principles for the overarching risk management policy and issues written guidelines for specific areas such as exchange rate risk, interest rate risk, credit risk, the use of financial derivatives and other financial instruments and for investing excess liquidity.

Market risk

EXCHANGE RATE RISK
The Group predominantly operates in Norway, but some of its activities are international and thus exposed to exchange rate risks in several currencies. This risk is particularly relevant in relation to USD and EUR. Exchange rate risks emerge from current and future assignments and from recognised assets. The Group is exposed to exchange rate fluctuations because some of the Group's revenue is in USD and EUR, while its functional currency is NOK. Costs are incurred in various currencies: NOK, USD and EUR.

The management has drawn up guidelines instructing the Group entities to manage exchange rate risk relating to the entities' functional currencies. The Group entities are obliged to clear all significant exchange rate risks with the Group centrally. In order to manage the exchange rate risk arising from future commercial transactions and recognised assets and liabilities, the Group normally uses forward exchange contracts with its bank as hedging against all substantial, committed and expected cash flows.

The parent company used NOK as its functional currency. An assessment is made annually as to what is the actual functional currency of each entity in the Group.

The company has relatively insignificant investments in overseas subsidiaries where net assets are exposed to exchange rate risks upon translation.

Sensitivity analyzes related to exchange rate fluctuations is described in note 13.

MARKET RISK
The Group operates in the oil and gas market, which may have fluctuating market development, and Beerenberg will thus be affected by the oil companies behavior and the prevailing oil and gas prices. The fall in oil prices last half of 2014 shows that the level of activity is an important factor that influences behavior. To meet this development Beerenberg made a diversification towards different product areas and activity in new construction projects and maintenance and modification projects that mitigate fluctuations in activity to some extent.

On the Norwegian shelf, there is reason to believe that investment growth will slow down in the long term, which will affect the level of investment. To extend the activity and customer base, the Group has worked to expand its international presence, to accommodate market cycles on the Norwegian shelf.

Cash flows and fair value interest rate risk

Variable rate loans pose an interest rate risk to the Group's cash flows. The Group is exposed to interest rate risks relating to debts, including financial leasing. The weighted average effective rate of interest in relation to variable rate debt, including financial leasing, was 7.1% in 2014 (2013: 7,6%). The Group's interest-bearing assets comprise as of 31.12 of bank deposits (90,597). Changes in market interest rates would affect operating cash flows related to these interest-bearing assets, but to a relatively modest degree.

Interest rate risks are continually reviewed by looking at potential refinancing, renewal of existing contracts, alternative financing and hedging. Please see the note on loans. The Groups calculation of interest on contracts is entirely linked to liabilities.

If interest rates had been 1% (percentage point) higher/lower on loans in NOK in 2014 and all other variables were constant, this would have resulted in a reduction/increase in profit/loss after tax of NOK 6.4 million in 2014 (2013: 5.4) Equity would have been similarly affected.

This is due to higher/lower interest costs on variable rate loans.

Credit risk

Credit risks are assessed at Group level. The Group's financial assets that are exposed to credit risks are predominantly trade receivables. Trade receivables mostly concern multinational oil companies and independent oil and gas companies, including companies that are wholly or partially owned by foreign governments. The Group has also taken out credit insurance for all customers that are not oil companies. The Group handles its exposure to credit risk by carrying out continual credit checks of customers, and it makes provisions for losses on doubtful accounts.

Routines are incorporated to ensure that sales are only made to customers with satisfactory credit worthiness. The provisions made for losses on doubtful accounts are based on the management's best estimate of probable losses on outstanding balances from customers and take into account a number of factors, primarily receivables aging reports, past experience, customer concentration, the customer's financial strength and reputation.

If an independent credit rating of a customer is available, it will be used when determining a credit limit. If no independent assessment of the customer's credit worthiness is available, an assessment is carried out on the basis of the customer's financial position, history and other factors as appropriate. Individual limits for risk exposure are set on the basis of internal and external assessments of credit worthiness and of guidelines provided by the board of directors. Our customers are predominantly large international oil companies or government-owned oil companies. Such companies generally have very good credit ratings.

The Group have not provided any warranties that pose a significant risk.

Liquidity risk

The Group is exposed to liquidity risks relating to the repayment of debts and payments to suppliers. Cash flow forecasts are created for each operating unit within the Group and aggregated at Group level. Rolling forecasts for the Group's liquidity requirements are monitored centrally to ensure that the Group has sufficient cash equivalents to meet operating-related liabilities at all times. Such forecasts take into account the Group's planned loans, compliance with borrowing terms and compliance with internal targets for reporting figures.

Excess cash at the Group entities beyond that which constitutes necessary working capital is transferred to the Group's finance function. The Group's finance function invests excess cash in interest-bearing cash deposit accounts, choosing instruments with appropriate maturity dates and liquidity in order to obtain sufficient flexibility as determined by the above-mentioned forecasts. On the reporting date, the Group had bank deposits of NOK 90.6 million plus an unused overdraft of NOK 150 million, designed to meet the liquidity risk.

Note 13 shows the Group's interest-bearing financial liabilities classed according to maturity structure. Classification is carried out according to the due date stated in the contract. The amounts in the table are undiscounted contractual cash flows.

Risk relating to capital management

The Group's objectives for capital management are to sustain the Group's position as a going concern in order to generate a return for its owners and other interested parties and to maintain an optimal capital structure in order to reduce the cost of capital.

In order to improve its capital structure, the Group can adjust the level of dividends paid to shareholders, issue new shares, or sell assets to repay loans. The company has in 2014 chosen to use excess cash to buy back treasury Bonds at a discount. Per 31.12.2014 are no specific additional plans to buy treasury Bonds. The gearing in the Group for 31.12.14 and for 31.12.13 is shown in table below.

	2014	**2015**
Total debt	1 030 082	1 053 454
Less cashand cash equivalents	-90 597	-71 937
Net debt	939 485	918 517
Total Equity	330 249	290 605
Total Capital (adjusted)	1 269 734	1 272 122
Debt Ratio	**74 %**	**77 %**
Gearing	**2,8**	**3,4**

Note 5 Segment

(Amounts in NOK 1,000)

Operating segments are reported consistent with internal reporting provided to Chief Operating decision maker. Chief Operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is defined as the Group Executive Management. As at 31.12.14 there are two reporting segments in the Group, "Services" and "Benarx Solutions". Services includes business related to the traditional ISS activity of the company which is mainly related to major framework contracts. Benarx Solutions includes business involving production of insulation materials and related subsea insulation business. Organization and reporting in the two segments was established in 2014, ie the comparative figures for 2013 are pro forma and restated to what it would have been if reporting had been similarly per 31.12.13.

	Services		**Benarx Solutions**		**Not allocated**		**Eliminations**		**Consolidated**	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Operating revenue external	2 123 048	1 835 503	183 256	91 436					2 306 304	1 926 939
Operating revenue internal			80 772	77 334			-80 772	-77 334	-	-
Total Operating revenue	**2 123 048**	**1 835 503**	**264 028**	**168 770**			**(80 772)**	**(77 334)**	**2 306 304**	**1 926 939**
Direct cost	1 769 400	1 507 707	218 500	138 581			(80 772)	(77 334)	1 907 129	1 568 954
Gross profit	**353 648**	**327 796**	**45 528**	**30 188**			**-**	**-**	**399 176**	**357 985**
Admin & overhead	97 552	117 114	18 225	11 635	3 049	7 778			118 826	136 527
EBITDA *	**256 096**	**210 682**	**27 303**	**18 554**	**(3 049)**	**(7 778)**	**-**	**-**	**280 350**	**221 458**
Depreciation, amortisation and impairment losses	26 756	25 208	4 300	4 216		18 981			31 056	48 405
EBITA **	**229 340**	**185 474**	**23 003**	**14 338**	**(3 049)**	**(26 759)**	**-**	**-**	**249 294**	**173 053**

*) Operating result before depreciation, amortisation and impairment losses
**) Operating result before amortisation

ASSETS	**Services**		**Benarx Solutions**		**Not allocated**		**Consolidated**	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Intangible assets	167 401	6 659	19 754	7 093		209 855	187 156	223 606
Goodwill	683 860	690 145	200 000	200 000			883 860	890 145
Property, plants and equipment	174 907	148 016	28 579	17 178		5 126	203 486	170 320
Loans to enterprises in the same Group					608	-	608	-
Other investments			41				41	-
Total Noncurrent assets	**1 026 168**	**844 820**	**248 374**	**224 271**	**608**	**214 980**	**1 275 151**	**1 284 071**
Goods	15 136	16 387	23 674	37 898			38 810	54 286
Accounts receivable from customers	192 096	145 431	22 899	30 377			214 995	175 808
Other receivables	20 091	24 360	3 003	3 552			23 094	27 912
Earned, not invoiced	217 254	159 813	21 494	5 204			238 748	165 017
Cash at bank, cash in hand and similar	-		-		90 597	71 937	90 597	71 937
Total current assets	**444 577**	**345 992**	**71 070**	**77 031**	**90 597**	**71 937**	**606 244**	**494 959**
Total Assets	**1 470 745**	**1 190 812**	**319 444**	**301 302**	**91 205**	**286 917**	**1 881 395**	**1 779 031**

GEOGRAPHIC
Revenue is also measured according to wheter it is earned in Norway/on the Norwegian Continental Shelf (NCS) or internationally (ICS).

	NCS		ICS		Consolidated	
	2014	2013	2014	2013	2014	2013
Total Operating revenue	2 236 549	1 875 724	69 755	51 215	2 306 304	1 926 939

EBITDA for reporting segments	**2014**	**2013**
Depreciation, amortisation and impairment losses	280 350	221 458
Net finance costs	72 018	104 217
Result before tax	149 345	85 730
Resultat før skatt	58 988	31 511

Revenue from customers who make up more than 10% of total revenue
Revenue from 3 customers make up more than 10% of total revenue in 2014.
Revenues from customer 1 amounted to 1,014,090 (2013: 1,049,530)
Revenues from customer 2 amounted to 707,076 (2013: 558,555)
Revenues from customer 3 amounted to 269,494 (2013: 43,505)

Note 6 Operating revenues

(Amounts in NOK 1,000)

	2014	01.03-31.12 2013
Sales revenue		
Revenues from services	1 823 233	1 368 859
Revenues from sale of goods	241 729	138 314
Revenues from hiring of equipment	235 107	164 266
Total sales revenue	**2 300 069**	**1 671 439**
Other revenue		
Gains from sale of assets	6 235	0
Total other revenue	**6 235**	**0**
Total operating revenue	**2 306 304**	**1 671 439**

Note 7 Other operating costs

(Amounts in NOK 1,000)

OTHER OPERATING COSTS
Beerenberg Holdco II's other operating costs totals 384,298. (239.339 for 2013).
70–80% of these costs are project costs.

Other costs are costs relating to premises and associated costs, IT, insurance premiums, contingents, marketing and patent costs.

	2 014	01.03-31.12 2013
Travel expenses	118 019	81 710
Rental of equipment	67 407	45 017
Other project costs	93 989	47 607
Consultancy fees	42 371	22 247
Facilities	31 192	22 236
IT	17 523	10 971
Other	3 361	2 344
Insurance	3 348	2 475
Membership fees	2 189	1 791
Market	4 269	2 870
Patents	630	71
Total other operating costs	**384 298**	**239 339**

Auditor's fee	**2014**	**2013**
Statutory auditing	1 103	1 050
Other certification services	0	69
Tax advice	818	28
Other non-audit services	557	407
Total	**2 478**	**1 555**

The sums stated are exclusive of VAT.

Note 8 Personnel costs

(Amounts in NOK 1,000)

Personnel costs	2 014	01.03-31.12 2013
Salaries incl. holiday pay	956 956	729 695
National Insurance contributions	145 819	104 243
Pensions	28 545	24 420
Contract personnel	348 032	283 543
Other employee benefits	17 332	12 563
	1 496 684	**1 154 464**
Number of FTEs	2 125	1663 *

* As the Group accounts covers the period from 01. march to 31. December 2013 this is estimated FTE for 10 months.

Note 9 Finance income and finance costs

(Amounts in NOK 1,000)

Finance income and finance costs	2014	01.03-31.12 2013
Other finance income	4 095	0
Interest income from other sources	2 712	840
Foreign exchange gains, realised	1 471	1 535
Foreign exchange gains, unrealised	159	256
Finance income	**8 437**	**2 631**
Bank interest costs	30 468	43 568
Bond interest cost	35 341	0
Interest expense refinancing fee	37 875	0
Leasing interest costs	560	687
Interests from vendors and other interest costs	2 503	7 634
Foreign exchange losses, realised	1 264	1 208
Foreign exchange losses, unrealised	0	-906
Interest on loan to shareholder loan	18 917	30 247
Change in market value derivatives (not hedge accounted)	30 853	0
Finance costs	**157 782**	**82 437**
Net finance costs recognised in income statement	**-149 345**	**-79 806**

Note 10 Tax

(Amounts in NOK 1,000)

	2014	01.03-31.12 2013
Tax payable has been calculated as follows		
Ordinary result before tax	**58 988**	17 032
Permanent differences	**2 912**	-14 780
Change in differences that are not included in the basis for deferred tax assets / liabilities	**14 502**	0
Change in differences included in the basis for deferred tax assets / liabilities	**14 875**	14 141
Change in losses to be carried forward	**51 404**	0
Basis for tax payable	**142 681**	16 393
Tax payable on the result for the year	**38 524**	4 590
Tax cost is calculated as follows:		
Tax payable on the result of the year	**38 524**	4 590
Corrections to previous years	**1 273**	-5 952
Gross changes deferred tax	**-21 811**	-4 607
Change deferred tax due to change of tax rate	**0**	-2 449
Total tax cost for the year	**17 986**	-8 420

	31.12.2014	31.12.2013
Tax payable on the balance sheet has been calculated as follows		
Tax payable on the result for the year	**38 524**	4 590
Tax payable for earlier periods, non-assessed	**0**	4 065
Total tax payable	**38 524**	8 655
Spesification of the basis for deferred tax/deferred tax concessions changes over profit and loss.		
Additions through business combinations	**157 940**	189 286
Fixed assets	**46 987**	37 372
Current assets	**24 351**	31 673
Liabilities	**-11 663**	-12 731
Derivatives	**0**	-709
Precluded interest deduction to be carried forward	**-14 728**	0
Loss brought forward in foreign subsidiaries	**0**	-14 502
Total	**202 887**	230 388
Differences that are not included in the calculation of deferred tax	**0**	14 502
Losses and deduction to be carried forward	**-51 404**	0
Total basis for deferred tax	**151 484**	244 890
Deferred tax changes over profit and loss	**40 901**	66 120
Spesification of the basis for deferred tax/deferred tax concessions changes over OCI	**2014**	2013
Temporary differences		
Derivatives	**-2 139**	0
Basis for deferred tax/deferred tax concessions changes over OCI	**-2 139**	0
Deferred tax changes over OCI	**-578**	0
Deferred tax obligations	**40 323**	66 120
Explanation as to why the tax for the year does not amount to 27% of the result before tax		
27% of the result before tax	**15 927**	4 769
Permanent differences (27%)	**786**	-4 138
Errors in previous years	**1 273**	-5 952
Changes to deferred tax profit brought forward in foreign subsidiaries	**0**	-649
Change deferred tax due to change of tax rate	**0**	-2 449
Calculated tax	**17 987**	-8 420

Corrections to previous years in 2014 is as a result of a change in the tax assessment for the year 2013, after the accounts for 2013 were prepared.

Corrections to previous years in 2013 is as a result of a change in the tax assessment for the year 2010.

Note 11 Property, plant and equipment

(Amounts in NOK 1,000)

31.12.2014	Vehicles	Production equipment	Telecoms & IT	Buildings, barracks and halls	Total 31.12.2014
Acquisition cost 01.01	16 521	293 531	11 493	47 744	**369 288**
Acquisitions of non-current assets	1 293	64 501	2 513	1 274	**69 581**
Disposals		(2 010)	-	(10 545)	**(12 554)**
Discarded assets/adjustment	-		-		**-**
Acquisition cost 31.12	**17 814**	**356 023**	**14 006**	**38 473**	**426 315**
Accumulated depreciation 01.01	14 007	151 210	9 395	24 358	**198 969**
Depreciation for the year	962	24 160	1 046	4 520	**30 688**
Write-downs for the year	-	361	-	8	**368**
Disposals – accumulated depreciation	-	(846)	-	(6 350)	**(7 196)**
Discarded assets/adjustment	-	-	-	-	**-**
Accumulated depreciation 31.12	**14 969**	**174 885**	**10 441**	**22 536**	**222 830**
Capitalized value 31.12	**2 846**	**181 138**	**3 565**	**15 937**	**203 486**
Economic useful life	5-7 years	5-10-15 years	3 years	10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	Straight-line	

The Group has entered into leasing agreements on a number of non-current assets. Leasing agreements last for 5 years and are treated as financial leasing. Leasing agreements are generally entered into at a variable interest rate at 1 month NIBOR + a margin of 1 - 2,2%. No leasing agreements includes buyout-options at the end of the leasing periods. However, at the end of the leasing periods the Group can ask for an offer to buy the equipment. This is generally given at a price varying around 2 months leasing amounts. The Group will normally utilize such offers.

The book value of leased material as of 31.12.2014 is 15,153, and relates mainly to scaffolding (11,212), a portable cabin (718) and vehicles (1,573). For reference the book value of leased material as of 31.12.13 was 20,878, of which 12,804 was scaffolding, 4,529 a portable cabin, and 2,208 was vehicles.

The Group rents generators and a portable cabin complex as well as office and production buildings and residential property. These have not been capitalised as the associated leasing agreements are not considered financial leasing according to IFRS.

31.12.2013	Vehicles	Production equipment	Telecoms & IT	Buildings, barracks and halls	Total 31.12.2013
Acquisition cost 01.03	13 972	290 424	11 458	48 709	**364 563**
Acquisitions in-house R&D	2 549	34 507	35	5 445	**42 535**
Acquisitions of non-current assets	-	(30 942)	-	(6 868)	**(37 810)**
Disposals	-	(458)	-	458	**-**
Acquisition cost 31.12	**16 521**	**293 531**	**11 493**	**47 744**	**369 288**
Accumulated depreciation 01.03	13 351	132 950	8 401	25 882	**180 583**
Depreciation for the year	656	18 430	994	4 344	**24 424**
Write-downs for the year	-	17 981	-	1 000	**18 981**
Disposals – accumulated depreciation	-	(18 151)	-	(6 868)	**(25 019)**
Discarded assets/adjustment	-	-	-	-	**-**
Accumulated depreciation 31.12	**14 007**	**151 210**	**9 395**	**24 358**	**198 969**
Capitalized value 31.12	**2 514**	**142 321**	**2 098**	**23 386**	**170 320**
Economic useful life	5-7 years	5-10-15 years	3 years	10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	Straight-line	

Note 12 Intangible assets and Goodwill

(Amounts in NOK 1,000)

INTANGIBLE ASSETS 31.12.2014	* Cutting technology	Benarx	Benarx certification	Patents and development projects	Software	3GS New Operating Model	Goodwill	Customer relationships	Total 31.12.2014
Acquisition cost 01.01	7 216	57 834	853	6 422	29 387	6 705	890 145	259 260	1 257 821
Acquisitions in-house R&D				3 214					3 214
Acquisitions of non-current assets			1 300						1 300
Adjustment							-6 285		-6 285
Disposals					-4				-4
Acquisition cost 31.12	**7 216**	**57 834**	**2 153**	**9 636**	**29 383**	**6 705**	**883 860**	**259 260**	**1 256 047**
Accumulated amortisation 01.03	2 116	41 099	-	1 151	17 460	914	-	81 329	144 069
Accumulated write-downs 01.03									
Amortisation for the year	600	5 839	196	1 295	5 199	1 341		26 480	40 950
Write-downs for the year				11					11
Disposals – accumulated amortisation									-
Disposals – accumulated write-downs									-
Accumulated amortisation 31.12	**2 717**	**46 937**	**196**	**2 446**	**22 659**	**2 255**	**-**	**107 809**	**185 019**
Accumulated write-downs 31.12	**-**	**-**	**-**	**11**	**-**	**-**	**-**	**-**	**11**
Capitalised value 31.12	**4 499**	**10 897**	**1 957**	**7 179**	**6 724**	**4 450**	**883 860**	**151 451**	**1 071 016**
Economic useful life	10 years	10 years	5 years	5 years	5 years	5 years		10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line		Straight-line	

* Cutting technology related to the business in Beerenberg Inc is impaired and sold in 2013.

The Beerenberg Holdco II AS Group has recorded goodwill to the amount of 883,860. This goodwill is primarily allocated to the employees, corporate culture, know-how and synergies that can be realised in connection with the acquisition of subsidiaries. Stable operative management is achieved through the active ownership of key personnel in the acquired company. This will help generate positive cash flows in the business areas acquired by the Group in 2013. In 2013 Beerenberg Holding AS was aquired by Beerenberg Holdco II AS, generating a Goodwill of 890 145. The purchase price was however adjusted in 2014 due to a clause in the purchase agreement. This correction in the purchase price resulted in a correction of goodwill as shown in the table above.

The company has a good order portfolio and is developing technology that will help the company develop vertically and horizontally throughout the value chain and increasing the volume of technology-based services. Intangible assets are measured on the basis that the asset will give future economic benefits, that the acquisition cost is identifiable, and that it has a long useful life.

By exploiting existing synergies, the company will be able to make use of the market opportunities they offer through improved access to expert personnel.

On that basis and on the basis of estimated future revenues, budgets, strategy documents etc. the Group can justify that acquired goodwill will have a value in excess of the book value based on budgets and strategy plans for the cash-generating units to which the goodwill has been allocated.

In accordance with IAS 36 it has in 2013 been performed test for impairment. According to this standard the company shall estimate recoverable amount, and compare this to book values including Goodwill. By the end of 2014 the group has two cash-generating units (CGU), “Benarx Solutions” which consists of business related to the production of insulation materials and subsea related insulation business, and “Services”, which consists of the traditional ISS activity of the company mainly related to larger framework contracts. Goodwill is allocated with 200,000 to CGU Benarx Solutions, and 683,860 to CGU Services. Goodwill is tested for impairment by comparing capital employed in the two CGU against the present value of expected cash flows of the CGUs.

Budget and forecasts approved by the Board of Directors for the next 3 years is the basis for the test of impairment. During this period, the EBIT margin is estimated to 11-12%. Furthermore, the required rate of return is set to 11%, while no terminal growth rate is applied. The required rate of return is built up using the WACC method (weighted average cost of capital). Applied assumptions are: risk free rate of 1.9 %, the company's borrowing margin above the risk free rate of 5%, equity market premium of 6%, an equity beta of 1.1, alpha-premium of 4%, and a tax rate of 27%.

The sensitivity for the impairment test for 2014 are, if the operating profit in coming years will be reduced by 34% compared to what is assumed in the budget / forecast, or if the required rate of return (currently 11%) is increased to more than 17%, the Group would have to assess impairment of part of Goodwill allocated to CGU Benarx Solutions. For CGU Services a further deterioration of operating results must occur, or an even higher required rate of return must be applied before a potential impairment situation arises.

The Group believes that no reasonable changes in the assumptions that have been used for testing impairment, could result in a lower value of future cash flows than the net capital employed.

IMMATERIELLE EIENDELER 31.12.2013	* Cutting technology	Benarx	Benarx certification	Patents and development projects	Software	3GS New Operating Model	Goodwill	Customer relationships	Total 31.12.2013
Acquisition cost 01.03	28 259	57 834	-	4 589	31 461	6 043	890 145	259 260	1 277 591
Acquisitions in-house R&D	-	-	-	1 982	-	-	-	-	1 982
Acquisitions of non-current assets	146	-	853		21	662	-	-	1 681
Disposals	-21 188	-	-	-149	-2 095	-	-	-	-23 432
Acquisition cost 31.12	**7 216**	**57 834**	**853**	**6 422**	**29 387**	**6 705**	**890 145**	**259 260**	**1 257 821**
									-
Accumulated amortisation 01.03	1 947	35 782	-	422	14 344	147	-	59 212	111 853
Accumulated write-downs 01.03	-	-	-	-	-	-	-	-	-
Amortisation for the year	170	5 317	-	766	4 618	767	-	22 117	33 754
Write-downs for the year	17 763	-	-	-	594	-	-	-	18 357
Disposals – accumulated amortisation	-	-	-	-36	-1 501	-	-	-	-1 537
Disposals – accumulated write-downs	-17 763		-		-594				-18 357
Accumulated amortisation 31.12	**2 116**	**41 099**	**-**	**1 151**	**17 460**	**914**	**-**	**81 329**	**144 069**
Accumulated write-downs 31.12	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
									-
Capitalised value 31.12	**5 100**	**16 735**	**853**	**5 270**	**11 927**	**5 791**	**890 145**	**177 931**	**1 113 752**
Economic useful life	10 years	10 years	5 years	5 years	5 years	5 years		10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line		Straight-line	

Note 13 Financial instruments

(Amounts in NOK 1,000)

Exposure to credit risk

The capitalised value of financial assets represents maximum credit exposure. Maximum exposure to credit risks on the reporting date was:

	Capitalised value	
	2014	**2013**
Trade receivables	214 995	175 808
Loans to parent company	608	0
Advances to employees	1 136	3 276
Other receivables	21 958	24 636
Cash and cash equivalents	90 597	71 937
Total	**329 294**	**275 657**

IMPAIRMENT LOSSES

The age distribution of trade receivables as at 31.12 was as follows:

	2014		2013	
	Gross	**Impairment**	**Gross**	**Impairment**
Not overdue	201 060		132 159	
0–30 days overdue	6 602		28 138	
31–90 days overdue	6 098		7 474	
More than 90 days overdue	3 335	2 100	9 637	1 600
Total	**217 095**	**2 100**	**177 408**	**1 600**

Change in provision account for impairment of trade receivables:

	2014	**2013**
Opening balance	1 600	602
Change in allowance for impairment	500	998
Recognised impairment loss		
Closing balance	**2 100**	**1 600**

Based on past experience, any trade receivables not yet overdue do not require a write-down for impairment losses to be performed. 90%+ of the receivables relates to a few multinational oil companies with good payment history.

The allowance for impairment is increased compared to 2013, due to some uncertainty relating to receivables from foreign customers.

Liquidity risk

Contractual payments due in relation to financial commitments, including rent payments, are:

As at 31.12.14	Capitalised value	Contractual cash flows	6 months or earlier	6-12 months	1-2 years	2-5 years	More than 5 years
Interest-bearing leasingdebts *	5 718	5 718	2 304	843	1 097	1 474	
Interest-bearing long term debt ***	1 023 987	1 286 395	34 485	34 485	68 970	1 148 455	
Accrued interests	377	377	377				
Trade payables	137 438	137 438	137 438				
Other current liabilities	180 232	180 232	180 232				
Overdraft facility	0	0					
Total	**1 347 752**	**1 610 160**	**354 836**	**35 328**	**70 067**	**1 149 929**	

* Current interest rates on leasing debt is 3 month NIBOR plus margin of about 1% - 2.2%

** Interest-bearing long-term debt consists of a bond with the principal amount 1,100,000. Capitalized value includes transaction costs that are expensed as interest during the course of the loan (21,000) and nominal amount of treasury bonds (55,000)

As at 31.12.13	Capitalised value	Contractual cash flows	Not specified	6 months or earlier	6-12 months	1-2 years	2-5 years	More than 5 years
Interest-bearing leasingdebts *	15 430	15 430		2 950	2 950	4 475	5 019	36
Prepaid fee **	-1 602	0						
Interest-bearing debts ***	713 169	988 019		35 455	35 455	101 952	346 413	468 744
Accrued interests	3 210	3 210		3 210				
Trade payables	71 472	71 472		71 472				
Other current liabilities	204 463	204 463		204 463				
Debt to parent company ****	323 247	323 247	323 247					
Overdraft facility	0	0						
Total	**1 329 389**	**1 282 594**	**323 247**	**317 549**	**38 405**	**106 427**	**351 432**	**468 781**

* Next year installment of leasing debt (5.900) is classified as short term debt

** For expansion of warranty and overdraftfacility, a bankfee was paid "up front" in December 2013. This bank fee is accrued over the term of the current bank agreement.

*** Next year installment of loan (34.650) is classified as short term debt

**** Debt to parent company must at the latest be repaid before 20.february 2023

The cash flows described in the maturity analysis are not expected to occur at a significantly earlier date or with significantly different amounts.

Book value of leasing arrangments are nominal values of future lease payments including interest. Due to the relatively short time horizon and low interest rates (3% - 4%) on leasing agreements, the nominal amounts are not discounted, so that the nominal value of the liabilities is deemed to reflect fair value

Exchange rate risk

	31.12.14				31.12.13			
	Euro	USD	DKK	MYR	Euro	USD	DKK	MYR
Cash and cash equivalents						43		
Trade receivables	122	635		-		89	169	329
Trade payables	-183				-141	11		
Gross exposure	**-61**	**635**	**-**	**-**	**-141**	**144**	**169**	**329**

Significant exchange rates during the year:	Average exchange rate 2014	Average exchange rate 2013	Spot exchange rate 2014	Spot exchange rate 2013
Euro	8,353	7,809	9,037	8,383
USD	6,302	5,870	7,433	6,084
DKK	1,121	1,047	1,214	1,124
MYR	1,925	1,865	2,126	1,857

A decrease in NOK against the following currencies at the end of the year would have increased/(reduced) equity and profit by the amounts given below. The analysis is based on changes in the exchange rate within a reasonably possible range. The possible range is defined by the management at the end of the accounting year. The analysis assumes that other variables, particularly interest rates, remain constant. The analysis was carried out on the same basis as in 2013.

		Effect for 2014		Effect for 2013	
Currency	Change	Equity	Profit/loss	Equity	Profit/loss
EURO	10 %	-40	-40	-85	-85
USD	10 %	344	344	63	63
DKK	10 %	-	-	14	14
MYR	10 %	-	-	44	44
Total effect		**304**	**304**	**35**	**35**

An increase in NOK against the above-mentioned currencies as at 31 December would have given the same figures, but with the opposite effect, once again assuming that other variables remain constant.

Interest rate risk

At the end of the year, the interes rate profile for the Group's interest-bearing financial instruments was as follows:

	Capitalized value 2014	2013
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	323 247
Total		
Variable rate instruments		
Financial assets		-
Financial liabilities	1 406 486	728 600
Total	**1 406 486**	**728 600**

FAIR VALUE AND CAPITALISED VALUE

The fair value and capitalised value of financial assets and liabilities:

	31.12.14		31.12.13	
	Capitalized value	Fair value	Capitalized value	Fair value
Assets carried at amortised cost				
Trade receivables	214 995	214 995	175 808	175 808
Other receivables	608	608	-	-
Cash and cash equivalents	90 597	90 597	71 937	71 937
Total	**306 200**	**306 200**	**247 745**	**247 745**
Liabilities carried at amortised cost				
Loan	1 030 082	1 030 082	1 053 454	1 053 454
Trade payables	137 438	137 438	71 472	71 472
Total	**1 167 520**	**1 167 520**	**1 124 926**	**1 124 926**

The methods used to measure the fair value of financial instruments are described in the note on the Group's accounting principles.

Note 14 Goods

(Amounts in NOK 1,000)

	2014	2013
Raw materials	32 221	51 455
Work in progress	3 251	566
Finished goods	5 338	2264
Provision for obselete goods	(2 000)	0
Total Goods	**38 810**	**54 286**

As of 31.12.2014 a provision for obselete goods of 2,000 is booked.

As of 31.12.2013, there was no provision for obsolete goods.

Note 15 Trade receivables and other receivables

(Amounts in NOK 1,000)

TRADE RECEIVABLES	2014	2013
Trade receivables at face value	217 095	177 408
Provision for losses on claims	(2 100)	(1 600)
	214 995	**175 808**
Earned, Not invoiced contract revenues	238 748	165 017
Total accounts receivables and earned not invoiced contract revenues	**453 743**	**340 825**

OTHER RECEIVABLES	2014	2013
Advances to employees	1 136	3 276
Other receivables	21 958	24 636
Total other receivables	**23 094**	**27 912**

Note 16 Bank deposits and cash equivalents

(Amounts in NOK 1,000)

Bank deposits and cash equivalents		2014	2013
Bank deposits		90 597	71 937
		90 597	**71 937**

Currency		2014	2013
Foreign Currency	USD	-	264

OVERDRAFT LIMIT
Beerenberg Corp AS has an overdraft limit of 150,000. Deductions as at 31.12.2014 amounted to 0.

TAX WITHHOLDING GUARANTEE LIMIT
At the start of the year the Group had a guarantee limit for tax deducted at source of 52,000. This limit was increased to 60,000 in August 2014.

Note 17 Share capital and shareholder information

(Amounts in NOK 1,000)

SHARE CAPITAL AND SHAREHOLDER INFORMATION
The Company's share capital is 26.730 distributed on 267.300.000 shares. Nominal value per share is 0,0001. All shares are owned by Beerenberg Holdco I AS.

Earnings per share is 0,00015 for 2014 compared to 0,0001 for 2013.

Basic earnings per share are based on the profit/loss attributable to ordinary shares and on the weighted average number of ordinary shares outstanding. Diluted earnings per share are identical as there is no dilutive effect.

CONVERSION RESERVE
This fund includes all foreign exchange differences related to the conversion of financial statements from foreign subsidiaries.

HEDGING RESERVE
This fund includes changes to market value of derivatives.

Note 18 Employee benefits – pensions

(Amounts in NOK 1,000)

MANDATORY OCCUPATIONAL PENSION
The company is obliged to operate an occupational pension scheme in accordance with the Norwegian act on mandatory occupational pensions. The company's pension schemes satisfy the provisions of this act.

DEFINED BENEFIT PENSIONS
In a pension reform in Norway in 2010, the old AFP-scheme was discontinued and replaced with a new AFP-scheme. The company is part of the old AFP scheme, which means that the employees had a choice to take early retirement from the age of 62. The scheme entitled members to defined future benefits from the age of 62 to 67.

These benefits depend primarily on the number of years of service, salary upon reaching pension age and the extent of the benefits paid by the Norwegian National Insurance Scheme. The AFP scheme is defined as an multi-company unfunded defined benefit scheme. The pension obligation is calculated by an independent actuary.

No funds have been invested in the Group's defined benefit schemes since the schemes are unfunded schemes.

The following assumptions have been made when calculating the obligation related to the ordinary defined benefit scheme.

Financial:	2014	2013
Discount rate	3,00%	4,10%
Salary adjustments	3,25%	3,75%
"G" adjustments / inflation	3,00%	3,50%
Pension adjustments	3,00%	3,50%

Demographic:		
Mortality	K2013/KU	K2013/KU

Pension cost:	2014	2013
Current value of pension accruals for the year	0	0
Interest expense/income	21	29
Amortisation of actuarial (gain)/loss	0	0
Recognised one-off effect as a result of discontinuation of scheme	0	0
Administration costs	0	0
Accrued National Insurance contributions	3	4
Net accrued pension cost of defined benefit scheme	**23**	**33**
One-off impact as a result of deficiency in the AFP scheme	-1 430	-1 481
Cost of contribution-based scheme and other pension costs	29 952	29 389
Total pension cost including payroll taxes	**28 545**	**27 941**

Pension obligation, unfunded schemes:	2014	2013
Estimated pension obligation	175	832
Estimated plan assets	0	0
Estimated obligation – AFP shortfall	1 301	3 737
Estimated net pension obligation	**1 477**	**4 569**
Unrecognised change in actuarial gain/(loss)	0	0
Net pension obligation	**1 477**	**4 569**
Accrued National Insurance contributions	25	117
Pension obligation	**1 501**	**4 686**

The actuarial assumptions are based on assumptions generally applied in the insurance industry with regard to demographic factors. Since the actuarial liabilities only includes the AFP-scheme which is beeing wound up, changes in assumptions will only result in insignificant effects.

The old AFP scheme was discontinued in 2010. Upon discontinuing of the scheme it was an underfunding of the scheme that the member companies had to cover through premiums over the next five years. It was estimated and booked a provision in the accounts in 2010 for this obligation. Remaining obligation related to underfunding of old AFP-scheme is pr 31.12.14 1301.

A new AFP scheme has been established to replace the old AFP scheme. Unlike the old scheme, the new AFP scheme is not an early retirement scheme but a scheme that pays a lifelong supplement to ordinary pension benefits.

Employees may elect to join the new AFP scheme from the age of 62 while continuing to work, and they will accrue additional benefits by continuing to work until the age of 67. The new AFP scheme is a defined benefit multiemployer pension scheme and is financed by premiums set as a percentage of salary. There is currently no reliable measurement and allocation of obligations and assets under the scheme. The scheme is accounted for as a contribution-based pension scheme whereby premium payments are recognised as an expense as incurred and no provisions are made in the financial statements.

The difference between the booked pension liabiltity 7,949, and the presented pension liability above of 1,501 is related to accruals conserning mandatory occupational pension (247) and expanded pension agreements for executives. (6.200). The pension agreement for executives is a contribution based pension agreement.

Note 19 Remuneration of key employees

(Amounts in NOK 1,000)

DIRECTORS' FEES	2 014	2013
Chariman Ketil Lenning	400	343
Total for 4 board members elected by shareholders	1 019	600
Board members elected by employees *	90	68

* This applies to directors' fees for board positions in subsubsidiary Beerenberg Corp AS.

GROUP EXECUTIVE MANAGEMENT

2014	Position	Period	Salary	Bonus *	Other Compensations
Morten Walde	CEO	01.01-31.12	2 797	1 887	45
Arild Apelthun	CFO	13.10-31.12	381		3
Ove Solem	EVP	01.01-31.12	1 750		16
Ola Jordal	EVP	01.01-31.12	1 132	713	3
Tore Angelskår	EVP	01.01-31.12	1 795	1 172	35
Stig Tuastad	EVP	01.01-31.12	1 512	1 003	24

2013	Position	Period	Salary	Bonus	Other Compensations
Morten Walde	CEO	01.01-31.12	2 678	381	43
Ove Solem **	EVP	14.10-31.12	289		2
Ola Jordal	EVP	01.01-31.12	1 088	110	24
Tore Angelskår	EVP	01.01-31.12	1 586	151	44
Stig Tuastad	EVP	01.01-31.12	1 377	143	26

* Bonus for 2014 includes stay on bonus
** Hired from the firm Kabong AS

Group Executive management and CEO have an additional pension scheme agreement which amounts to 10% of salary for CEO, and 4% of salary for Group Executive management. The CEO has an agreement that guarantees salary payments for up to 18 months if the employer were to terminate his employment. A non-compete clause also apply to the CEO in the same period. The CEO has a performance-based bonus scheme, identical for all employees in the Group Executive management, which may not exceed 30% of the annual salary.

In connection with the shareholders of Beerenberg Holding signing an agreement to sell their shares to Segulah IV LP with transaction date 21.02.2013, a Stay-on Bonus for members of the Group management was triggered in August 2014. The bonus agreement entitled members of the Group management and some key personell to a stay-on bonus if they were still employed 18 months after the share sale transaction. No other bonuses, severance or options than described here are given to the board of directors or management . No other bonuses, severance or options than described here are given to the board of directors or management.

In addition to ordinary salaries, key employees benefit from free telephones, broadband and mandatory contribution-based pensions. Everyone is paid a fixed salary, and no overtime payments are made. The key principles for setting management salaries at Beerenberg are that the company should be able to offer competitive terms. This relates to the combination of salaries, benefits in kind and pension schemes. The company operates in an international environment, a fact that is emphasised and reflected when setting the level of remuneration.

When setting remuneration for 2015, the company will apply the same policy as in 2014. This entails being a competitive employer who attracts necessary expertise and capacity. The company also wishes to retain expertise and encourage long-term employment relationships. In respect of salary levels, the company aims to be in the high to average range in relation to comparable companies in order to attract "the best brains".

Note 20 Warranty liabilities and provisions

(Amounts in NOK 1,000)

The Group has provided a joint bank guarantee for all the companies in the Group. In some cases, the Group will provide bank guarantees to customers when entering into large fixed price contracts. As at 31.12.14, the guarantees totalled 31,176.

A tax withholding guarantee of 60,000 has also been provided to the Bergen tax office as at 31.12.14

The Group has warranty liabilities relating to maintenance contracts. Warranty periods may last for up to three years after an annual programme has been completed. New-build offshore installations / structures are generally subject to a 2-year warranty once a completion certificate has been issued.

Guarantee liabilities are assessed continuously per individual project that has guarantees provided. However, it is difficult to estimate the probability that a warranty claim will arise per project and how much cost this would entail. There are therefore also made an assessment of the overall uncertainty on group level (IAS 37.24)

A provision for for warranty liabilities has been made of 4,000 as at 31.12.2014.

Incurred warranty costs in 2014 was 71 compared to 574 in 2013.

Note 21 Trade payables and other payables

(Amounts in NOK 1,000)

TRADE PAYABLES
The Group's current liabilities stood at 137,438 in 2014 (71,472 in 2013)

OTHER CURRENT LIABILITIES
The Groups current liabilities stood at 180,232 in 2014 (204,463 in 2013)
103,579 of these liabilities pertains to accrued holiday pay in 2014 (87,915 in 2013), while the remaining current liabilities relate to project provisions.

Note 22 Operational leasing

(Amounts in NOK 1,000)

Total leasing liabilities for irrevocable operating leases	2 014	2 013
Leases falling due within one year	16 874	11 614
Leases lasting from one to five years	57 896	51 151
Leases lasting more than five years	55 393	47 330
Total	**130 163**	**110 094**

Lease and sublease agreements recognised in income statement	2 014	2 013
Minimum rent		
Variable rent		
Subleases	900	900
Total	**900**	**900**

Most operational leases relate to the leasing of premises.

Other lease expenses mostly comprise leasing of IT equipment, vehicles, fixtures and fittings, and equipment. There are no purchase options on property or equipment, and equipment may not be subleased. Variable rent does not form a substantial part of the lease expenses.

Note 23 Contingent outcomes

(Amounts in NOK 1,000)

PROJECT RISKS AND UNCERTAINTIES
The group's projects are largely long-term contracts awarded as the result of a tender. According to IAS 18.21 the percentage of completion method is applied and and revenue is recognized in the periods in which services are provided. The value of work performed during the period are estimated based on physical progress recorded after a detailed inspection or the number of hours of work performed.

Circumstances and information may change in subsequent periods, and final outcomes may be better or worse than the assessment made at the time the financial statements were prepared. In the group's opinion, there are no projects as at 31.12.14 with uncertainties relating to estimates that may be of significant importance to the consolidated figures.

LEGAL DISPUTES
From time to time, the Group becomes involved in various disputes in its course of business. Provisions have been made to cover expected losses resulting from such disputes to the extent that negative outcomes are probable and reliable estimates can be produced. The final outcome of such cases will always contain elements of uncertainty, and may result in liabilities exceeding the recognised provisions.

Note 24 Related parties

(Amounts in NOK 1,000)

In 2014 the Group conducted transactions with related parties as follows:

The Group has repaid a loan from parent company with principal amount of 293,000 plus accrued interests from 2013 (30,247) and accrued interests up to repayment in june 2014 (18,917).

The loan was granted in accordance with the arm length principle. Current interest rate was 12%.

The Group has also granted two short term loans to parent companies Beerenberg Holdco I AS and Beerenberg Invest AS totalling 608. These are short term loans, and are not interest bearing.

Please refer to Notes 19 for details of loans, severance pay and other related matters.

Note 25 Group entities

(Amounts in NOK 1,000)

As at 31.12.2014 the Group consists of the following 4 companies; Beerenberg Holdco II AS, Beerenberg Holding AS, Beerenberg Corp. AS and Benarx Pacific Asia PTE. LTD. The companies are fully owned. Capitalised value applies to the financial statements of the parent company.

Company	Parent Company	Ownership interest	Acquisition cost	Capitalised value
Beerenberg Holding	Beerenberg Holdco II	100%	1 257 646	1 257 646
Beerenberg Corp AS	Beerenberg Holding	100%	737 706	737 706
Beerenberg Pacific Asia PTE. LTD	Beerenberg Corp AS	100%	41	41

Benarx Pacific Asia's registered office is in Singapore. The other companies has registered office at Kokstad, Bergen.
The voting share in the subsidiary companies is identical to the ownership share.
The company Benarx Pacific Asia was founded in Q4 2014, and has so far been without activity.
The investment is excluded from consolidation and is recorded as other investments in Consolidated Statement of Financial Position.

Note 26 Events after the reporting date

No events have occurred after the reporting date, that are of significant impact when considering the financial position or result in the Group as of 31.12.2014

Note 27 Derivatives

The Group has in 2014 entered into an interest rate swap agreement to secure the cash flows related to long-term loans, where the loan terms are 3 months Nibor margin. The contract involve an exchange of 3-month Nibor to the fixed rates set forth below for current principal in the maturity of the agreement.The fair value of interest rate swap is classified as non-current liability since the remaining maturity of the hedged item (loan) is more than 12 months.Change in value of contracts are recognized in other comprehensive income.

Interest rate swaps are valued according to level 2 of the valuation hierarchy (IFRS 13), ie the value derived from observable factors such as market interest rates.

The interest rate swap agreement were agreed by settling previously entered into agreements from 2013, and incorporating market value of these agreements into the conditions for the new agreement entered into 15.12.2014. The interest rate swap agreements entered into in 2013 had at this point a negative market value of 30,853. As long term debt to finance institutions was repaid in june 2014, hedge accounting of the previously entered into swap agreements ceased since hedged item was repaid. As a consequense change in market value of these swaps until settling date 15.12.2014 is recorded as finance cost. Upon entering into the new interest swap agreement 15.12.2014, hedge accounting is reestablished with the Bond as hedged item. Change in market value from that date is recorded in OCI.

There is no ineffectiveness related to cash-flow hedging recorded in the profit and loss statement.

Bank	Agreement	Date of agree-ment	Maturity	Principal amount	Fixed interest	Variable interest	Classifica-tion	Market value as of 31.12.14	Fair Value 31.12.14
Danske Bank	39652279FO-03266	15.12.14	29.12.2014-27.06.2018	800.000	2,32%	3 month Nibor	Long term	-32 992	-32 992

Note 28 Net capital employed

(Amounts in NOK 1,000)

	2014	2013
Inventories	38 810	54 286
Supplier liabilities and other short-term liabilities	476 837	368 737
Provisions	(118 130)	(80 739)
Trade payables and other payment obligations	(317 670)	(275 935)
Net current operational assets	**79 847**	**66 349**
Other non-current operational assets	41	-
Intangible assets	1 071 016	1 113 751
Property, plant and equipment	203 486	170 320
Interest-bearing receivables	608	-
Pension obligations	(7 949)	(7 968)
Deferred tax obligations	(40 323)	(66 120)
Other long term obligations	(4 000)	(3 500)
Total net capital employed	**1 302 726**	**1 272 832**

Note 29 Interest-bearing debts

(Amounts in NOK 1,000)

The tables provide information about the contractual terms relating to the Group's interest-bearing loans measured at amortised cost. For more information about the group's interest rates, currencies and liquidity risk, please see the section on financial risk management and exposure in the chapter on accounting principles.

SUMMARY OF INTEREST-BEARING DEBTS AS AT 31.12.2014

Loans:	Book value	Spread over NIBOR	Due	Terms of interest
Multicurrency overdraft limit 150,000	-	2,8%	until further notice	NIBOR+Margin*
Financial leases	5 718	1,0 - 2,2%	2015-2019	NIBOR+Margin**

* In addition it is a commitment fee of 0.40% of margin.

** Approximately 56% relates to Danske Finans AS.

The Group have the following loans:

Loans:	Book value	Spread over NIBOR	Fair Value	Due	Terms of interest
Bond (Senior Secured Callable Bond Issue 2014/2018)	1 023 987	5,00%	843 838	27.06.18	3 month NIBOR+Margin

Fair Value is calculated from trading price for bonds as of 19.12.2014, the last day of transactions of these bonds in 2014

Fair value of interest rate swaps are valued according to level 2 of the valuation hierarchy (IFRS 13), ie the value derived from observable factors such as market interest rates.

Maturity structure of financial liabilities

Amounts in the table shows the maturity structure in nominal amounts (NOK 1,000) for the interest-bearing liabilities including interest payments for debt as of 31.12.:

	Book value	Fair value	Earlier than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Multicurrency overdraft limit 150,000	-	-	-	-	-	-	
Bond (Senior Secured Callable Bond Issue 2014/2018)	1 023 987	843 838	34 485	34 485	68 970	1 148 455	
Financial leases ***	5 718	5 718	2 304	843	1 097	1 474	
Total	**1 029 705**	**849 556**	**36 789**	**35 328**	**70 067**	**1 149 929**	**-**

*** Approximately 56% relates to Danske Finans AS. Book value of the leasing arrangements is nominal amounts of future payments including interests.

Due to short residual maturity and moderate interest level (3% - 4%), the nominal value of the leasing payments is deemed to reflect their fair value / amortised cost.

Installments and interest in the periodic payments under capital leases are recognized respectively, as a reduction in lease liability and interest expense.

Variable rent does not form a substantial part of the lease expenses. Interest expense relating to capital leases is in 2014 560. There are no subletting of assets under finance lease. There are no restrictions imposed through lease arrangements, such as when it comes to dividends, additional debt and further leasing arrangements

COVENANTS

The Group has adhered to current covenants in 2014.

The Group expects to comply with the existing covenants for the remainder of the bank agreement/maturity of Bond.

Current covenants relates to:
Leverage (Net Debt / EBITDA)

This ratio can at most be 9.

Note 30 Secured Liabilities

(Amounts in NOK 1,000)

The Group has provided security for its arrangement with Danske Bank. The tables below provide an overview of the arrangement and the book value of the assets set up as security.

In some cases, the company will provide bank guarantees to customers when entering into large fixed price contracts. As at 31.12.14, these guarantees totalled 31,176.

The Group has produced a joint bank guarantee for all the companies in the group. The Group's guarantee liability pertains to contract guarantees for such guarantees and to guarantees to the authorities. As at 31.12.14, the guarantees totalled 91,176.

	31.12.2014	31.12.2013
Security has been provided for the following debts:		
Guarantees, incl. tax withholding guarantee	91 176	83 194
Current liabilities to credit institutions	377	43 760
Long-term liabilities to credit institutions	1 029 705	686 447
Total for the Group	**1 121 258**	**813 401**
Capitalised value of assets provided as security for secured debts:		
Fixed assets	203 486	170 320
Inventories	38 810	54 286
Trade receivables	214 995	175 808
Total	**457 291**	**400 414**

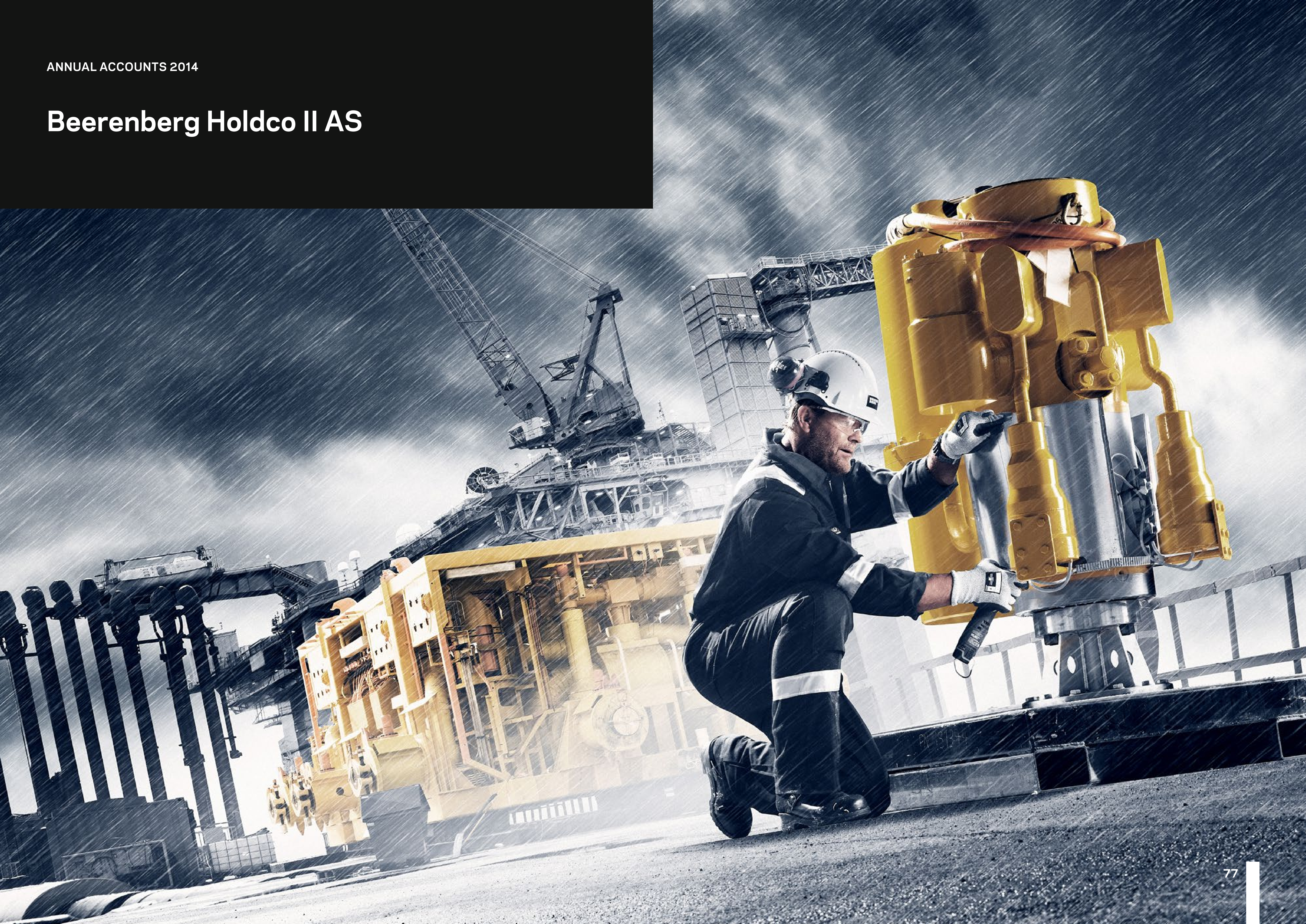
Note 31 Pro forma statement

(Amounts in NOK 1,000)

The Group Beerenberg Holdco II was established 01.03.2013. The Statement below shows forma income statement for 2013 as if if the Group had been established 01.01.2013

CONSOLIDATED INCOME STATEMENT		01.01 - 31.12
Amounts in NOK 1,000	**2014**	**2013**
Sales Revenue	2 300 069	1 926 939
Other revenue	6 235	0
Operating revenue	**2 306 304**	**1 926 939**
Materials, goods and services	144 972	98 691
Pay and other social services	1 496 684	1 330 767
Other operating costs	384 298	276 024
Total operating expenses	**2 025 954**	**1 705 481**
Operating result before depreciation, amortisation and impairment losses	**280 350**	**221 458**
Depreciation, amortisation and impairment losses	72 018	104 217
Operating result	**208 333**	**117 241**
Financial revenue	8 437	2 652
Financial expenditure	157 782	88 382
Result before tax	**58 988**	**31 511**

Beerenberg Holdco II AS



Income statement

Amounts in NOK 1,000	Note	2014	01.03 - 31.12 2013
Operating expenses			
Other operating expenses	7	**843**	893
Total operating expenses		**843**	893
Operating result		**-843**	-893
Intragroup interest income		**3 685**	7 263
Other interest income		**6**	3
Other finance income		**232 783**	70 885
Intragroup interest costs		**24 599**	30 396
Other interest costs		**44 643**	8 556
Other finance costs		**36 275**	5 014
Net financial items	8, 9	**130 957**	34 185
Ordinary result before tax		**130 114**	33 293
Tax	6	**35 131**	8 984
Annual profit/loss		**94 983**	24 309
The annual profit/loss for the year allocated to:			
Other equity	4	**94 983**	24 309
Annual profit/loss		**94 983**	24 309
Earnings per share and diluted earnings per share for 267,300,000 shares.	3	**0,00036**	0,00009

Diluted earnings per share are identical as there is no dilutive effect.

The accompanying notes 1-10 are an integral part of these financial statements.

Statement of Performance

Amounts in NOK 1,000	Note	2014	01.03 - 31.12 2013
Annual profit/loss		**94 983**	24 309
Other revenue and expenses			
Change in value of derivatives	9	**-2 139**	0
Tax effect	9	**578**	0
Total Statement of performance		**93 422**	24 309
The statement of performance is attributable to:			
Shareholders		**93 422**	24 309
Total Statement of performance		**93 422**	24 309

Other revenue and expenses is after tax and will be reversed in the income statement.

The accompanying notes 1-10 are an integral part of these financial statements.

Statement of financial position

Assets

NON-CURRENT ASSETS (Amounts in NOK 1,000)	Note	31.12.2014	31.12.2013
Financial non-current assets			
Investments in subsidiaries	1	**1 257 646**	700 000
Other long-term receivables	5	**0**	33 273
Total financial non-current assets		**1 257 646**	733 273
Total non-current assets		**1 257 646**	733 273
CURRENT ASSETS			
Receivables			
Other current receivables	1	**257 755**	70 739
Total receivables		**257 755**	70 739
Cash at bank, cash in hand and similar	2	**433**	208
Total current assets		**258 189**	70 947
Total assets		**1 515 835**	804 220

Equity and liabilities

EQUITY (Amounts in NOK 1,000)	Note	31.12.2014	31.12.2013
Paid-in capital			
Share capital		**26 730**	26 730
Share premium		**240 310**	240 310
Total paid-in capital		**267 040**	267 040
Retained earnings			
Other equity		**117 711**	24 289
Total retained earnings		**117 711**	24 289
Total equity	3, 4	**384 751**	291 329
LIABILITIES			
Deferred tax	6	**5 013**	8 984
Other non-current liabilities			
Bond	5	**1 023 987**	0
Derivatives	9	**32 992**	0
Liabilities to credit institutions	5	**0**	172 174
Other non-current liabilities	1	**30 191**	331 733
Total other non-current liabilities		**1 087 171**	503 907
Current liabilities			
Tax payable	6	**38 524**	0
Other current liabilities		**377**	0
Total current liabilities		**38 901**	0
Total liabilities		**1 131 084**	512 891
Total equity and liabilities		**1 515 835**	804 220

The accompanying notes 1-10 are an integral part of these financial statements.

BERGEN 26 MARCH 2015
Beerenberg Holdco II AS board of directors

Ketil Lenning
Chairman

Sebastian Ehrnrooth

Svein Eggen

Lars Marcusson

Marcus Planting-Bergloo

Morten H. Walde
CEO

Statement of cash flows

All amounts in NOK 1,000	Note	01.01.-31.12. 2014	01.01.-31.12. 2013
Cash flows from operating activities			
Result for the period before tax		**130 114**	33 293
Change in other accruals		**12 637**	-33 273
Net cash flow from operating activities		**142 751**	20
Cash flows from investment activities			
Investments in subsidiaries		**-557 646**	-700 000
Net cash flow from investment activities		**-557 646**	-700 000
Cash flows from financing activities			
Incoming payment of new long-term debt	1, 5	**1 100 000**	503 907
Payments on intragroup loans		**31 970**	0
Repayments of non-current liabilities	5	**-558 907**	0
Capital increase		**0**	267 000
Payment of group contribution	8	**70 739**	0
Group contribution booked as finance income	8	**-228 681**	-70 739
Net cash flow from financing activities		**415 121**	700 168
Net change in cash and cash equivalents		**226**	188
Cash and cash equivalents per 01.01		**208**	20
Cash and cash equivalents per 31.12		**433**	208

The accompanying notes 1-10 are an integral part of these financial statements.

Accounting principles

The financial statements have been prepared in accordance with the regulation on simplified adoption of IFRS (International Financial Reporting Standards). The annual financial statements were authorised for issue by the board of directors on 26 March 2015.

CLASSIFICATION OF ITEMS IN THE STATEMENT OF FINANCIAL POSITION

Assets intended for long-term ownership or use are classified as non-current assets. Assets associated with the circulation of goods are classified as current assets. Receivables are classified as current assets if they fall due within one year. Analogue criteria are applied to liabilities. However, repayments of non-current receivables and non-current liabilities made in the first year are not classed as current assets or current liabilities.

TAX

The tax liability in the income statement comprises both tax payable and changes in deferred tax for the period. Deferred tax is calculated at the prevailing tax rate on the basis of the temporary differences between book value and taxable value and on any tax loss carryforward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that are reversed or may be reversed in the same period have been offset.

INVESTMENTS IN SUBSIDIARIES

Subsidiaries are measured using the cost method in the separate financial statements. Investments are valued at the historical cost of the shares unless depreciation has become necessary. They are depreciated to fair value when the fall in value is due to circumstances that cannot be assumed to be temporary and it is deemed necessary in accordance with generally accepted accounting practices. Write-downs are reversed when the basis for a write-down is no longer present.

Any dividends received are in principle recognised as income, however. Dividends that exceed retained earnings after purchase are recognised as a reduction in the original cost. Dividends / group contributions from subsidiaries are recognised in the same year that the subsidiary makes the provision.

LIABILITIES

Liabilities are recognised at their fair value when the loan is paid out, less transaction costs. In subsequent periods the loan is recognised at amortised cost using the effective rate of interest.

FINANCIAL INSTRUMENTS

The company initially recognises loans, receivables and deposits on the date of acquisition. All other financial assets are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when the company transfers the contractual rights in a transaction where substantially all the risks and rewards of ownership of the financial asset are transferred. All rights and liabilities in transferred financial assets that are created or retained as a result of the transfer are recognised separately as assets or liabilities.

Financial assets and liabilities are offset if the company is legally entitled to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Offset amounts are presented net in the statement of financial position.

Financial derivative instruments

The company holds a limited number of financial derivative instruments to hedge its foreign currency, interest rate and market risk exposures. Derivatives are recognised initially at fair value. Changes in fair value are recognised in profit or loss, except for hedging instruments that meet the criteria for hedge accounting.

The company's criteria for classifying a derivative instrument as a hedging instrument follow the requirements of IAS 39 and are as follows:

1. There is sufficient documentation at the time of the inception of the hedge relationship that the instrument is effective
2. The hedging instrument is expected to be highly effective in offsetting the changes in fair value or cash flows of the hedged item
3. For a cash flow hedge, the transaction must be highly likely to occur
4. The effectiveness of the hedging instrument can be reliably measured, and
5. The hedging instrument is continually assessed and has proven to be effective

Hedging instruments classed as cash flow hedges offset variations in cash flows caused by changes in exchange rates, interest rates and market values. For cash flow hedges that meet the criteria for hedge accounting, all gains and losses on the effective part of the contract are recognised in comprehensive income, while those on the ineffective part are recognised in the income statement under finance income or finance cost.

Financial derivatives with a positive market value are classed as current assets if the remaining life of the hedged item is shorter than one year and as non-current assets if the remaining life of the hedged item is longer than one year. Financial derivatives with a negative market value are classed as current liabilities if the remaining life of the hedged item is shorter than one year and as non-current liabilities if the remaining life is longer than one year.

FINANCIAL RISK MANAGEMENT

Variable rate loans pose an interest rate risk to the group's cash flows. The group is exposed to interest rate risks relating to debts. Interest rate risks are continually reviewed by looking at potential refinancing, alternative financing and hedging. The company has entered into an interest swap, see also Notes 5 and 9.

Note 1 Long-term investments in other companies

(Amounts in NOK 1,000)

SUBSIDIARY:	Registered office	Ownership interest / Voting share	Equity last year 100%	Profit/loss last year 100%
Beerenberg Holding AS	Bergen	100%	613 408	-45 063

INTRAGROUP BALANCES ETC.:

Other current receivables	2014	2013
Beerenberg Corp. AS	228 681	70 885
Beerenberg Holding AS	28 997	0
Total	**257 678**	**70 885**

Non-current liabilities	2014	2013
Beerenberg Corp. AS	30 191	0
Beerenberg Holding AS	0	8 486
Beerenberg Holdco I AS	0	323 247
Total	**30 191**	**331 733**

Liabilities to Beerenberg Corp. AS fall due within 5 years. No collateral or guarantees have been provided for this borrowing.

Note 2 Restricted funds

The company has no restricted funds as at 31.12.14.

Note 3 Share capital and shareholder information

The share capital of NOK 26,730 comprises 267,300,000 shares, each with a value of NOK 0.1.

The company's shareholder as at 31.12.2014 was:

Shareholder	Shares	Ownership interest	Voting share
Beerenberg Holdco I AS	267 300 000	100%	100%
Total	**267 300 000**	**100%**	**100%**

Earnings per share were NOK 0.00036 in 2014 compared with NOK 0.00009 in 2013.

Earnings per share are based on the profit/loss attributed to ordinary shares and on the weighted average number of ordinary shares outstanding.

Earnings per share and diluted earnings per share are identical, as there are no shares that may give rise to dilution.

Note 4 Equity

(Amounts in NOK 1,000)

	Share capital	Share premium	Other equity	Total
Equity as of 01.01.2014	**26 730**	**240 310**	**24 289**	**291 329**
Profit/loss for the year	0	0	94 983	94 983
Other comprehensive income for the year	0	0	-1 562	-1 562
Equity as of 31.12.2014	**26 730**	**240 310**	**117 711**	**384 751**

Note 5 Non-current liabilities, collateral and guarantees etc.

(Amounts in NOK 1,000)

Liabilities secured by collateral etc.	2014	2013
Bond (Senior Secured Callable Bond Issue 2014/2018)	1 023 987	0
Liabilities to credit institutions	0	172 174
Total	**0**	**172 174**

The nominal value of the bond is 1,100,000. In 2014 the company bought back bonds to a nominal value of 55,000. These bonds have been presented as a reduction in the bond. The bonds were purchased at a discounted price. The recognised profit of 4,095 has been presented as finance income. The bond has been carried at the amortised cost of 1,023,987.

Non-current receivable	2014	2013
Commitment fee to credit institutions.	0	33 273
Total	**0**	**33 273**

The Beerenberg Corp. Group is jointly and severally liable together with its parent company Beerenberg Holding AS and the parent company's parent company Beerenberg Holdco II AS for bonds acquired by Beerenberg Holdco II AS.

MATURITY STRUCTURE OF FINANCIAL LIABILITIES

The figures in the table show the maturity structure in nominal increments for the group's interest-bearing debts, including interest payments on recognised liabilities as at 31.12:

	Book value	Fair value	Under 6 months	6-12 months	1-2 years	2-5 years
Bonds	1 023 987	843 838	34 485	34 485	68 970	1 148 455

The fair value of the bond is determined in accordance with Level 2 of the valuation hierarchy (IFRS 13), i.e. the value is derived from observable factors such as market prices.

The bond matures in June 2018 and no installments are due before this date.

The interest rate is 3 months' NIBOR plus a 5 percentage point spread.

COVENANTS

The company/group complied with existing covenants in 2014.
The group expects to comply with existing covenants for the remainder of the loan period.

Current covenants relate to:
Leverage (Net debt / EBITDA)
This ratio may be a maximum of 9.

Note 6 Tax

(Amounts in NOK 1,000)

Calculation of deferred tax / deferred tax assets	2014	2013
Temporary differences through profit/loss		
Accrued borrowing costs	**21 013**	33 273
Accrued gain on buying back bonds at a discount	**4 095**	0
Precluded interest deduction to be carried forward	**-4 402**	0
Net temporary differences	**20 706**	33 273
Losses to be carried carryforward	**0**	-20
Changes to losses and deduction to be carried forward	**0**	20
Basis for deferred tax / tax assets	**20 706**	33 273
27% deferred tax through profit/loss	**5 591**	8 984
Of which deferred tax assets not recognised in statement of financial position	**0**	0

Temporary differences through OCI	2014	2013
Derivatives	**-2 139**	0
Net temporary differences	**-2 139**	0
Losses and deduction to be carried forward	**0**	0
Basis for deferred tax / tax assets	**-2 139**	0
27% deferred tax assets through OCI	**-578**	0
Of which deferred tax assets not recognised in statement of financial position	**0**	0
Deferred tax in the statement of financial position	**5 013**	8 984

Distribution of tax liability	2014	2013
Tax payable in the statement of financial position	**38 524**	0
Tax effect of group contribution paid	**0**	0
Total tax payable in tax liability	**38 524**	0
Change in deferred tax through profit/loss	**-3 393**	9 316
Change in deferred tax as a result of change in tax rate	**0**	-333
Tax liability through profit/loss	**35 131**	8 984
Change in deferred tax assets through OCI	**-578**	0
Tax liability through OCI	**-578**	0

Note 7 Payroll costs, number of employees, remuneration, loans to employees etc.

(Amounts in NOK 1,000)

The company had no employees in 2014 and is not obliged to operate an occupational pension scheme under the Act on Obligatory Occupational Pensions.

No remuneration was paid to the CEO or members of the board of directors in 2014.

Expensed auditor's remuneration	2014	2013
Statutory auditing	51	50
Other certification services	0	39
Tax advice	6	4
Other services	0	63
Total	**57**	**157**

The sums stated are exclusive of VAT.
The item "Statutory auditing" reflects the agreed auditor's fee.

Note 8 Specification of finance income and finance costs

(Amounts in NOK 1,000)

Finance income	2014	2013
Group contribution from Beerenberg Corp. AS	228 681	70 885
Intragroup interest income	3 685	7 263
Gains from buying treasury Bonds	4 095	0
Other interest income	6	3
Other finance income	7	00
Total finance income	**236 473**	**78 151**

Finance costs	2014	2013
Intragroup interest costs	24 599	30 396
Other interest costs	44 643	8 556
Other finance costs	36 275	5 014
Total finance costs	**105 516**	**43 965**

Note 9 Financial instruments

(Amounts in NOK 1,000)

	2014	2013
Cash flow hedges (interest rate swaps)	-32 992	0
Fair value hedges	0	0
Total fair value	**-32 992**	**0**

The company has an interest rate swap with a nominal value of 800,000. The company is swapping variable interest for fixed interest at 2.32%. The fair value of the interest swap has been calculated by the group's bank. The interest rate swap runs until June 2018 and consists of the discounted difference between the agreed forward price and the forward price as at 31.12 for a forward exchange contract with the same term.

The interest swap is deemed to effectively reduce interest rate risk, thus satisfying the criteria for hedge accounting.

The interest swaps are valued in accordance with Level 2 of the valuation hierarchy (IFRS 13), i.e. the value is derived from observable factors such as market interest rates.

Change in fair value of the cash flow hedge net after tax is recorded in OCI.

	2014	2013
Change in fair value through other comprehensive income	-2 139	0
Tax effect	578	0
Net change in fair value through other comprehensive income	**-1 562**	**0**

Interest payments of 489 relating to the interest swap were expensed in 2014.

FINANCIAL INSTRUMENTS BY CATEGORY

As at 31.12.2014 - Assets (Amounts in NOK 1,000)	**Lending, receivables and cash**	**Assets at fair value through profit/loss**	**Derivatives used for hedging**	**Financial assets available for sale**	**Total**
Receivables	257 755				257 755
Cash and cash equivalents	433				433
Total	**258 189**	**0**	**0**	**0**	**258 189**

As at 31.12.2014 - Liabilities (Amounts in NOK 1,000)	**Financial liabilities carried at amortised cost**	**Liabilities at fair value through profit/loss**	**Derivatives used for hedging**	**Other financial liabilities**	**Total**
Derivatives used for cash flow hedging			32 992		32 992
Loans excl. statutory liabilities	1 054 555				1 054 555
Total	**1 054 555**	**0**	**32 992**	**0**	**1 087 547**

Note 10 Transition to simplified IFRS

On 01.01.2014 the company adopted simplified IFRS for its financial statements. The transition to simplified IFRS has not led to changes in equity as at 01.01.2014 or 31.12.2012 (the last period of reporting using the previous accounting principles).

To the Annual Shareholders' Meeting of Beerenberg Holdco II AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Beerenberg Holdco II AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2014, income statement, statement of comprehensive income and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2014, income statement, statement of comprehensive income, changes in equity, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with simplified application of international accounting standards according to § 3-9 of the Norwegian Accounting Act and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors determines 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.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of Beerenberg Holdco II AS as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to § 3-9 of the Norwegian Accounting Act.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Beerenberg Holdco II AS as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

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 and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on 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 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.

Bergen, 26 March 2015
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

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