Kid

Interim report Q3 2016

Dear Shareholders

At Kid, each quarter of the year is characterised by seasonal changes that bring new lines and new experiences for our customers. The third quarter (Q3) includes the summer season in July, 'back to school' in August and the start of our autumn season in September. However, the weather can make a big impact to the performance of the quarter. In 2015, we experienced unusually cold and wet weather during the summer and, when warm and sunny days finally arrived in August, Norwegian consumers decided to spend their time away from shopping centres. This resulted in low customer traffic and, in turn, a decline in sales. Conversely, the weather was much improved in Q3 this year and customer traffic increased dramatically in August, which was our third largest month measured by revenues. This, together with our efforts to enhance the customer offering and experience, resulted in a Q3 like-for-like growth of 6.7 percent compared to 2015.

Our main focus is to continue growth-enhancing strategic and operational initiatives in accordance with our business plan. The following are worth mentioning for third quarter:

- Our efforts in corporate social responsibility have increased rapidly over the recent years. As this work progresses we continue to find new and more responsible ways to source our products. In Q3 we started to source cotton that is certified by *Cotton Made in Africa*. Kid is the first Norwegian retailer of this initiative, run by the *Aid by Trade Foundation* (AbTF) to help African smallholder cotton farmers to improve their living conditions.
- In Q3 we joined the Better Cotton Initiative. This is a not-for-profit organisation working for global standards for Better Cotton, and bringing together cotton's complex supply chain from farmers to retailers. Both Cotton Made in Africa and the Better Cotton Initiative are part of our plan to ensure 100 percent sustainability and responsibility in the entire value chain, from the farm to our stores.
- Kid is receiving recognition of the retail concept we have developed for the Norwegian market. In September, I was awarded the title 2016 *Retail Leader of the Year* in Norway, by Virke. I consider this award as a recognition of all employees at Kid, and their achievements over the last seven years.
- Online sales increased by almost 60 percent in Q3 compared to the same period in 2015, accounting for 2.1 percent of our last- twelve-month revenues by the end of the quarter. Kid is developing a seamless multichannel approach for customers, whether shopping online from a desktop or mobile device, or in one of our 133 stores. For example, in Q3 we, as the first Norwegian retailer, launched a mobile payment service in the online store using Vipps.
- Hanjin, one of the largest shipping lines in the word, filed for bankruptcy protection in Q3. Kid had at that time already identified 'single shipper risk' in our value chain and Hanjin accounted for less than five percent of incoming goods before Christmas. The Hanjin situation will have very little impact on Kid.

With a successful Q3 wrapped up, we are now heading into our most important quarter in terms of sales and profits. We are well prepared, with a broad Christmas assortment, supported by inspirational campaigns and highly motivated sales staff.

Yours sincerely,

Kjersti H Hobøl

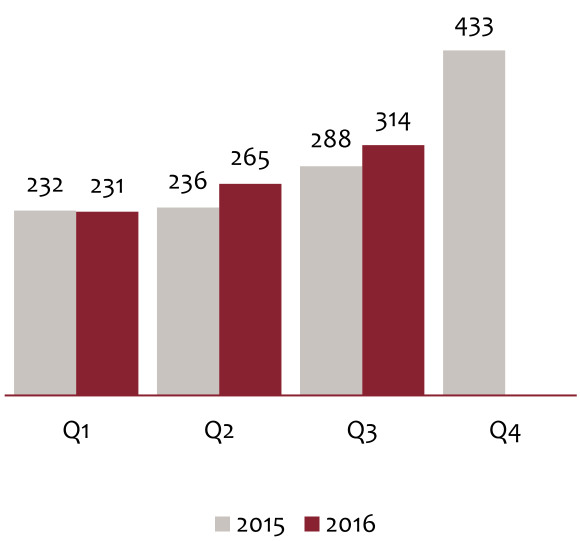
Kjersti Hobøl
CEO

Third quarter in brief

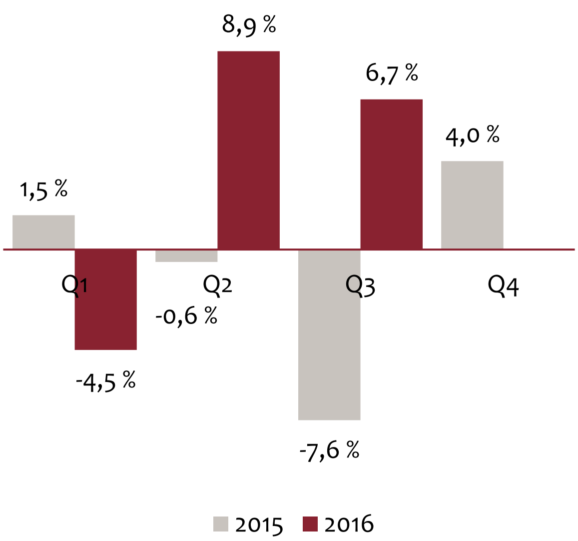
(Figures from corresponding period the previous year in brackets)

- Revenues of MNOK 314.1 (MNOK 287.6), an increase of 9.2%. The growth in August was very strong due to normalized weather in 2016 compared to 2015. The number of shopping days in the quarter was 79 (79).
- Kid continue to gain market share. The sale of home textiles in Q3 2016 in specialised stores in Norway increased by 2.7%, according to Statistics Norway.
- Like-for-like (LFL) sales increased by +6.7% in the quarter and +4.2% YTD compared to the same periods in 2015.
- Gross margin after realised currency effects of 59.1% (60.8%) in Q3. Please see the financial review for further description of the gross margin development.
- Adjusted EBITDA of MNOK 51.6 (MNOK 48.6) in Q3.
- New stores were opened in Bekkestua (Oslo) and Knarvik. The store at Slependen (Oslo) was closed in accordance with plan. The total number of physical stores at the end of the quarter was 133.

Revenues, MNOK



Like-for-like growth

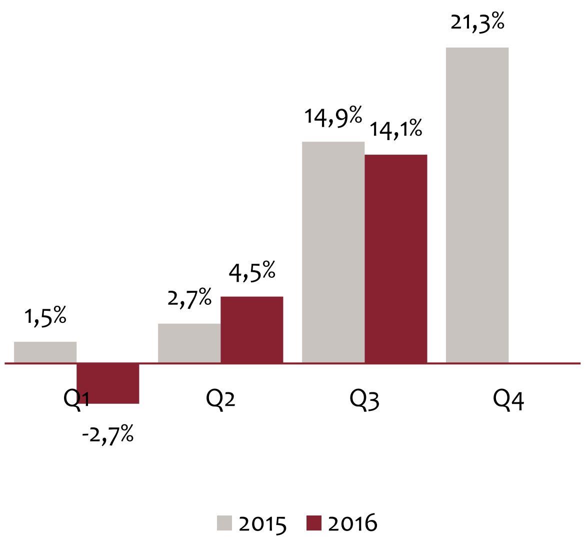


Key figures

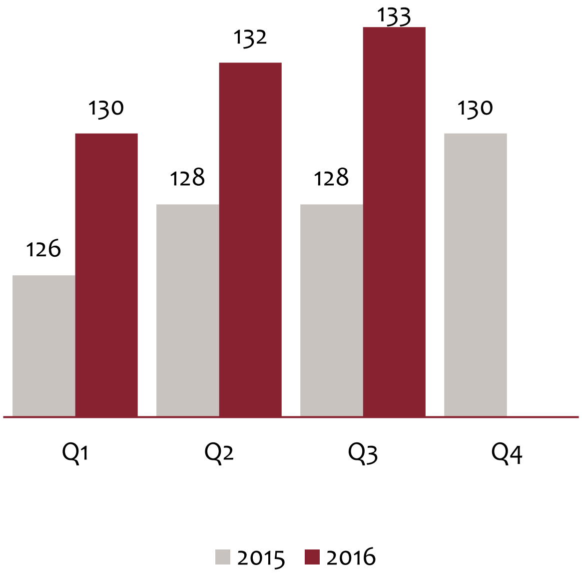
(Amounts in NOK million)	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Full year 2015
Revenues	314,1	287,6	810,1	755,3	1188,4
Growth	9,2%	-2,7%	7,3%	2,5%	4,6%
LFL growth including online sales	6,7%	-7,6%	4,3%	-2,7%	-0,4%
No. of shopping days in period	79	79	228	227	304
No. of physical stores at period end	133	128	133	128	130
COGS including realized FX-effects	-128,6	-112,8	-332,1	-304,0	-475,9
Gross profit	**185,5**	**174,8**	**478,0**	**451,3**	**712,6**
Gross margin (%)	59,1%	60,8%	59,0%	59,7%	60,0%
Adj. EBITDA*	**51,6**	**48,6**	**70,9**	**69,7**	**169,3**
EBITDA margin (%)	16,4%	16,9%	8,7%	9,2%	14,2%
Adj. EBIT*	**44,2**	**43,0**	**49,9**	**52,7**	**144,9**
EBIT margin (%)	14,1%	14,9%	6,2%	7,0%	12,2%
Adj. Net Income*	**30,6**	**28,1**	**30,1**	**28,0**	**92,8**
#shares at period end	40,6	35,0	40,6	35,0	40,6
Adj. Earnings per share	0,75	0,80	0,74	0,80	2,28
Net interest bearing debt	**467,6**	**658,5**	**467,6**	**658,5**	**295,4**

Adjusted for non-recurring items, financial costs related to interest SWAP, "other unrealized (losses)/gains" and change in deferred tax caused by lower tax rate.

Adjusted EBIT margin



Number of physical stores (period end)



Financial review

The figures reported in the Q3 report have not been subject to a review by the Group's auditor PwC, and the preparation has required management to make accounting judgements and estimates that impact the figures. Figures from corresponding period the previous year are in brackets, unless otherwise specified.

Profit and loss

Revenues in the third quarter of 2016 amounted to MNOK 314.1 (MNOK 287.6), an increase of 9.2% compared to the third quarter of 2015 (-2.7%). The growth in August was very strong due to normalized weather in 2016 compared to last year.

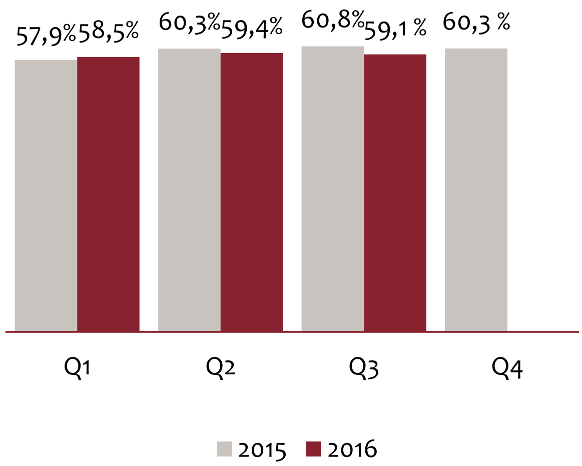
For the first three quarters of 2016, revenues amounted to MNOK 810.1 (MNOK 755.3), an increase of 7.3% compared to the first three quarters of 2015. The key drivers for the revenue increase are a strong second and third quarter and new store openings.

Online sales grew by 59.7% in the third quarter of 2016 compared to the third quarter of 2015. Last twelve months online revenues were MNOK 26.3 as of September 30 2016 - a growth of 52.3% from the corresponding period last year.

During the third quarter of 2016, new stores were opened in Bekkestua (Oslo) and in Knarvik. The store in Slependen (Oslo) was closed in accordance with plan. The total number of physical stores at the end of the quarter was 133.

Gross margin after realised currency effects was 59.1% (60.8%) for the quarter, and 59.0% (59.7%) for the first three quarters.

Gross margin:



Kid ASA hedge 100% of the USDNOK goods purchases approximately 6 months ahead by entering into foreign exchange contracts. Kid ASA is planning an early adoption of the new IFRS 9 standard when it is approved by the European Union to better reflect the hedging strategy. Kid ASA already track the gross margin development internally by using hedge accounting in accordance with IFRS 9 where the currency gain/loss is measured in the same period as the relevant goods are sold, and by this measure gross margin show a positive development in the third quarter (61.1%) compared to the same period last year (60.4%). The corresponding gross margin for the first three quarters in 2016 is 60.7% compared to 59.5% last year.

If hedge accounting were applied, COGS including FX losses or gains would be reduced by MNOK 6.5 in the third quarter of 2016, and increased by MNOK 1.0 in the third quarter of 2015.

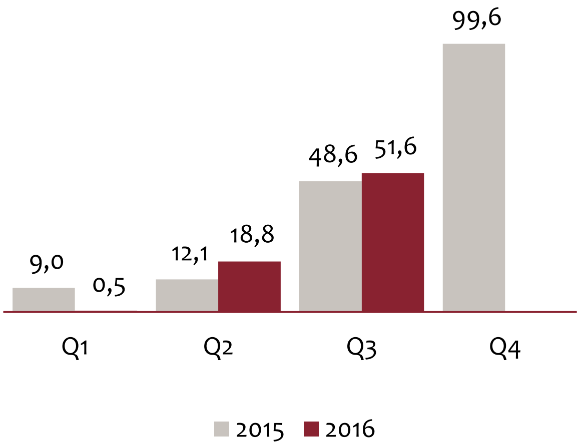
Other operating expenses, including employee benefit expenses, were MNOK 135.4 (MNOK 127.0) in the third quarter. Other operating expenses included non-recurring adjustments of MNOK 3.3 for the third quarter of 2015 related to the IPO process.

Employee expenses have increased by 8.7% to MNOK 66.8 (MNOK 61.4) in the third quarter, of which 3.1 percentage points of the increase is related to net new stores. The remaining 5.6 percentage points increase are related to general salary inflation and increased staffing level due to higher sales. Employee expenses in relation to sales was 21.3% in Q3 2015 and Q3 2016. The employee expenses are in line with our expectations, given our growth initiatives.

Other operating expenses have increased by 4.7% in the period to MNOK 68.7 (MNOK 65.6) in the third quarter. The main reason for the increase was house rental costs, driven by new stores and general inflation. Of the 4.7% increase, new stores account for 2.1 percentage point and other rental cost accounted for 3.2 percentage points. Other operating expenses except rental costs accounted for the remaining cost decrease of -0.6 percentage points.

For the first three quarters of 2016, other operating expenses, including employee benefits, amounted to MNOK 408.7 (MNOK 382.8). Adjustments of MNOK 7.4 was made for the first three quarters of 2015 and were related to the IPO process and the relocation of the warehouse and headquarters to new premises in Lier.

Adjusted EBITDA



Adjusted EBITDA amounted to MNOK 51.6 (MNOK 48.6) in the third quarter. EBITDA is adjusted for unrealized losses/gains related to fluctuations in spot rates vs. currency derivative hedging values. For the third quarter, Kid had an increase in unrealized loss of MNOK 7.0 (gain of MNOK 7.1).

Adjusted EBITDA for the first three quarters of 2016 came to MNOK 70.9 (MNOK 69.7), an increase of 1.7%. Adjustments in relation to unrealized gains/losses amounted to a loss of MNOK 21.3 (gain of MNOK 14.3) in the period.

Adjusted EBIT amounted to MNOK 44.2 (MNOK 43.0) in the third quarter, corresponding to an EBIT margin of 14.1% (14.9%). EBIT was affected by increased depreciation due to last year's CAPEX levels.

Adjusted EBIT for the first three quarters came to MNOK 49.9 (MNOK 52.7), corresponding to an EBIT margin of 6.2% (7.0%).

Adjusted net financial expenses amounted to MNOK 3.2 (MNOK 4.5) in the third quarter. Net financial expenses are adjusted for expenses and fair value adjustments related to a swap contract of MNOK 3.6 in the third quarter of 2015. The swap contract was terminated on November 3rd 2015. Adjusted net financial expenses were positively affected by decreased loan margins and lower long-term debt.

Adjusted net financial expenses for the first three quarters of 2016 were MNOK 9.6 (MNOK 14.3). The total adjustment in relation to the swap contract was MNOK 1.7 in the first three quarters of 2015.

Adjusted net income amounted to MNOK 30.6 (MNOK 28.1) in the third quarter. Adjusted net income for the first three quarters was MNOK 30.1 (MNOK 28.0).

A complete adjustments overview is provided in the following table:

Adjustments overview *(MNOK)*	**Q3 2016**	**Q3 2015**	**Q1-Q3 2016**	**Q1-Q3 2015**
Cost of relocation to new warehouse				3,7
Cost related to IPO		3,3		3,8
Unrealized losses/gains (FX)	7,0	-7,1	21,3	-14,3
EBITDA adjustments	**7,0**	**-3,8**	**21,3**	**-6,9**
SWAP		3,6		1,7
Profit adjustments before tax	**7,0**	**-0,2**	**21,3**	**-5,3**
Tax effect of profit adjustments	-1,7	0,0	-5,3	1,4
Net profit (loss) adjustments	**5,2**	**-0,1**	**16,0**	**-3,9**

Events after the end of the reporting period

There has been no substantial events after the end of the reporting period.

Lier, 10th November 2016

The board of Kid ASA

Henrik Schüssler
Chairman

Bjørn Rune Gjelsten
Board member

Karin Bing Orgland
Board member

Vilde Falck-Ytter
Board member

Pål Frimann Clausen
Board member

Kid ASA Q3 2016

Financial statements

Interim condensed consolidated statement of profit and loss

(Amounts in NOK thousand)	Note	Q3 2016 Unaudited	Q3 2015 Unaudited	Q1-Q3 2016 Unaudited	Q1-Q3 2015 Unaudited	Full Year 2015 Audited
Revenue		314 074	287 631	810 097	755 318	1 188 433
Other operating revenue		1 529	773	1 572	1 180	1 294
Total revenue		**315 603**	**288 404**	**811 669**	**756 498**	**1 189 726**
Cost of goods sold		127 058	123 617	337 320	318 557	498 267
Employee benefits expence		66 755	61 401	201 022	186 551	271 342
Depreciation and amortisation expenses	9	7 444	5 582	21 003	16 976	24 447
Other operating expenses		68 684	68 951	207 636	203 647	282 690
Total operating expenses		**269 941**	**259 551**	**766 981**	**725 731**	**1 076 745**
Other realized (losses)/gains- net	6	-1 499	10 803	5 180	14 510	22 405
Other unrealized (losses)/gains- net	6	-6 991	7 106	-21 340	14 350	14 206
Operating profit		**37 172**	**46 762**	**28 528**	**59 627**	**149 592**
Other financial income		132	95	531	377	471
Other financial expense		3 302	6 907	10 131	21 006	26 225
Changes in fair value of financial assets		0	-1 302	0	4 701	5 537
Net financial income (+) / expense (-)		**-3 170**	**-8 114**	**-9 600**	**-15 928**	**-20 217**
Profit before tax		**34 002**	**38 648**	**18 928**	**43 699**	**129 375**
Income tax expense		8 595	10 455	4 840	11 813	5 297
Net profit (loss) for the period		**25 407**	**28 193**	**14 088**	**31 886**	**124 078**
Interim condensed consolidated statement of comprehensive income		25 407	28 193	14 088	31 886	124 078
Profit for the period		0	0	0	0	0
Other comprehensive income		**25 407**	**28 193**	**14 088**	**31 886**	**124 078**
Total comprehensive income for the period		25 407	28 193	14 088	31 886	124 078
Earnings per share (EPS):		**0,63**	**0,81**	**0,35**	**0,91**	**3,45**

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Interim condensed consolidated statement of financial position

(Amounts in NOK thousand)	Note	30.09.2016	30.09.2015	31.12.2015
Assets		Unaudited	Unaudited	Audited
Trademark	9	1 459 585	1 459 585	1 459 585
Other intangible assets	9	2 788	-	-
Total intangible assets		**1 462 373**	**1 459 585**	**1 459 585**
Fixtures and fittings, tools, office machinery and equipment	9	88 681	84 236	86 081
Total tangible assets		**88 681**	**84 236**	**86 081**
Total fixed assets		**1 551 054**	**1 543 821**	**1 545 666**
Inventories		301 302	311 335	215 211
Trade receivables		1 835	1 936	2 996
Other receivables	6	20 275	15 912	23 322
Derivatives	6	-	14 350	14 206
Totalt receivables		**22 110**	**32 198**	**40 524**
Cash and bank deposits		57 717	11 316	230 373
Total currents assets		**381 129**	**354 848**	**486 108**
Total assets		**1 932 183**	**1 898 669**	**2 031 774**

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Interim condensed consolidated statement of financial position

(Amounts in NOK thousand) **Equity and liabilities**	**Note**	**30.09.2016** Unaudited	**30.09.2015** Unaudited	**31.12.2015** Audited
Share capital		48 774	42 000	48 774
Share premium		321 049	156 874	321 049
Other paid-in-equity		64 617	64 617	64 617
Total paid-in-equity		**434 440**	**263 491**	**434 440**
Other reserves - OCI		0	0	0
Other equity		463 652	418 340	510 532
Total equity		**898 092**	**681 831**	**944 972**
Pensions liabilities		0	9	0
Deferred tax		362 226	400 896	371 143
Total provisions		**362 226**	**400 905**	**371 143**
Liabilities to financial institutions		525 324	555 938	525 761
Derivatives		0	21 191	0
Total long-term liabilities		**525 324**	**577 129**	**525 761**
Liabilities to financial institutions		0	113 829	0
Trade creditors		37 356	36 248	38 785
Tax payable		12 383	8 743	21 739
Public duties payable		45 190	35 512	69 634
Derivative financial instruments	6	7 134	0	0
Other short-term liabilities		44 478	44 472	59 740
Total short-term liabilities		**146 541**	**238 804**	**189 898**
Total liabilities		**1 034 091**	**1 216 838**	**1 086 802**
Total equity and liabilities		**1 932 183**	**1 898 669**	**2 031 774**

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Interim condensed consolidated statement of changes in equity

(Amounts in NOK thousand)	Total paid- in equity	Other equity	Total equity
	Unaudited	Unaudited	Unaudited
Balance at 1 January 2015	236 592	406 090	642 683
Profit for the period YTD 2015	0	31 886	31 886
Group contribution to/from parent company	26 899	-19 636	7 263
Balance as at 30 September 2015	**263 491**	**418 340**	**681 831**
Balance at 1 January 2016	434 440	510 532	944 972
Profit for the period YTD 2016	0	14 087	14 087
Dividend	0	-60 968	-60 968
Balance as at 30 September 2016	**434 440**	**463 652**	**898 092**

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Interim condensed consolidated statement of cash flows

(Amounts in NOK thousand)	Note	Q3 2016 Unaudited	Q3 2015 Unaudited	Q1-Q3 2016 Unaudited	Q1-Q3 2015 Unaudited	Full Year 2015 Audited
Cash flow from operations						
Profit before income taxes		34 002	38 649	18 928	43 698	129 375
Taxes paid in the period		0	0	-23 114	-18 199	-26 942
Gain/loss from sale of fixed assets		0	0	0	0	0
Depreciation & impairment	9	7 444	5 582	21 003	16 976	24 447
Change in financial derivatives		6 991	-5 804	21 340	-19 051	-19 743
Differences in expensed pensions and payments in/out of the pension scheme		0	-6	0	-6	-15
Effect of exchange fluctuations		551	588	2 846	620	761
Items classified as investments or financing		3 170	6 812	9 600	20 629	25 754
Change in working capital						
Change in inventory		-49 041	-64 897	-86 091	-113 013	-23 282
Change in trade debtors		-223	1 465	1 161	-92	-1 152
Change in trade creditors		1 053	9 402	-1 429	16 724	25 654
Change in other provisions*		13 559	-2 701	-36 373	-51 247	-6 213
Net cash flow from operations		**17 506**	**-10 910**	**-72 129**	**-102 961**	**128 644**
Cash flow from investments						
Net proceeds from investment activities		0	0	0	0	0
Purchase of fixed assets	9	-9 020	-7 223	-26 391	-31 322	-40 638
Net cash flow from investments		**-9 020**	**-7 223**	**-26 391**	**-31 322**	**-40 638**
Cash flow from financing						
Change in debt		-102	28 462	-437	68 424	-95 937
Net interest		-3 080	-6 999	-9 886	-21 276	-29 456
Dividend paid		0	0	-60 968	0	0
Net proceeds from shares issued		0	0	0	0	169 451
Net cash flow from financing		**-3 182**	**21 463**	**-71 291**	**47 148**	**44 058**
Cash and cash equivalents at the beginning of the period		52 965	8 572	230 373	99 070	99 070
Net change in cash and cash equivalents		5 304	3 332	-169 811	-87 134	132 065
Exchange gains / (losses) on cash and cash equivalents		-551	-588	-2 846	-620	-761
Cash and cash equivalents at the end of the period		**57 718**	**11 316**	**57 718**	**11 316**	**230 374**

* Change in other provisions includes other receivables, public duties payable and other short-term liabilities.

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Note 1 Corporate information

Kid ASA and its subsidiaries` (together the "company" or the "Group") operating activities are related to the resale of home textiles on the Norwegian market.

All amounts in the interim financial statements are presented in NOK 1 000 unless otherwise stated.

Due to rounding, there may be differences in the summation columns.

Note 2 Basis of preparations

These condensed interim financial statements for the nine months ended 30 September 2016 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRS as adopted by the European Union ('IFRS').

Note 3 Accounting policies

he accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended 31 December 2015.

Amendments to IFRSs effective for the financial year ending 31 December 2015 are not expected to have a material impact on the group.

The Group has not early adopted standards, interpretations or amendments that have been issued but is not yet effective.

Kid ASA is planning an early adoption of the new IFRS 9 standard related to hedge accounting when it is approved by the European Union.

Note 4 Estimates, judgements and assumptions

The Preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements the significant judgements made by management inn applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2015.

Note 5 Segment information

The Group sells home textiles in 133 fully owned stores across Norway and through the Group's online website. Over 97% of the products are sold under own brands. The Group's aggregate online sales are approximately equal to the sales of one physical store and it is therefore not considered as a separate segment. The Norwegian market is not divided into separate geographical regions with distinctive characteristics and Kid's operations cannot naturally be split in further segments.

Note 6 Financial instruments

The group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.
The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group’s annual financial statements as at 31 December 2015.
There have been no changes in any risk management policies since the year end.

Set out below is a comparison of the carrying amounts and fair values of financial assets and liabilities as at 30 September 2016 and 30 September 2015.

(Amounts in NOK thousand)	30 September 2016		30 September 2015	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and receivables				
Trade and other receivables excluding pre-payments	1 835	1 835	1 936	1 936
Cash and cash equivalents	57 717	57 717	11 316	11 316
Total	**59 552**	**59 552**	**13 252**	**13 252**
Financial liabilities				
Borrowings (excluding finance lease liabilities)	525 000	525 000	668 829	668 829
Finance lease liabilities	324	324	938	938
Trade and other payables excluding non-financial liabilities	82 368	82 368	61 486	61 486
Total	**607 692**	**607 692**	**731 253**	**731 253**

Financial instruments measured at fair value through profit and loss

Derivatives - asset				
Foreign exchange forward contracts	0	0	14 350	14 350
Total	**0**	**0**	**14 350**	**14 350**
Derivatives – liabilities				
Interes rate swaps	0	0	21 191	21 191
Foreign exchange forward contracts	7 134	7 134	0	0
Total	**7 134**	**7 134**	**21 191**	**21 191**

Fair value hierarchy
All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:
Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between Levels or changes in valuation techniques during the period.
All of the Group's financial instruments that are measured at fair value are classified as level 2.

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Note 7 Earnings per share

	Q3 2016	Q3 2015	**Q1-Q3 2016**	Q1-Q3 2015	**Full Year 2015**
Weighted number of ordinary shares	40 645 162	35 000 000	40 645 162	35 000 000	35 940 860
Net profit or loss for the year	25 406	28 194	14 087	31 886	124 078
Earnings per share (basic and diluted) (Expressed in NOK per share)	0,63	0,81	0,35	0,91	3,45

Note 8 Related party transactions

The Group's related parties include it associates, key management, members of the board and majority shareholders.

None of the Board members have been granted loans or guarantees in the current year. Furthermore, none of the Board members are included in the Group's pension or bonus plans.

The following table provides the total amount of transactions that have been entered into with related parties during the nine months ended 30 September 2016 and 2015:

Lease agreements:	**2016**	**2015**
Vågsgaten Handel AS with subsidiaries (Store rental)	916	766
Bekkestua Eiendomsutvikling AS (Store rental)	111	-
Mortensrud Næring AS (Store rental)	367	-
Gilhus Invest AS (Headquarter rental)	9 696	4 251
Total	**11 090**	**5 017**

Note 9 Fixed assets and intangible assets

(amounts in NOK million)	Trademark	Other Intangible	PPE
Balance 01.01.2016	1459,6	0,0	86,1
Additions		3,0	23,3
Disposals and write downs		0,0	0,0
Depreciation and amortisation		-0,2	-20,8
Balance 30.09.2016	**1459,6**	**2,8**	**88,7**

(amounts in NOK million)	Trademark	Other Intangible	PPE
Balance 01.01.2015	1459,6	0,0	69,9
Additions		0,0	31,3
Disposals and write downs		0,0	
Depreciation and amortisation		0,0	-17,0
Balance 30.09.2015	**1459,6**	**0,0**	**84,2**

Definitions

- **Like for like** are stores that were in operation at the start of last year's period and end of current period. Refurbished and relocated stores, as well as online sales, are included in the definition.
- **Gross profit** is revenue less cost of goods sold (COGS) including realized losses/gains on currency hedging contracts
- **EBITDA** (earnings before interest, tax, depreciation and amortisation) is operating profit excluding depreciation, amortization and unrealised FX gains/losses
- **Adjusted EBITDA** is EBITDA adjusted for non-recurring items.
- **EBIT** (earnings before interest, tax) is operating profit excluding unrealised FX gains/losses
- **Adjusted EBIT** is EBIT adjusted for non-recurring items.
- **Capital expenditure** is the use of funds to acquire intangible or fixed assets
- **Net Income is** profit (loss) for the period
- **Adjusted Net Income** is Net Income adjusted for non-recurring items, financial costs related to interest SWAP, "other unrealized (losses)/gains" and change in deferred tax caused by the lower tax rate.

Disclaimer

This report includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this report, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as "believe," "expect," "anticipate,", "may," "assume," "plan," "intend," "will," "should," "estimate," "risk" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.

Kid

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