Bertel O. Steen AS - Group

Consolidated financial statements 2015

(All figures in thousands)

Bertel O. Steen AS - Group
Org. no. 916218753

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(All figures in thousands)

BALANCE SHEET

	Note	2015	2014
ASSETS			
Fixed assets			
Intangible assets			
Intangible assets	6	**8 832**	21 870
Deferred tax asset	12	**98 592**	84 882
Goodwill	6	**9 089**	2 959
Total intangible assets		**116 513**	109 711
Tangible fixed assets			
Land, buildings and other property	6/10	**1 567 764**	1 529 044
Movable property, fixtures and fittings, tools, office equipment, etc.	6/10	**361 013**	319 943
Total tangible fixed assets		**1 928 777**	1 848 987
Financial non-current assets			
Other shares and non-current receivables	7/8	**3 941**	7 659
Investments in associated companies and joint ventures	7	**32 810**	26 921
Total financial non-current assets		**36 751**	34 579
Total fixed assets		**2 082 041**	1 993 277
Current assets			
Stock	4/10	**2 178 290**	1 696 625
Receivables			
Accounts receivable	7/10	**1 014 245**	649 948
Other receivables	7/15	**212 703**	99 924
Pre-payments		**168 795**	140 756
Receivables from other related parties	15	**57 486**	65 274
Total receivables		**1 453 229**	955 902
Bank deposits, cash and equivalents	11	**16 552**	154 643
Total current assets		**3 648 071**	2 807 171
TOTAL ASSETS		**5 730 112**	4 800 448

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BALANCE SHEET

	Note	2015	2014
EQUITY AND LIABILITIES			
EQUITY			
Paid-in equity			
Share capital	13	**372 433**	372 433
Share premium reserve	13	**598 000**	598 000
Total paid-in equity		**970 433**	970 433
Retained earnings			
Other equity	13	**1 066 366**	1 100 602
Minority interests	13	**42 167**	43 460
TOTAL EQUITY AND MINORITY INTERESTS		**2 078 967**	2 114 495
LIABILITIES			
Provisions for liabilities			
Pension commitments	5	**25 763**	25 678
Other provisions for liabilities	9	**356 812**	286 777
Total provisions for liabilities		**382 575**	312 455
Other non-current liabilities			
Borrowings	10	**1 108 985**	2 515
Other non-current liabilities	10	**560**	710
Total other non-current liabilities		**1 109 545**	3 224
Current liabilities			
Borrowings	10	**81 843**	0
Debt to shareholders and other related parties	15	**83 019**	884 118
Accounts payable		**1 103 884**	738 454
Income tax payable	12	**32 617**	28 403
Unpaid government charges and special taxes		**212 339**	220 734
Proposed dividend	13/15	**83 558**	62 197
Other current liabilities	9	**561 764**	436 367
Total current liabilities		**2 159 025**	2 370 273
TOTAL LIABILITIES		**3 651 145**	2 685 953
TOTAL EQUITY AND LIABILITIES		**5 730 112**	4 800 448

The Board of Directors of Bertel O. Steen AS
Lørenskog, Norway, 14 April 2016

Sverre Leiro Chairman of the Board	Odd Christopher Hansen Board member	Bertel O. Steen Board member
Sverre Rune Kjær Board member	Gisle Skansen Board member	Ole Stefan Nedenes Board member
Jens Mosveen Board member	Leif Erik Vik Board member	Bjørn Maarud CEO

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INCOME STATEMENT

	Note	**2015**	2014
Operating revenue			
Income from sales	2	**11 605 117**	9 928 703
Other operating revenue	2	**174 944**	167 200
Total operating revenue		**11 780 061**	10 095 903
Operating expenses			
Cost of goods		**8 696 360**	7 335 311
Payroll expenses	5	**1 444 143**	1 378 619
Ordinary depreciation	6	**161 899**	155 532
Other operating expenses	5	**1 106 594**	951 699
Total operating expenses		**11 408 996**	9 821 161
Operating profit		**371 065**	274 742
Profit from investments in associated companies	7	**3 723**	2 339
Net financial items	3	**(78 394)**	(18 837)
Profit before tax		**296 394**	258 244
Tax on ordinary profit	12	**(88 851)**	(68 925)
Profit / loss for the year	13	**207 543**	189 318
Minority interest in profit for the year		(14 759)	(11 228)
Majority interest in profit for the year		**192 784**	178 090

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CASH FLOW STATEMENT

	2015	2014
Cash flows from operating activities		
Profit before tax	**296 394**	258 244
Income tax paid in the period	**(28 403)**	(81 278)
Gains (losses) on sale of fixed assets and shares	**(7 616)**	(1 737)
Ordinary depreciation	**161 899**	155 532
Pension cost without cash effect	**1 456**	(1 072)
Changes in provisions for liabilities and charges, without cash effect	**70 035**	109
Changes in stock	**(362 042)**	(8 976)
Changes in accounts receivable	**(364 297)**	15 293
Changes in accounts payable	**291 216**	(17 032)
Changes in other current items	**(119 066)**	1 491
Net cash flow from operating activities	**(60 424)**	320 573
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	**133 020**	109 776
Payments for purchase of tangible fixed assets	**(290 584)**	(237 666)
Payments for acquisition of shares and interests in other businesses	**0**	(15)
Payments for acquisition of subsidiaries	**(225 383)**	(32 774)
Proceeds from repayment of long-term receivables	**500**	1 234
Net cash flow from investing activities	**(382 447)**	(159 444)
Cash flow from financing activities		
Proceeds from new long-term debt	**1 106 321**	2 366
Change in intercompany accounts	**(789 238)**	(50 000)
Net change in overdraft facility	**81 843**	0
Dividends paid	**(62 197)**	(70 892)
Group contribution received (paid)	**(31 950)**	0
Net cash flow from financing activities	**304 779**	(118 525)
Net change in cash and cash equivalents	**(138 091)**	42 604
Cash and cash equivalents 1 Jan.	**154 643**	112 039
Cash and cash equivalents 31 Dec.	**16 552**	154 643

Note 1. Accounting principles

The annual financial statements comprising the income statement, balance sheet, cash flow statement and notes, have been prepared in accordance with the provisions of the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Consolidation principles

The consolidated financial statements include Bertel O. Steen AS and those subsidiaries over which Bertel O. Steen AS has a controlling influence as a result of legal or actual control. Controlling influence is normally achieved when the Group owns more than 50% of the shares in the company and the Group is enabled to exercise actual control over the company.

Non-controlling interests are included in group equity. Intergroup transactions and balances have been eliminated. The consolidated financial statements have been prepared with uniform accounting policies, in which the subsidiaries follow the same accounting policies as the parent company.

The acquisition method is used for recognising company mergers on the income statement. Companies that are bought or sold in the course of the year are included in the consolidated financial statements from the date on which control is achieved until the date on which it ceases.

Associated companies are enterprises in which the Group has significant influence, but not control, over the financial and operational management (normally through an ownership stake of between 20% and 50%). The consolidated financial statements include the Group's share of profits from associated companies entered using the equity method from the time significant control was achieved and until such control ceases. When the Group's losses exceed the investment in an associated company, the Group's carrying amount is reduced to zero and further losses are not posted unless the Group has an obligation to cover the loss.

Accounting policies for material accounting items:

Main rule for assessment and classification of assets and liabilities

Assets intended for long-term ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables that are to be repaid within one year are classified as current assets. Similar criteria are used for the classification of short-term and long-term liabilities.

Current assets are assessed at the lower of acquisition cost and fair value.

Fixed assets are valued at historical cost, but they are written down to the recoverable amount if this is lower than the book value and the reduction in value is not expected to be temporary. Fixed assets with a limited useful economic life are depreciated according to a schedule.

Income

Sale of goods:
Income is accounted for when it is earned, i.e. when both risk and control have been materially transferred to the customer, normally when the item is handed over to the customer.

Sale of services:
Income is accounted for when it is earned, i.e. when a claim for remuneration arises. This happens when a service is provided, in line with performance of the work.

Expenses

As a general rule, expenses are accounted for during the same period as the associated income. In cases where there is no clear relationship between expenses and income, the distribution will be determined on the basis of discretionary criteria. Other exceptions from the matching principle are specified where relevant.

Currency

Transactions in foreign currency are translated using the exchange rate on the date of the transaction. Monetary items in foreign currency are translated to Norwegian kroner at the exchange rate on the balance sheet date.
Changes in exchange rates are recognised on an ongoing basis during the accounting period under other financial items.

Financial instruments
Financial instruments are used in connection with the management of financial risk.
Hedging using forward exchange contracts is used when financially justifiable.
Forward contracts are recorded at fair value. Gains and losses resulting from sale or change in fair value are reported in the income statement in cases where the derivative is not part of a hedge relationship that satisfies the criteria for hedge accounting.
Interest derivatives such as interest rate swap agreements and FRAs have been entered into to secure future interest costs and are accounted for like hedges.
Unrealised gains and losses on fixed-rate borrowings related to interest-bearing balance sheet items are not recognised.

Intangible assets and tangible fixed assets
Intangible assets that are both expected to generate future income and whose historical cost can be measured reliably are recorded in the balance sheet. Depreciation is calculated on a straight-line basis over the expected economic life of the assets. Tangible fixed assets are depreciated over the expected economic life of the assets. Depreciation is generally distributed on a straight-line basis over the entire expected economic life.

Costs relating to normal maintenance and repairs are recognised as they arise. Costs associated with major replacements and upgrades that extend the economic life of the assets are entered on the balance sheet.

Shares and investments in associated companies, joint ventures and subsidiaries
Investments in subsidiaries, associated companies and joint ventures are assessed using the cost method in the company accounts and using the equity method in the consolidated financial statements. The investments are depreciated to fair value if the reduction in value is not temporary and when it is deemed necessary according to generally accepted accounting principles.
Dividends, intra-group contributions and other allocations from subsidiaries are recognised in the same year as the provision has been made in the accounts of the party making the payment. If the dividend / group contribution exceeds the share of accrued earnings after the date of acquisition, the excess amount represents repayment of invested capital and the allocations are deducted from the value of the investment on the parent company's balance sheet.

Other shares and investments classified as fixed assets
Shares and investments in partnerships in which the Group does not have significant influence are assessed using the cost method. The investments are depreciated to fair value if the reduction in value is not temporary.
Dividends received from the companies are recognised as other financial income.

Stock
Stocks of goods are valued at the lower of average historical cost and net sales value.

Receivables
Accounts receivable and other receivables are included at nominal value, less any provision for anticipated bad debts.
Provision for bad debts is made on the basis of specific consideration of individual receivables. In addition, unspecified provisions to cover any estimated losses are made for other accounts receivable.

Warranties, servicing and repurchase obligations
Warranty work related to prior sales is assessed at the expected cost of the work. The estimate is calculated using historical figures for warranty repairs.

Unearned income related to existing service agreements is entered on the balance sheet as deferred income and is recognised as income when the cost accrues over the service period.

The Group companies guarantee the repurchase value of the cars they sell that are financed by leasing.
The repurchase value is determined on the basis of a defined formula and depends on the model, the length of the lease and the mileage.
Provisions are made for any expected losses on these repurchase obligations.

Related parties
All transactions between group companies are on ordinary commercial terms.

Pensions
Defined-benefit plans
Pension liabilities are calculated as the present value of future pension benefits accrued on the balance sheet date. Future pension benefits are calculated on the basis of expected salary on retirement. Pension assets are assessed at their market value on the balance sheet date.

Net pension commitments are entered in the balance sheet as other liabilities after adjustment for actuarial gains / losses. The net value of over-financed plans is entered in the balance sheet as a long-term receivable. The net pension cost for the period, i.e. gross pension cost less the expected return on the pension assets, is included under payroll expenses. Gross pension cost consists of the present value of the pension benefits earned for the period, interest costs on the pension liabilities and recognised actuarial gains / losses.

The accounting treatment of pensions is based on a straight-line accrual profile and expected final salary as the accrual basis. Actuarial gains / losses and the effect of changes in assumptions are amortised over the expected remaining earning period if they are in excess of 10% of the pension liabilities or pension assets (corridor), whichever is largest. The employer's National Insurance contributions are included in the figures.

Defined-contribution plans
The company has a contractual pension under the AFP scheme that provides a lifelong supplement to the ordinary pension. The AFP scheme is a defined-benefit, multi-employer pension plan, funded through premiums that are defined as a percentage of the employee's salary. For accounting purposes, the scheme is treated as a defined-contribution plan.

For pension plans where the employer pays an agreed contribution and the pension funds are managed separately (defined-contribution plans), the contribution is included in payroll and other personnel costs.

Taxes
Taxes are recognised when they arise such that the tax charge is linked to the accounting profit or loss before tax.
Tax related to equity transactions is entered against equity.

The tax charge consists of the tax payable (tax on the taxable income for the year) and the change in net deferred tax. Deferred tax and deferred tax assets are presented on a net basis in the balance sheet.

Public grants
Any operating grants the Group receives, such as government subsidies for apprentices, for example, are accrued together with the expenses the grant is intended to cover.

Group contributions
Group contributions are treated as an equity transaction. In the parent company's financial statement, net paid group contributions are added to the cost of shares in subsidiaries, and received group contributions are recognised as finance.

Changes in the composition of the Group
In 2015 Bertel O. Steen AS bought CDS Norge AS (1 May 2015) and Bertel O. Steen Spesialkjøretøy AS from the Bertel O. Steen Industri AS and Snap Drive AS from the sister company Bertel O. Steen Invest AS (1 July 2017). Bertel O. Steen Eiendom AS has acquired the companies Røykåsveien Eiendom (1 November 2015) and Industriveien 7 B Eiendom AS (15 December 2015). There have not been any other major changes in the composition of the Group that have significance for the consolidated financial statements.

Comparison figures
If accounting items are reclassified, the comparison figures are restated accordingly.

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Note 2 Revenue	**2015**	2014
By business area		
Sales revenue:		
Sales of cars incl. workshop and parts	**11 605 117**	9 928 703
Other operating revenue:		
Commission income and gains on sales of fixed assets	**73 081**	73 994
Property operations	**101 863**	93 205
Total other operating revenue	**174 944**	167 200
Total operating revenue	**11 780 061**	10 095 903
By geographical area		
Sales in Norway	**11 726 512**	10 069 004
Sales in rest of Europe	**53 548**	26 899
Total operating revenue	**11 780 061**	10 095 903

Note 3 Financial items	**2015**	2014
Other interest income	**4 522**	6 838
Realised and unrealised exchange gains	**0**	16 034
Other financial income	**150**	123
Total financial income	**4 672**	22 995
Interest paid to the parent company Bertel O. Steen Holding AS	**(16 649)**	(24 811)
Other interest expense	**(21 181)**	(12 040)
Realised and unrealised exchange losses	**(36 423)**	0
Other financial costs	**(8 812)**	(4 980)
Total financial costs	**(83 065)**	(41 832)
Net financial items	**(78 394)**	(18 837)

Note 4 Stock	**2015**	2014
Demonstration cars	**249 783**	230 496
New cars	**1 409 579**	958 390
Parts	**224 864**	217 411
Miscellaneous	**34 997**	39 372
Obsolete goods	**(52 458)**	(43 749)
Total stock	**2 178 290**	1 696 625

All goods are valued at historical cost less obsolescence.

Note 5 Payroll, number of employees, remuneration, loans to employees, pen	**2015**	2014
Payroll expenses, etc.		
Salaries	**1 175 152**	1 112 524
Employer's National Insurance contribution	**181 447**	171 174
Pension expenses	**36 507**	46 034
Other remuneration	**51 037**	48 888
Total payroll expenses	**1 444 143**	1 378 619
No. of full-time equivalents employed	**2 066**	1 985
Loans and guarantees at 31 Dec.		
Total loans to employees	**2 845**	2 432

Remuneration of senior executives	**CEO**
Salary	8 648
Pension expense	46
Other benefits	333

The CEO is covered by the bonus scheme for the executive management. In addition, the CEO has a bonus arrangement with the parent company Bertel O. Steen Holding AS.
On certain conditions the CEO has the right to receive salary payments for 18 months after leaving the company.
The CEO has no agreement regarding the purchase of shares.

In 2015 remuneration of board members came to NOK 1,730,000. In addition, the chair of the board has other remuneration totalling NOK 107,000.
The chair of the board does not have any agreements concerning a bonus, share options or severance pay.

Recognised remuneration to Deloitte AS and affiliated companies breaks down as follows:	**2015**	2014
Statutory auditing services	**3 202**	2 848
Certification services	**486**	93
Tax-related consultancy	**919**	34
Non-audit services	**870**	855

Pension costs, assets and liabilities
The Group is required to have an occupational pension scheme pursuant to the Norwegian Act relating to mandatory occupational pensions (OTP). The Group's pension plans satisfy the requirements in this Act.

The defined-contribution pension plan and contractual pension (AFP)
The Group has a defined-contribution pension plan for its employees. The Group pays a fixed contribution to an insurance company. The Group has no further payment obligations once these contributions have been paid.
The contribution is 2–6% of the employee's salary. Expensed pension contributions amounted to NOK 28,344,000.
There are a total of 2034 people covered by this scheme.
Expensed AFP contributions amounted to NOK 18,806,000.

Actuarial estimates for defined-benefit plans
Actuarial calculations are carried out annually for the former AFP scheme and contributions for members of the old AFP scheme, which was discontinued from 31 December 2015.
The year's expenses for the AFP pension are presented in the table below.

The Group has unfunded pension commitments, which are charged directly to operations.
A total of 41 people are covered by this scheme.

Note 5 Payroll, number of employees, remuneration, loans to employees, pen **2015** 2014

Unfunded defined-benefit scheme

On 31 December 2015, the former defined-benefit plan financed by operations for active employees was converted into a new unfunded scheme financed by operations. The new scheme includes all employees with salaries exceeding 12 x G. The accounting effect of this is presented below. Capitalised liabilities and the year's expenses are included in the table below.

Funded defined-benefit scheme

The Group has had one company that has had a funded defined-benefit scheme that is charged directly to operations. This pension plan was discontinued on 31 December 2015 and was replaced by a defined-contribution scheme from 1 January 2016. The effect on the consolidated financial statements for 2015:

Reduction in pension expense	(18 099)
Prepaid pension premiums amount to	7 255

	2015	2014
Pension expense		
Present value of the service cost for the year	**4 661**	2 731
Interest cost on the pension commitment	**5**	2 251
Discontinuation of the funded defined-benefit scheme	**(18 099)**	0
Return on plan assets	**(1 407)**	0
Recognised changes in plan	**0**	0
Recognised effect of actuarial gains and losses	**8 702**	1 627
Net pension expense	**(6 138)**	6 609

Pension assets / liabilities		
Accrued pension liabilities	**22 965**	25 689
Pension assets (at market value)	**0**	0
Unrecognised effect of actuarial gains and losses	**(534)**	(5 080)
Net pension commitments before employer's National Insurance contributions	**22 431**	20 608
Accrued employer's National Insurance contributions	**3 185**	3 552
Net pension liabilities	**25 763**	25 678
Net pension assets	**147**	1 518
Of which liabilities related to:		
Pension under the contractual AFP scheme	**0**	1 779
Unfunded pension plans	**25 616**	22 411
Net recognised pension commitment	**25 616**	24 190

Economic assumptions		
Discount rate	**2,50 %**	3,00 %
Expected salary increase	**2,25 %**	3,00 %
Expected pension increase	**0,10 %**	0,10 %
Expected increase in the National Insurance basic amount (G)	**2,25 %**	3,00 %
Expected return on plan assets	**3,30 %**	3,80 %

The actuarial assumptions are based on the normal assumptions that are used by the insurance industry with regard to demographic factors and retirement.

The effect of discontinuation of the funded defined-benefit scheme

The company has discontinued its funded defined-benefit scheme with effect from 31 December 2015. It has been replaced by a defined-contribution scheme starting from 1 January 2016.

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Note 6 Tangible fixed assets

	Land, buildings	vable propei es and fittings,	Goodwill etc.	Intangible fixed assets	2015 Total	2014 Total
Acquisition cost 1 Jan.	1 991 192	780 508	28 634	247 092	**3 047 426**	2 984 321
Additions from acquisitions	77 365	53 298	8 417	0	**139 080**	39 891
Additions	32 370	253 198	0	5 015	**290 584**	237 666
Disposals	(699)	(176 524)	0	0	**(177 223)**	(214 452)
Acquisition cost 31 Dec.	**2 100 228**	**910 481**	**37 051**	**252 107**	**3 299 868**	3 047 426
Accumulated depreciation and impairment	462 148	460 565	25 675	225 222	**1 173 610**	1 123 629
+Accumulated depreciation from acquisitic	25 655	42 939	775	0	**69 370**	861
Ordinary depreciation for the year	45 147	97 186	1 512	18 053	**161 899**	155 532
Disposals acc. dep. (sale of capital assets)	(486)	(51 222)	0	0	**(51 708)**	(106 413)
Accumulated depreciation and	**532 465**	**549 468**	**27 962**	**243 275**	**1 353 170**	1 173 610
Carrying amount, 31 Dec.	**1 567 764**	**361 013**	**9 089**	**8 832**	**1 946 697**	1 873 816
Economic life	Up to 50 years	Up to 10 years	Up to 5 years	Up to 5 years		
Depreciation schedule	Straight line	Straight line	Straight line	Straight line		
Annual lease payments for off-balance she	93 836	5 419				

Fixed assets are depreciated on a straight-line basis based on the expected economic life. Land is not depreciated.

Carrying amount of goodwill allocated to acquisitions

Industriveien 7 B Eiendom AS	3 270
CDS Norge AS	3 085
Acquisitions of other smaller businesses	2 734
Total goodwill at 31 Dec.	**9 089**

Specification of carrying amount of intangible fixed assets

Bertel O. Steen AS – proprietary software	8 170
Other proprietary software	661
Total intangible fixed assets at 31 Dec.	**8 832**

Note 7 Shares and investments

Investments in joint ventures and associated companies	Registered office	Stake and voting share	Cost of acquisition	Opening balance 1 Jan.	Share of the profit for the year	Capital contribution / transfers	Carrying amount
UPL og BOSE Holding AS	Hamar	50 %	14 853	23 316	2 485	0	25 801
Bilskadesenteret Telemark AS	Skien	25 %	303	762	175	(200)	737
Bilskadesenteret Ringerike AS	Hønefoss	33 %	400	776	(646)	0	130
KAFO Holding AS	Gjøvik	33 %	3 010	970	85	0	1 055
Skade og Lakk AS	Fredrikstad	33 %	3 480	1 466	(318)	(100)	1 047
Tønne Karosseri og Lakk AS	Verdal	20 %	402	516	332	(200)	648
Bilhuset Brekstad AS	Rissa	20 %	1 000	985	0	0	985
Prøven Motortrade AS	Stjørdal	50 %	50	0	(500)	500	0
Stjørdal Bilskadesenter AS	Stjørdal	33 %	400	(781)	1 338	0	557
Hjørnetomta AS	Stjørdal	50 %	691	681	124	0	805
Leira Bil Brekstad AS	Brekstad	20 %	100	86	0	0	86
Rosten Drift AS	Trondheim	50 %	15	0	0	0	0
Prøven kverneland AS	Trondheim	31 %	311	0	648	311	959
Total investments in joint ventures and associated			**25 015**	**28 777**	**3 723**	**311**	**32 810**

Other shares and investments	Registered office	Stake and voting share	Cost of acquisition	Carrying amount
Nytt om Bil AS	Asker	10 %	50	50
Trøndelag Lakksenter AS	Trondheim	13 %	500	500
Lillehammer Bilskadesenter AS	Lillehammer	17 %	195	195
Autoringen AS	Oslo	20 %	300	300
Other shares and investments with ownership under 10%			2 130	1 955
Total other shares and investments			**3 175**	**3 000**

Note 8 Receivables due in more than one year	**2015**	**2014**
Other receivables	794	1 294

Note 9 Other provisions for obligations	**2015**	2014
Long-term provisions:		
Provision for service contracts	**94 743**	87 554
Provision for warranty obligations	**203 821**	148 386
Provision for possible losses on repurchase obligations	**57 549**	50 836
Provision for other contingent liabilities	**700**	0
Total long-term provisions for obligations	**356 812**	286 777
Current provisions		
Goodwill and other provisions	**22 440**	16 455
Other contingent liabilities	**8 635**	4 782
Provisions for losses on lease contract	**5 914**	8 483
Total other current provisions for obligations	**36 989**	29 721
Value of repurchase portfolio	**2 039 473**	1 887 232

See also note 1 for a more detailed description of the Group's principles relating to provisions for obligations.
NOK 338,354,000 of the repurchase portfolio is mortgaged against a factory in 2015, compared with NOK 211,101,000 in 2014.

Note 10 Mortgages and warranty obligations	**2015**	2014
Recognised debt secured by a mortgage, etc.:		
Drawn on credit facilities	**1 112 858**	0
Capitalised borrowing costs	**(3 313)**	0
Other non-current liabilities	**560**	710
Borrowings	**81 843**	2 515
Current debt to Bertel O. Steen Holding AS	**0**	790 118
Total	**1 191 948**	793 343
Carrying amount of mortgaged assets:		
Accounts receivable	**797 585**	434 980
Inventories	**1 528 235**	1 228 761
Vehicles, operating equipment, fixtures and fittings, etc.	**259 106**	74 735
Land, buildings and other property	**1 474 404**	1 297 154
Total	**4 059 330**	3 035 630
Unutilised credit facilities	**879 923**	279 882
Unused portion of bank overdraft facility	**287 043**	116 752

Credit facilities totalling NOK 1,100 million relating to Bertel O. Steen Eiendom and Bertel O. Steen Holding AS fall due in 2020. NOK 42.2 million of the recognised debt falls due more than five years after the end of the financial year.
The Group's average interest rate charged in 2015 was 2.67% (2.82% in 2014).
See also note 16 regarding financial risk.

Covenants requirements for Car-related operations:
1. The loan shall not exceed 70% of the total inventories, cars and accounts receivable.
2. The net debt to EBITDA ratio shall not be higher than 3.5:1 during the financial year.
3. The equity ratio shall not be less than 27% during the financial year.

Covenants requirements for Property operations:
1. The loan shall not exceed 77.5% of the the market value of the Group's properties;
2. The interest cover ratio shall never be less than 1.60:1;
3. Accumulated net annual rental income from guarantors pursuant to "BOS lease agreements" shall never be less than NOK 90 million;
4. The average weighted life of "BOS lease agreements" shall not be less than 48 months, and the amount of annual rent pursuant to "BOS lease agreements" for each of the next four consecutive 12 month periods shall not be less than NOK 90 million.

At 31 December 2015, the covenants were in compliance with the requirements.

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Note 11 Bank overdraft facilities, bank deposits, guarantees and cur	**2015**	2014
Unused portion of bank overdraft facility	**287 043**	116 752
Guarantees		
Bank guarantee covering unpaid tax withholding	**82 830**	75 700
Reimbursement of the car factory	**62 530**	54 285
Other guarantees	**142 646**	166 008
Restricted bank deposits covering unpaid tax withholding	**3 144**	2 832
Total guarantees	**291 150**	298 825
Surety		
Surety obligation group companies	**100 086**	127 732
Other surety obligations	**3 334**	757 288
Total surety	**103 420**	885 020
Forward exchange contracts		
EUR forward contracts – purchase contracts (amounts in EUR)	**107 724**	53 166
EUR forward contracts – sales contracts (amounts in EUR)	**7 050**	7 300

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Note 12 Tax charge	**2015**	2014
The income tax expense for the year is arrived at as follows:		
Taxes payable	**168 999**	111 405
Tax effect of paid group contributions	**(136 124)**	(82 987)
Under (over) provided in previous years	**474**	15
Effect of new tax rules (2015)	**7 887**	0
Change in deferred tax	**47 614**	40 493
Total tax on ordinary profit	**88 851**	68 925
Reconciliation from nominal to effective tax rate:		
Profit before tax	**296 394**	258 244
Expected tax charge based on the nominal tax rate (27%)	80 026	69 726
Actual tax charge	88 851	68 925
Difference between nominal and actual tax charge	(8 825)	800
Tax effect of the following items:		
Costs without deduction / income without tax liability	**(3 872)**	(1 999)
Recognised dividend income, gains on shares and share write-downs	**133**	(7)
Profit from associated companies	**1 005**	631
Effect of new tax rules and rates (2015)	**(7 887)**	0
Other items	**1 797**	2 175
Total difference	**(8 825)**	800
Effective tax rate	30 %	27 %
Specification of tax effect of temporary differences and forwardable losses:		
Tax asset (liability)		
Tangible and intangible fixed assets	**(55 573)**	(51 435)
Stock	**37 274**	34 582
Receivables	**4 150**	4 235
Profit and loss account	**(3 099)**	(4 540)
Liabilities	**105 965**	96 256
Other differences	**9 811**	5 268
Loss carryforwards	**65**	514
Total book value of deferred tax benefit	**98 592**	84 882

Deferred tax assets are entered on the balance sheet on the basis of expectations of future profits in the company or group.

Taxes payable in the balance sheet are arrived at as follows:		
Taxes payable on profit for the year	**168 999**	111 405
Tax effect of received (paid) group contributions	**(136 124)**	(82 987)
Errors in previous years	**(258)**	(15)
Total taxes payable	**32 617**	28 403

Note 13 Equity and shareholder information

Equity:	**Share capital and other equity**	**Minority interest**	**Total**
Equity at 1 Jan.	2 071 035	43 460	2 114 495
Change in capital for the year:			
Other changes	476	(1)	474
Change in capital 1)	(154 518)	0	(154 518)
Provision for dividend	(67 508)	(16 050)	(83 558)
Net paid group contributions	(5 469)	0	(5 469)
Profit / loss for the year	192 784	14 759	207 543
Equity at 31 Dec.	**2 036 800**	**42 167**	**2 078 967**

1) The change in capital is attributable to the acquisition of shares in Snap Drive AS, which has been recorded in accordance with the principle of group continuity.

Share capital and shareholder information:

The share capital in Bertel O. Steen AS at 31 December comprises the following:

	Number	**Nominal value**	**Book value**
Total shares	**3 724 334**	**100**	**372 433 400**

Bertel O. Steen AS has the following shareholders:

Name	**Ordinary shares**	**Total shares**	**Shareholding**	**Voting share**
Bertel O. Steen Holding AS	3 724 334	3 724 334	100 %	100 %
Total	3 724 334	3 724 334	100 %	100 %

Each share carries the same rights in the company.

Note 14 Significant agreements

Peugeot

The contract with Automobiles Peugeot was signed in 1929. A new contract with Automobiles Peugeot was signed in mid-2011, in addition to new dealer contracts. These have no set duration, but can be terminated with a two-year period of notice.

Daimler

The contract with Daimler AG was signed in 1929. As a consequence of the European Commission Block Exemption Regulation no. 1400/2002, a new agreement was entered into in 2003, with a two-year mutual period of notice.

Kia Motors

The agreement with Kia Motors was entered into in 1993 and was renewed in 2003. In line with the European Commission Block Exemption Regulation no. 1400/2002, the agreement currently remains in force with a two-year mutual period of notice.

Citroën

The contract with Automobiles Citroen was signed in April 2015 in connection with Bertel O. Steen's acquisition of the company. Prior to this the company had not had a formal importer agreement. During the first five years, the contract can only be terminated in the event of material breach; thereafter it continues to run automatically for another five years, unless it is terminated with six months' mutual notice.

Note 15 Transactions with related parties

The automotive group sells cars, spare parts, IT services and other administrative services to the Bertel O. Steen Invest group and the parent company Bertel O. Steen Holding AS.
All transactions between group companies are on ordinary commercial terms.
Remuneration of senior executives is discussed in note 5.

The Group's transactions with related parties:	**2015**	2014
Income		
Sales of cars and parts, incl. workshop services	**6 804**	21 562
Sales of IT and other admin. services	**6 975**	12 774
Rental income	**3 144**	7 391
Total income	**16 924**	41 727
Expenses		
Interest expenses	**16 649**	24 811
Total expenses	**16 649**	24 811

Bertel O. Steen AS acquired 100% of the shares in Snap Drive AS and Bertel O. Steen Spesialkjøretøy AS from the Bertel O. Steen Invest group.
See notes 13 and 18 for further details concerning these transactions.

Balances with related parties	**2015**	2014
Current receivables		
Trade receivable vis-à-vis Bertel O. Steen Invest AS and subsidiaries	**2 371**	3 224
Group contributions from Bertel O. Steen Invest AS and subsidiaries	**55 115**	62 050
Total current receivables	**57 486**	65 274
Current liabilities		
Other current liabilities vis-à-vis Bertel O. Steen Holding AS	**27**	50
Short-term loan to Bertel O. Steen Holding AS	**0**	790 118
Group contributions paid to Bertel O. Steen Invest AS and subsidiaries	**75 500**	85 000
Group contributions paid to Bertel O. Steen Holding AS	**7 492**	9 000
Dividend payable to Bertel O. Steen Holding AS	**67 508**	51 000
Total current liabilities	**150 527**	935 168

Note 15 Transactions with related parties

The automotive group sells cars, spare parts, IT services and other administrative services to the Bertel O. Steen Invest group and the parent company Bertel O. Steen Holding AS.
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Dividend payable to Bertel O. Steen Holding AS	**67 508**	51 000
Total current liabilities	**150 527**	935 168

Note 16 Financial risk

The activities of the Bertel O. Steen Group entail financial risk associated mainly with foreign exchange, interest rates, cred
The Group manages risk with the aim of ensuring the predictability of cash flows
and sufficient liquidity to meet natural fluctuations in the need for working capital.

Currency risk

The Group's income is mainly in Norwegian kroner, but approximately 56% of goods purchased are in foreign currency.
The cash flow in foreign currency is mainly in euro. The company seeks to limit this risk by using forward contracts.
At the same time, several of the Group's car importers have entered into forward foreign exchange contracts with suppliers
reduce transaction and currency risk, where the car manufacturer mainly bears the currency risk for longer than two montl

At 31 December 2015 the Group had purchased forward contracts worth NOK 996 million and sold forward contracts to the
NOK 930 million. Their fair value at year-end was NOK 1,099 million.
Unrealised foreign exchange gains totalling NOK 37 million between the acquisition cost and the market value on the balan
Fair value is the market value calculated using the mid-price that the respective banks have adopted
based on current rates in the market on the balance sheet date.

Maturity year of forward exchange contra	**2016**	**2017**	**2018**
Nominal amount of purchases of euro (in	995 800	0	0
Nominal amount of sales of euro (in NOK	46 956	9 300	9 400
Unrealised gain on exchange (in NOK thou	39 216	-965	-1 027

Liquidity risk

The Group operates in a cyclical industry with relatively large fluctuations in working capital. There is therefore risk associa
short-term access to funding. This risk is managed by having flexible committed funding in the parent company, with
regular adjustment of drawdowns according to needs. See note 10 on credit facilities.

Interest rate risk

At 31 December 2015 the company had net interest-bearing debt totalling NOK 1,110 million. This debt is based on a varia
market interest rate. This implies an interest-rate risk relative to the developments in short-term interest rates linked to
future interest costs. This risk is reduced by part of the debt switching to a fixed interest rate through fixed rate contracts

At 31 December 2015 NOK 230 million was hedged with long interest rate swaps at an average NIBOR 3M of 4.43% and a
average remaining term of 3.99 years. 21% of the loan portfolio is associated with swap agreements.
At year-end the swap agreements had a positive market value of NOK 0.2 million.

Maturity year of interest rate swap agreen	**2016**	**2017**	**2018**	**2019**	**2020**	**Later**
Nominal amount (in NOK thousands)	0	0	20 000	105 000	105 000	0

Maturity of long-term debt	**2016**	**2017**	**2018**	**2019**	**2020**	**Senere**
Nominal amount (in NOK thousands)	0	0	0	0	2 300 000	42 000

Bertel O. Steen AS and Bertel O. Steen Eiendom AS refinanced in 2015, with five-year loan agreements.

Credit risk

The risk that counterparties do not have the financial capacity to fulfil their obligations is considered small, since historicall
bad debts. There is also credit risk linked to sales by the importer business to external dealers.
The Group seeks to hedge this risk through bank guarantees from independent dealers, good credit procedures and close f
outstanding accounts receivable.

Note 17 Significant transactions during the financial year

Bertel O. Steen AS acquired 100% of the shares in CDS Norge AS. In addition, Bertel O. Steen AS has bought the shares in Snap Drive AS and Bertel O. Steen Spesialkjøretøy AS from the Bertel O. Steen Invest group.
Bertel O. Steen Eiendom AS has acquired 100% of the shares in Røykåsveien Eiendom AS and Industriveien 7 B Eiendom AS in 2015.

The Group has not sold any subsidiaries in 2015.

The transactions had the following effect on the consolidated financial statements as at 31 December 2015:

	Effect of acquisitions
Cash	53 013
Receivables	38 346
Fixed assets including added value	82 091
Stock	119 623
Accounts payable	(74 213)
Other current liabilities	(139 706)
Net identifiable assets	**79 154**
Goodwill	7 642
Deferred tax asset	37 082
Fiscal continuity Snap Drive AS	154 518
Paid in cash	278 396
Acquired cash	(53 013)
Net cash	**225 383**

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(All figures in thousands)

Note 18 Group composition

	Registered office	Stake and voting share
Car-related operations:		
Bertel O. Steen AS	Lørenskog	100,0 %
Kia Bil Norge AS	Lørenskog	100,0 %
CDS Norge AS (new company in 2015)	Lørenskog	100,0 %
Chrysler Norge AS	Lørenskog	100,0 %
Nordisk Bilimport AS	Lørenskog	100,0 %
Bertel O. Steen Spesialkjøretøy AS (new company in 2015)	Lørenskog	100,0 %
Bertel O. Steen Finans AS	Lørenskog	100,0 %
Snap Drive AS (new company in 2015)	Skedsmo	100,0 %
Bertel O. Steen Detalj AS	Lørenskog	100,0 %
Bertel O. Steen BilVenture AS	Lørenskog	100,0 %
Bertel O. Steen Bil AS	Lørenskog	100,0 %
Bertel O. Steen Aktiv Bil AS	Lørenskog	100,0 %
Bertel O. Steen Oslo AS	Oslo	100,0 %
Bertel O. Steen Romerike AS	Skedsmo	100,0 %
Bertel O. Steen Asker og Bærum AS	Bærum	100,0 %
Bertel O. Steen Vare-Last-Buss AS	Lørenskog	90,1 %
Bertel O. Steen Møre og Romsdal AS	Ålesund	100,0 %
Brabil AS	Haram	100,0 %
Bertel O. Steen Ringerike AS	Ringerike	100,0 %
Bertel O. Steen Vestfold AS	Tønsberg	90,2 %
Bertel O. Steen Autostern AS	Oslo	100,0 %
Bertel O. Steen Telemark AS	Skien	100,0 %
Bertel O. Steen Hedmark og Oppland AS	Ringsaker	100,0 %
Bertel O. Steen Lillehammer Motorcentral AS	Lillehammer	100,0 %
Bertel O. Steen Østfold AS	Fredrikstad	100,0 %
Bertel O. Steen Bergen AS	Bergen	100,0 %
Bertel O. Steen Buskerud AS	Lier	100,0 %
Bertel O. Steen Rogaland AS	Sandnes	90,1 %
Motor Trade Holding AS	Trondheim	50,0 %
Motor-Trade AS	Trondheim	100,0 %
Trønderlinjen AS	Melhus	100,0 %
Bertel O. Steen Agder AS	Kristiansand	60,0 %
Bertel O. Steen Bilskade AS	Oslo	100,0 %
Property operations:		
Bertel O. Steen Eiendom AS	Lørenskog	100,0 %
Ekreveien 27 AS	Lørenskog	100,0 %
Bedriftsveien 120 AS	Lørenskog	100,0 %
Bryggeriveien 5 AS	Lørenskog	100,0 %
Dikveien 1 AS	Lørenskog	100,0 %
Energiveien 11 AS	Lørenskog	100,0 %
Hensmoen AS	Lørenskog	100,0 %
Industrigata 58 AS	Lørenskog	100,0 %
Lerstadveien 525 AS	Lørenskog	100,0 %
Liamyrene 3 AS	Lørenskog	100,0 %
Maridalsveien 85-87 AS	Lørenskog	100,0 %
Prof. Koths vei 85 AS	Lørenskog	100,0 %
Slagenveien 67 AS	Lørenskog	100,0 %
Solheimveien 7 AS	Lørenskog	100,0 %
Svanedamsveien 6-8 AS	Lørenskog	100,0 %
Vassbotnen 9 AS	Lørenskog	100,0 %
Solheimveien 11 AS	Lørenskog	100,0 %
Solheimveien 15 AS	Lørenskog	100,0 %
Skolmar Eiendom AS	Lørenskog	100,0 %
Sognsveien 90 AS	Lørenskog	100,0 %
Sandakerveien 64 AS	Lørenskog	100,0 %
Bertel O. Steen Eiendomsdrift AS	Lørenskog	100,0 %
Bertel O. Steen Osloeiendommer ANS	Lørenskog	100,0 %
Hvamveien 2 AS	Lørenskog	100,0 %
Røykåsveien Eiendom AS (new company in 2015)	Lørenskog	100,0 %
Industriveien 7 B Eiendom AS (new company in 2015)	Lørenskog	100,0 %
Håvardstun AS	Lørenskog	100,0 %

Annual Report of the Board of Directors 2015

Introduction

Bertel O. Steen AS's main business areas are automotive and property operations. In 2015 the Group had a turnover of NOK 11.8 billion (NOK 10.1 billion in 2014) and at year-end employed 2,173 full-time equivalents 1,957 in 2014). The head office is located in the municipality of Lørenskog, Norway.

The Group's automotive operations consist of car imports, car retail, a chain of workshops, and car financing. Property operations consist of the Group's properties connected with the motor industry and other commercial properties.

Car Import consists of the import of cars of the makes Mercedes-Benz, Fuso, smart®, Peugeot, Kia, Citroën and DS.

Car Retail consists of a nationwide dealer network that distributes the Group's car makes and used cars and provides after-sales services and financial services. Sales are effected through Bertel O. Steen Detalj AS and subsidiaries.

The chain of workshops Snap Drive AS is an independent chain consisting of 20 workshops located in the largest cities in Norway.

Car Financing consists of the company Bertel O. Steen Finans AS, which offers financing solutions through a nationwide network of dealers who sell cars imported by Bertel O. Steen AS.

Property consists of Bertel O. Steen Eiendom AS and its subsidiaries, which own and manage a substantial property portfolio of approx. 170,000 m^2 connected with the motor industry and other business sectors. These properties have a combined market value of approx. NOK 2.9 billion, roughly half of which (by value) is car-related properties.

Highlights

The Group has made several acquisitions in 2015.
In January, Bertel O. Steen Spesialkjøretøy AS was acquired from the Bertel O. Steen Invest group.
In May, the acquisition of Citroën Norge AS from PSA Automobiles Citroen was completed. In July, Snap Drive AS was bought from Bertel O. Steen Invest AS.
The acquisition of the import operations of Citroën and DS, Snap Drive AS and Bertel O. Steen Spesialkjøretøy AS is part of the Group's aggressive growth strategy.

In addition, Bertel O. Steen Eiendom AS bought the property companies Røykåsveien Eiendom AS and Industriveien 7B Eiendom AS. The intention behind these acquisitions is to take control of the properties adjacent to the Group's head office to allow strategic flexibility.

The market and business development in 2015

The car market remained good in 2015. Car sales in Norway totalled 190,106 units, up 5.5% compared with 2014. The Group sold 150,686 passenger cars, which is 4.1% higher than in 2014. Van sales grew by 12.3% in 2015 to 33,254 units. Bus sales declined by 4.4% to 970 units, while the market for lorries fell by 4.6% to 5,196 units in 2015.

The different car makes distributed by the Group returned varying results in 2015. In the passenger car segment, Mercedes-Benz saw an increase in sales resulting in a market share of 5.1% (4.6% in 2014), while Citroën and Peugeot developed negatively, achieving respective market shares of 1.4% (1.9%) and 3.7% (4.5%). Kia's market share was unchanged at 2.5%. In the van segment, Peugeot strengthened its market share to 9.9% (9.8%), while Mercedes-Benz's market share remained unchanged at 7.9%. In the market for heavy lorries, Mercedes-Benz experienced an improvement in its market share to 13.9% (13.3%), and it is still the third best-selling make in the segment. In the bus market, Mercedes-Benz achieved a market share of 28.5% (32.2%), meaning it is still the best-selling make in the segment.

Overall the Group had a market share of 15.3% in 2015, including Citroën, compared with 13.3% in 2014.

Company and Group results

Bertel O. Steen AS:
The company increased its turnover by 12% in 2015 to NOK 6,474 million. The profit for the year was NOK 226 million higher than last year, at NOK 320 million.

The company’s total assets increased by NOK 426 million from 2014 and totalled NOK 4,259 million at the close of 2015.

Equity increased by NOK 178 million from 2014 and was NOK 2,009 million at year-end, yielding an equity ratio of 47.2% (47.8%).

The company's cash flows from operations in 2015 were positive by NOK 62 million, compared with NOK 50 million in 2014.

Group:
The operating revenue for 2015 amounted to NOK 11,780 million, an increase of 17% compared with 2014. Overall Mercedes-Benz and Kia developed positively, while Peugeot had reduced income due to its weaker market position in the passenger car segment compared with the previous year. Revenues resulting from acquisitions amounted to NOK 500 million, which is about 5% of the turnover.
Thanks to good markets in the Group's business areas in 2015, the Group achieved an operating profit of NOK 371 million, compared with NOK 275 million for 2014. Car Import, Car Retail and Car Finance made positive contributions to the overall result. A total of NOK 10 million of the profit for 2015 is due to the acquisition of CDS Norge AS, Snap Drive AS and Bertel O. Steen Spesialkjøretøy AS.

Net financial expenses increased from NOK 19 million in 2014 to NOK 78 million in 2015. Most of this change is attributable to net realised and unrealised foreign exchange losses.

The Group recorded a pre-tax profit of NOK 296 million in 2015, which is NOK 38 million higher than the previous year.

The Group's tax charge came to NOK 89 million in 2015, compared with NOK 69 million in 2014. The Group's tax payable amounted to NOK 33 million in 2015, compared with NOK 28 million in 2014.

The Group's profit for 2015 was NOK 208 million, compared with NOK 189 million in 2014.

The Group's cash flow from operating activities amounted to NOK -60 (321) million in 2015, with the cash flow from the Group's profit making a positive contribution, while the significant increase in inventories and accounts receivable pulled the figures down. Net cash flow from investing activities was NOK -382 (-159) million, of which investments in property operations amounted to NOK 54 (94) million and acquisitions of businesses totalled NOK 225 (33) million. Net cash flow from financing activities ended at NOK 305 (-119) million, of which NOK 94 million is payment of dividends and group contributions and NOK 399 (-48) million is an increase in interest-bearing debt. Payment of dividends amounted to NOK 71 million.

The Group's total change in cash flows from operating, investing and financing activities amounted to NOK -138 (43) million in 2015.

The Group had cash and cash equivalents of NOK 17 million at the end of 2015, while liquidity reserves totalled NOK 1,167 million. The overall liquidity situation is regarded as satisfactory.

The Group had interest-bearing debt of NOK 1,274 million at year-end 2015, up by NOK 793 million from the end of 2014.

The Group's equity ratio was 36.3% at year-end 2014, which is 7.7 percentage points lower than the previous year.

Car Import

The Group registered a total of 27,509 new vehicles in 2015, an increase of 3,608 vehicles from the previous year.

The Group's car makes accounted for 29,021 registered new vehicles in 2015. Total sales of the Group's car makes in 2015 resulted in a combined market share of 15.3%, up 2 percentage points from the previous year. In addition, 1,653 KIA Soul Electrics were imported via Germany, adding an estimated 0.7 percentage points to the Group's market share. Total market share including these cars is 16.0%.

Although performance has varied among the different makes and segments, the overall development is weaker than the Group's target.

The Mercedes-Benz Norge division registered sales of a total of 11,314 vehicles in 2015, an increase of 13.1% from 2014. Mercedes-Benz was the 5th best-selling car make in 2015, unchanged from 2014. The overall market share was 6.0% (5.6%). The market share in the passenger car segment rose from 4.6% in 2014 to 5.1% in 2015. In the van segment, Mercedes-Benz achieved a market share of 7.9% in 2015, unchanged from 2014. The market share for Mercedes-Benz lorries rose during the year, from 13.3% in 2014 to 13.9% in 2015, while Mercedes-Benz's market share in the bus segment declined from 32.2% in 2014 to 28.5% in 2015. Mercedes-Benz was the third largest make in the lorry segment and the largest in the bus segment in 2015.

The Peugeot Norge division registered sales of a total of 8,827 vehicles in 2015, a decrease of 6.7% from 2014. Peugeot was the eighth best-selling make in Norway in 2015, unchanged from 2014. Peugeot's total market share was 4.6% (5.2%) in 2015. The market share for passenger cars declined by 3.7% (4.5%) in 2015, while the market share in the van segment rose from 9.8% to 9.9% in 2015.

Kia Bil Norge AS registered 4,662 vehicles in 2015, an increase of 5.2% from 2014. Kia was the 13th best-selling passenger car make in 2015 and achieved a total market share of 2.5%, both unchanged from 2014. The market share in the passenger car segment was stable at 3.1% in 2014 and 2015. In addition, Kia Bil Norge AS imported 1,653 Kia Soul Electrics from Germany, which are not included in OFV's statistics. Including these cars, Kia Bil Norge AS has a market share of 4.1% in the passenger car segment and 3.3% in the total market.

CDS Norge AS registered 4,218 vehicles in 2015, a decrease of 6.1% compared with 2014. Market share in the passenger car segment was 1.4% (1.9%) and market share in the van segment was 6.3% (5.9%). Total market share was 2.2% (2.5%) in 2015.

Bertel O. Steen's total **car import business,** including sales of parts, saw a 28% rise in operating revenue, from NOK 6,201 million in 2014 to NOK 7,943 million in 2015. Most of the increase is attributable to growth in sales of Mercedes-Benz cars, KIA cars and the acquisition of CDS Norge AS. The import division as a whole achieved an operating profit of NOK 226 million, up NOK 31 million from the previous year. Improved profits for Mercedes-Benz commercial vehicles, Mercedes-Benz passenger cars and KIA are responsible for most of the increase.

Snap Drive AS faced a market characterised by fierce competition for customers in 2015 too.

The company's turnover fell from NOK 239 million to NOK 233 million in 2015. Improved earnings and a stable cost base contributed to an operating profit of NOK 19 million, unchanged from 2014.

***Bertel O. Steen Spesialkjøretøy* AS'** core business is the sale of special vehicles to the police, the Armed Forces and government agencies, and servicing of and sales of spare parts for these vehicles. The company's turnover amounted to NOK 46 million in 2015, which is on a par with 2014. The operating profit was NOK 3 million in 2015 (1).

The total operating revenue for **Bertel O. Steen Detalj AS and subsidiaries** was NOK 8,302 million in 2015, up 10.6% from 2014. In 2015 sales of new cars rose by 15.2% and sales of used cars by 10.1%. Sales of parts and workshop services rose by 7.5% and 2.2% respectively. The Group's car retail operations returned an operating profit of NOK 118 million in 2015, an increase of NOK 108 million from 2014.

Bertel O. Steen Finans AS, the Group's car financing company, achieved growth of 7.3% in its financing portfolio in 2015, bringing it to NOK 5,336 million. Total turnover amounted to NOK 70 million in 2015, compared with NOK 56 million in 2014. Falling interest rates, significant portfolio growth and increased commissions were the main drivers behind the operating profit of NOK 60 (48) million in 2015.

Bertel O. Steen Eiendom AS and subsidiaries achieved an operating profit of NOK 100 (103) million in 2015.

The properties in the portfolio are fully leased with the exception of warehouse premises in Lørenskog that have been earmarked for future purposes. The majority of the non-car related tenants are public organisations with long-term lease contracts.

Miscellaneous
A new IT platform for car dealers will be implemented in the latter half of 2016 and 2017.

Vision and strategy
Bertel O. Steen's vision is to be Norway's best car retailer by the end of 2018. The strategy is to improve the Group's position in four specific areas: 1) customer and dealer satisfaction, 2) attractive employer, 3) market share, and 4) operating profit.
In 2015, we have redefined our vision and core values, based on a corporate culture of performance and customer focus that is the foundation for everything we do, right out to individual key moments with the customer.
In 2015 we initiated and implemented several strategic initiatives and have taken significant steps towards realising our vision.

We have strengthened our market position through a number of strategic acquisitions. We have upped our focus on the after-sales service market by establishing a separate organisation under BOS Detalj, and we have implemented measures across the Group to improve customer experience and profitability.

We have also revised our property strategy, and our new goal is to double the property portfolio by the end of 2020. The Group has strengthened its focus on property through new management and a new board in 2016.

The Board would like to thank all the employees for their dedication and hard work in 2015.

The working environment

The Group aims to offer its employees a challenging job in a stimulating working environment. The healthy development of the organisation is safeguarded by regularly measuring employee satisfaction, dealer satisfaction and customer satisfaction and implementation of appropriate measures as and when necessary. Bertel O. Steen AS makes considerable investments in the development of competencies.

The Group reported 17 accidents resulting in injury in 2015, eight of which have resulted in prolonged sickness absence, compared with 20 accidents in 2014, none of which have resulted

in prolonged sickness absence. All injuries are followed up and reported in the Group's HSE system. Through close cooperation with the occupational health service, the individual employees are followed up according to their needs. The Group also has a continuous programme of measures to prevent accidents.

The Group's sickness absence rate is well below the average for Norway. The sickness absence rate was 4.3% in 2015, which is 0.3 percentage points lower than in 2014. Short-term sickness absence was 2.0% in 2015, compared with 2.1% in 2014.
The Board is satisfied with the relatively low sickness absence.

Gender equality and discrimination

The Group works actively to promote gender equality, ensure equal opportunities and rights, and prevent discrimination on the basis of gender, age, religion, political opinion, race, colour, national origin, ethnic origin, sexual orientation or living arrangements in the organisation. In the Board's view, there is no need for special measures in this area.

The Group has 12.1% female employees, which is roughly the same level as in 2014. The Group has one woman in the group management.

The external environment and corporate social responsibility

As one of Norway's largest and oldest service and trading companies, the Group is highly aware of its corporate social responsibilities.

The Group attaches particular importance to protection of the environment and related issues. As per spring 2016, all our dealers are publicly environmentally certified under either the Norwegian Eco-Lighthouse scheme or ISO 14001. In connection with this work, a number of measures have been implemented to reduce energy consumption. Good routines have also been adopted for waste management, both to prevent harmful emissions and to ensure a higher waste recycling rate.
Thorough work has been carried out to reduce the use of chemicals in the businesses, which has led to more responsible use and better overview. The chemicals used are risk-assessed and registered electronically on the EcoOnline website, a national database.

The Group's dealers are members of Autoretur, a system for the collection and recycling of all end-of-life vehicles, and members of Batteriretur, which ensures the safe collection of car batteries. The Group is also a member of the national Grønt Punkt packaging recycling scheme.
The Group requires that all its suppliers provide documentation that they meet the statutory requirements concerning occupational health and safety and the working environment, and that they are legally organised in accordance with the applicable tax and working environment regulations in terms of the employees' labour and social rights.

Risk

The Group is exposed to currency risk, interest-rate risk, price risk, supplier and customer risk, changes in market development, tax policy and changes in political framework conditions. Risk management is necessary in order to safeguard value creation for shareholders, employees and society.

See also the comments on the Group's risk situation in note 16 to the consolidated annual financial statement.

Statement on the outlook

The Group foresees greater economic uncertainty in 2016 and expects a weaker car market, with a passenger car market of 145,000, compared with 150,686 in 2015.

The Group's ambition is a total market share of 20% by the end of 2018.

A significant part of the income generation within the Group's automotive operations comes from the after-sales service market. The Group is experiencing tough competition in this market, but believes that a concerted focus on the after-sales market will result in greater overall earnings in this area in 2016.

In recent years the Group has operated in a strong car market, but the longer-term prognoses for the car market are uncertain. This uncertainty is primarily related to the depreciation of the Norwegian krone. The Group's renewed focus on key strategic initiatives, improving processes and increasing employee engagement and dealer and customer satisfaction are expected to result in greater profitability for the Group in an increasingly demanding market.

In the property market, rents and property values in 2016 are expected to remain largely unchanged from those in 2015. The continued low interest rate has a positive effect on property values. Bertel O. Steen Eiendom AS and subsidiaries has achieved a high level of security for its earnings thanks to its high occupancy rate and stable lessors.

Going concern

In accordance with section 3-3 of the Norwegian Accounting Act, the Board confirms that the accounts have been prepared in accordance with the going concern assumption.

Beyond that which appears in the financial statement, the Board of Directors is not aware of any circumstances that have occurred during the course of 2015 or after the end of the financial year that have any great significance for the annual financial statement.

The Board believes that the annual financial statement provides a true and fair picture of the company's financial position.

Allocation of profits

Bertel O. Steen AS reported an annual profit for 2015 of NOK 320 million. On this basis, it is proposed that a dividend of NOK 73 million be paid, while NOK 247 million be transferred to retained earnings (other equity).

Lørenskog, Norway, 14 April 2016

Sverre Leiro *Chairman of the Board*	Odd Christopher Hansen *Board member*	Bertel O. Steen *Board member*
Sverre Rune Kjær *Board member*	Gisle Skansen *Board member*	Ole Stefan Nedenes *Board member*
Jens Mosveen *Board member*	Leif Erik Vik *Board member*	Bjørn Maarud *CEO*

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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Bertel O. Steen AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Bertel O. Steen AS, which comprise the financial statements of the parent company, showing a profit of NOK 320.268.000, and the financial statements of the group, showing a profit of NOK 207.543.000. The financial statements of the parent company and the financial statements of the group comprise the balance sheet as at 31 December 2015, and the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Bertel O. Steen AS and of the group as at 31 December

2015, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on 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.

Oslo, 14 April 2016
Deloitte AS

Espen Johansen
State Authorised Public Accountant (Norway)

Translation has been made for information purposes only