Kid

Interim report Q2 2015

Introduction to Kid

Kid is a leading Norwegian retailer in the home textile market, typified by products like duvets, pillows, curtains, bed linens and other accessories and decorating items. Currently Kid operates 128 wholly-owned stores in Norway in addition to an online store.

Kid's business model is based on ensuring full control of the value chain from the production and design phase, until the products are displayed in stores across the country. Accordingly, the Company has an in-house design team that ensures all products are tailored to the Kid concept. Furthermore, direct sourcing ensures that the Company has complete control over the price and quality of their products. More than 97% of the products sold are part of the Kid brand, with more premium products categorised in sub-brands like Dekosol and Nordun.

Definitions

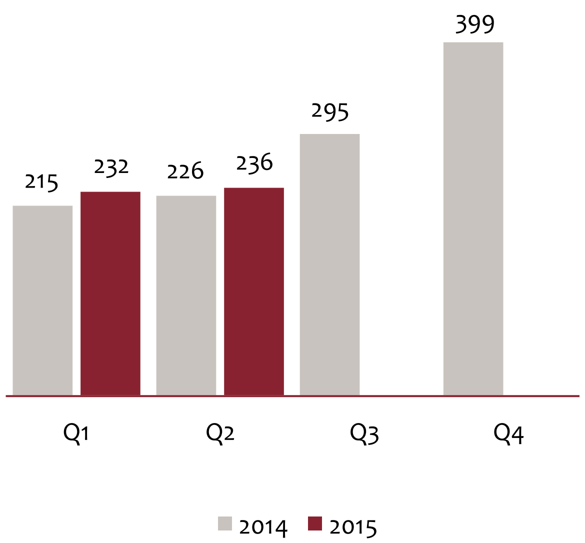
- **Like for like** are stores that were in operation at the start of last year's period and end of current period. Refurbished and relocated stores are included in the definition
- **Gross profit** is revenue less cost of goods sold (COGS) including realized losses/gains on currency hedging contracts
- **EBITDA** (earnings before interest, tax, depreciation and amortisation) is operating profit excluding depreciation and amortization.
- **Adjusted EBITDA** is EBITDA adjusted for non-recurring items. In Q2, the adjustments are related to IPO costs, relocation of HQ and unrealized FX effects
- **EBIT** (earnings before interest, tax) is operating profit
- **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 and "other unrealized (losses)/gains"

Second quarter in brief

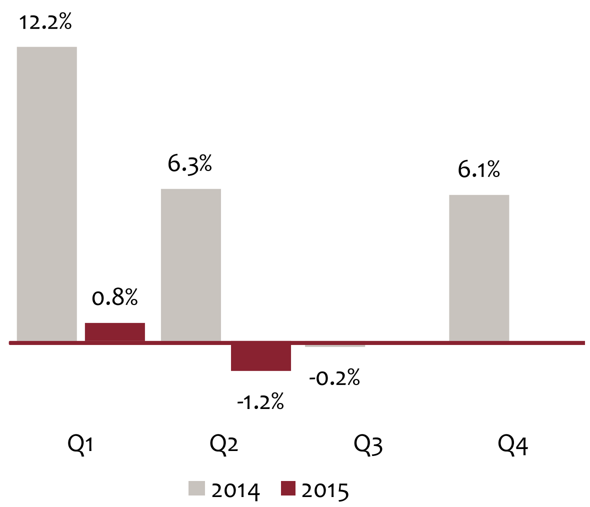
(Figures from corresponding period the previous year in brackets)

- Revenues of NOK 236 million (NOK 226 million), up 4.3%. A lower sales growth than expected due to an unusually cold summer impacting the outdoors assortment
- Like for like sales growth of -1.2% in the quarter and -0.2% YTD
- Gross margin after realised currency effects of 60.3% (63.3%). A strengthening dollar affected the gross margin negatively in the quarter. Actions to compensate for this have been initiated
- Adjusted EBITDA of NOK 12.1 million (NOK 22.8 million)
- 2 net new store openings and 2 store relocations
- Successful relocation of Headquarters and logistics to new warehouse completed in June with minimum downtime

Revenues, NOK million



Like for like growth

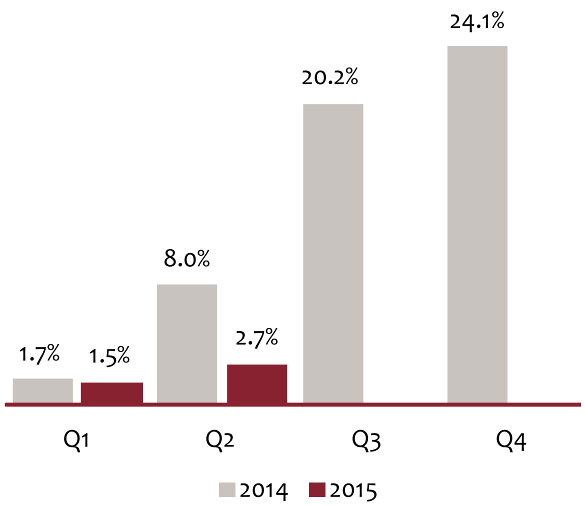


Key figures

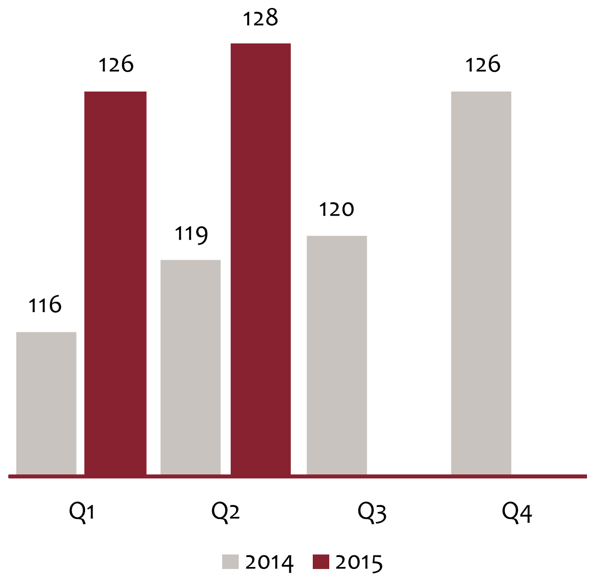
(Amounts in NOK million)	Q2 2015	Q2 2014	H1 2015	H1 2014	Full Year 2014
Revenues	235,8	226,0	467,7	441,2	1 135,9
Growth	4,3%	13,5%	6,0%	11,6%	10,1 %
LFL growth	-1,2%	6,3%	-0,2%	9,2%	6,0%
No. of shopping days in period	72	71	148	147	303
No. of physical stores at period end	128	119	128	119	126
COGS including realized FX-effects	-93,6	-82,9	-191,2	-170,3	-429,8
Gross profit	**142,2**	**143,0**	**276,5**	**270,9**	**706,1**
Gross margin (%)	60,3%	63,3%	59,1%	61,4%	62,2%
Adj. EBITDA*	**12,1**	**22,8**	**21,1**	**30,7**	**197,4**
EBITDA margin (%)	5,1%	10,1%	4,5%	7,0%	17,4%
Adj. EBIT*	**6,3**	**18,1**	**9,7**	**21,7**	**177,5**
EBIT margin (%)	2,7%	8,0%	2,1%	4,9%	15,6%
Adj. Net Income*	**1,1**	**8,6**	**0,0**	**6,2**	**110,9**
Adj. Earnings per share	0,03	0,25	0,00	0,18	3,17

*Adjusted for non-recurring items related to IPO process, management incentive, unrealized FX gains/ losses and a Swap contract that will be terminated in relation to the IPO

Adjusted EBIT margin



Number of physical stores (period end)



Operational review

Kid operates in a market characterised by seasonal patterns, where the second half is most important with regards to revenue and profit. Kid Interiør's revenues grew by 4.3% in the second quarter of 2015, compared to 13.5%the second quarter of 2014. In the same period the sale of home textiles in specialised stores in Norway declined with -2%, according to Statistics Norway. Kid's growth was driven by new store openings. Like for like stores declined by -1.2% due to poor summer weather.

The results in the second quarter of 2015 were affected by the poor weather in Norway in May and June, which affected the seasonal product assortment that was targeting the outdoors environment. In addition, the results in the quarter were affected by the strong appreciation in the US Dollar relative to the Norwegian Krone. As the company was unhedged for currency risk entering 2015, the gross margin decline in the quarter is considered temporary as USD/NOK is now hedged for 2015 at comfortable levels. Actions have also been made to increase prices on current in-store inventory.

Our main focus has been to continue our focus on growth-enhancing strategic and operational initiatives. The key initiatives and milestones this quarter have been:

- Improvement of our seasonal implementation (i.e. the summer season) and preparing for a "Back to School" launch immediately after the Summer break.
- During the second quarter we relocated our headquarters and warehouse to new premises in Lier, a process that ran smoothly. The new warehouse will provide increased storage capacity, process automation and state-of-the-art equipment to improve efficiency and delivery times. The relocation incurred a non-recurring cost of NOK 3.7 million
- In June, Kid launched a new online customer loyalty program aimed at increasing store traffic, shopping frequency and basket size. The customer club managed to recruit over 45,000 members in the first two weeks, well above expectations. The platform will also recruit customers into digital marketing channels for targeted and effective marketing.

Financial review

The figures reported in the Q2 report has been subject to a limited 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

Revenue in the second quarter of 2015 amounted to NOK 235.8 million (NOK 226.0 million), which represents a growth of 4.3% compared to the second quarter of 2014 (13.5%). Sales figures were negatively affected by an early Easter, which similarly affected the first quarter positively. Sales were also negatively affected by the poor weather in Norway in May and June, which depressed sales our seasonal assortment significantly. Sales in our base assortment showed stronger performance. The LFL growth in the quarter was -1.2%, with LFL growth for the first half of -0.2%. The revenue growth was thus driven by new store openings and online sales.

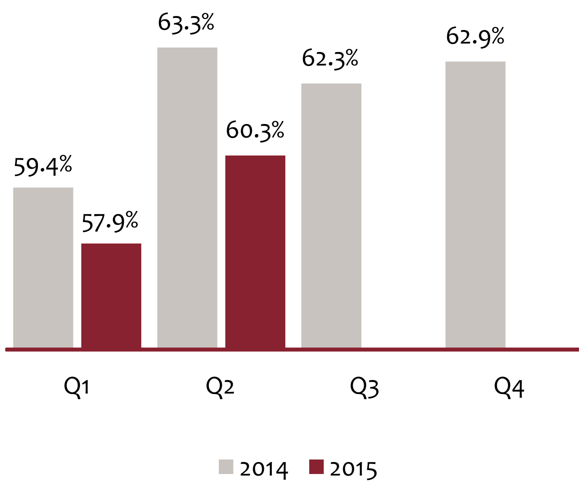
Online sales grew 71% in the second quarter of 2015 compared to the second quarter of 2014. Last twelve month (LTM) online revenues from the online store were NOK 16 million as of the June 30, 2015.

For the first half of 2015, revenues came to NOK 467.8 million (NOK 441.2 million), growing by 6.0% compared to the first half of 2014. The main driver for the increase in revenue is related to new store openings, in line with the second quarter results.

During the first half of 2015, we opened three new stores, with one opening in the first quarter and two in the second quarter. In March, we opened a new store at Bergen Storsenter. In May, we opened a new store at Nordbyen, Larvik and in June we opened the new store at Buskerud Storsenter. Kid also refurbished several stores during the period. Kid Torgata, Oslo was refurbished in March, while the store expansion at Jekta, Tromsø was completed in June. The Company also relocated two stores during the second quarter. Kid Linderud relocated in May and the store in Kirkenes relocated in June. Kid closed the store at OTI Senteret, Orkanger in January.

Gross margin after realised currency effects was 60.3% (63.3%) for the quarter, and 59.1% (61.4%) for the first half of 2015. The gross margin was impacted by continued headwinds from foreign currency exchange rates, as Kid was not fully hedged before the appreciation of the US Dollar exchange rate.

Gross margin



Other operating expenses, including employee benefits expenses came to NOK 130.1 million (NOK 120.6 million). Other operating expenses and employee benefits include adjustments of NOK 4.1 million (NOK 0.4 million) for the quarter. These adjustments are non-recurring items related to the relocation of the warehouse and HQ and IPO costs. For Q2 2014, the adjustment is related to a management bonus scheme that will be concluded in relation to the IPO.

For the first half of 2015, other operating expenses, including employee benefits amounted to NOK 255.8 million (NOK 240.6 million). Adjustments for the first half of 2015 amounted to NOK 4.1 million (NOK 0.4 million). Adjustments for full year 2014 came to NOK 10.7 million.

Adjusted EBITDA came to NOK 12.1 million (NOK 22.8 million) in the second quarter. EBITDA is adjusted for unrealized losses/gains related to fluctuations in spot rates vs currency derivative hedging values. For the second quarter, Kid had an unrealized gain of NOK 2.5 million (NOK 7.5 million). EBITDA was significantly affected by the almost 5% lower gross margins realised in the period compared to the corresponding period last year. The negative LFL growth and bad weather also had a negative impact on the figures. Newly opened stores contributed positively to revenue growth and negatively to EBITDA growth, as newly opened stores typically have lower margins in the ramp-up period.

Adjusted EBITDA for the first half of 2015 came to NOK 21.1 million (NOK 30.7 million), representing a decrease of 31%. Adjustments in relation to unrealized gains/losses amounted to a gain of NOK 7.2 million (NOK 2.1 million) in the corresponding period. For full year 2014, the adjustment amounted to an unrealized loss of NOK 2.6 million.

Adjusted EBIT came to NOK 6.3 million (NOK 17.7 million) for the quarter, corresponding to an EBIT margin of 2.7% (7.8%). The main reasons for the performance are described above in relation to adjusted EBITDA.

Adjusted EBIT for the first half year totalled NOK 9.7 million (NOK 21.7 million).

Adjusted net financial expenses amounted to NOK 4.9 million (NOK 6.3 million) in the second quarter. Net financial expenses are adjusted for expenses and fair value adjustments related to a swap contract that will be discontinued in connection with the IPO. The total adjustment in relation to the swap contract was NOK 1.0 million (6.4 million). The decline in net financial expenses is also related to a positive effect of decreased margins on short- and long-term debt.

Adjusted net financial expenses for the first half of 2015 amounted to 9.8 million (NOK 13.2 million), adjusted for NOK -1.9 million (NOK 8.3 million) in relation to the swap contract. For full year 2014, the adjustment in relation to the swap contract amounted to NOK 17.7 million.

Adjusted net profit for the period was NOK 1.1 million (NOK 8.6 million). For the first half of 2015, adjusted net profit came to NOK 0 million (NOK 6.2 million).

Adjustments affecting EBITDA	**Q2 2015**	**Q2 2014**	**H1 2015**	**H1 2014**	**FY 2014**
Cost of relocation to new warehouse	3.7		3.7		
Cost related to IPO	0.4		0.4		
Cost related to management incentives		0.4		0.4	10.7
Unrealized losses/gains					
Operational adjustments	**4.1**	**0.4**	**4.1**	**0.4**	**10.7**
Adjustments affecting net profit					
SWAP contract	-1.0	6.4	-1.9	8.3	17.7
Financial adjustments	**-1.0**	**6.4**	**-1.9**	**8.3**	**17.7**

Cash flow

Net cash flow from operating activities was NOK **-3.9** million (NOK **3.8** million). The decrease was mainly related to NOK 9.1 million in taxes paid (NOK 0 million) and NOK -11.8 million in reduced profit before income taxes. These effects were offset by a NOK 19.8 million decrease in inventory build-up this quarter 2015.

Capital expenditure was NOK 14.2 million (NOK 11 million). The group opened two new stores, refurbished 0 stores and relocated 2 stores. In addition, investments in new HQ and warehouse amounted to NOK 7.5 million in the quarter.

Financial position

Net interest bearing debt as of 30 June 2015 was NOK 633 million (NOK 646 million). The Company's senior debt facility will be amended in connection with the IPO and maintain an interest margin of 100bps above three months NIBOR. Kid also has a NOK 100 million overdraft facility in place.

Oslo, 25th August 2015

The board of Kid ASA

Henrik Schüssler
Chairman of the board

Bjørn Rune Gjelsten
Board member

Pål Frimann Clausen
Board member

Rune Marsdal
Board member

Kid ASA Q2 2015

Financial statements

Interim condensed consolidated statement of profit and loss for the period ended 30 June 2015 and 2014

(Amounts in NOK thousand)	Note	Q2 2015 Unaudited	Q2 2014 Unaudited	H1 2015 Unaudited	H1 2014 Unaudited	Full Year 2014 Audited
Revenue		235,758	225,970	467,687	441,169	1,135,914
Other operating income		27	3	406	44	190
Total revenue		**235,785**	**225,974**	**468,093**	**441,212**	**1,136,104**
Cost of goods sold		95,326	80,631	194,940	170,807	439,417
Employee benefits expense		61,487	56,808	125,150	117,110	260,188
Depreciation and amortisation expenses	9	5,782	4,699	11,395	9,018	19,848
Other operating expenses		72,729	63,786	134,696	123,452	259,446
Total operating expenses		**235,325**	**205,925**	**466,180**	**420,386**	**978,900**
Other realized (losses)/gains- net	6	1,775	-2,316	3,707	527	9,601
Other unrealized (losses)/gains- net	6	2,529	7,541	7,243	2,153	-2,599
Operating profit		4,764	25,274	12,863	23,506	164,206
Other financial income		173	11	282	137	393
Other financial expense		7,059	7,958	14,099	16,716	32,907
Changes in fair value of financial current assets		2,995	-4,701	6,003	-4,906	-10,825
Net financial income (+) / expense (-)		**-3,892**	**-12,648**	**-7,814**	**-21,485**	**-43,338**
Profit before tax		**873**	**12,625**	**5,050**	**2,022**	**120,868**
Income tax expense		232	3,414	1,358	552	32,705
Net profit (loss) for the period		**640**	**9,211**	**3,691**	**1,470**	**88,163**
Interim condensed consolidated statement of comprehensive income						
Profit for the period		640	9,211	3,691	1,470	88,163
Other comprehensive income						
Total comprehensive income		**640**	**9,211**	**3,691**	**1,470**	**88,163**
Attributable to equity holders of the parent		640	9,211	3,691	1,470	88,163
Basic and diluted Earnings per share (EPS):		**0.02**	**0.26**	**0.11**	**0.04**	**2.52**
Profit for the period attributable to ordinary equity holders of the parent		640	9,211	3,691	1,470	88,163

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

Interim condensed consolidated statement of financial position for the six months ended 30 June 2015 and 2014

(Amounts in NOK thousand) **Assets**	**Note**	**Q2 2015** Unaudited	**Q2 2014** Unaudited	**Full Year 2014** Audited
Trademark	9	1,459,585	1,459,587	1,459,585
Deferred tax asset		0	0	0
Total intangible assets		**1,459,585**	**1,459,587**	**1,459,585**
Fixtures and fittings, tools, office machinery and equipment	9	82,595	57,707	69,890
Total tangible assets		**82,595**	**57,707**	**69,890**
Total fixed assets		**1,542,180**	**1,517,294**	**1,529,475**
Inventories		246,611	203,244	201,053
Trade receivables		3,401	2,019	1,844
Other receivables	6	10,799	9,167	11,169
Derivatives	6	7,243	4,752	0
Total receivables		**21,444**	**15,938**	**13,013**
Cash and bank deposits	6	8,572	21,888	99,070
Total current assets		**276,626**	**241,070**	**313,136**
Total assets		**1,818,806**	**1,758,364**	**1,842,611**

Interim condensed consolidated statement of financial position for the six months ended 30 June 2015 and 2014

(Amounts in NOK thousand) **Equity and liabilities**	**Note**	**Q2 2015** Unaudited	**Q2 2014** Unaudited	**Full Year 2014** Audited
Share capital		42,000	42,000	42,000
Share premium		156,874	156,874	156,874
Other paid-in-equity		64,617	12,005	37,718
Total paid-in-equity		**263,491**	**210,879**	**236,592**
Other reserves - OCI				
Other equity		390,146	345,113	406,090
Total retained earnings		390,146	345,113	406,090
Total equity		**653,637**	**555,991**	**642,683**
Pensions liabilities		15	90	15
Deferred tax		390,442	391,134	389,084
Other provisions				
Total provisions		**390,457**	**391,224**	**389,099**
Liabilities to financial institutions		555,883	576,912	555,496
Derivatives	6	19,889	19,973	25,892
Total long-term liabilities		**575,772**	**596,885**	**581,388**
Liabilities to financial institutions		85,422	91,203	45,000
Trade creditors		27,018	13,236	22,255
Tax payable		8,743	28,873	34,205
Public duties payable		36,538	42,236	62,186
Dividends				
Derivatives	6			
Other short-term liabilities		41,220	38,716	65,798
Total short-term liabilities		**198,941**	**214,263**	**229,443**
Total liabilities		**1,165,170**	**1,202,372**	**1,199,930**
Total equity and liabilities		**1,818,806**	**1,758,364**	**1,842,611**

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

Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2015 and 2014

(Amounts in NOK 1000)	**Total paid - in equity**	**Other equity**	**Total equity**
Balance at 1 January 2014	210,879	343,641	554,520
Profit for the period H1 2014	0	1,470	1,470
Balance as at 30 June 2014	**210,879**	**345,111**	**555,990**
Balance at 1 January 2015	236,592	406,090	642,682
Profit for the period H1 2015	0	3,691	3,691
Group contribution to/from parent company	26,899	-19,636	7,263
Balance as at 30 June 2015	**263,491**	**390,145**	**653,636**

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

Interim condensed consolidated statement of cash flows for the three and six months ended 30 June 2015

(Amounts in NOK thousand)	Note	Q2 2015 Unaudited	Q2 2014 Unaudited	H1 2015 Unaudited	H1 2014 Unaudited	Full Year 2014 Audited
Cash flow from operations						
Profit before income taxes		873	12,625	5,050	2,022	120,868
Taxes paid in the period		-9,100	0	-18,199	0	-28,873
Gain/loss from sale of fixed assets		0	0	0	0	23
Depreciation & impairment		5,782	4,699	11,395	9,018	19,848
Change in financial derivatives		-5,524	-2,840	-13,246	2,753	13,424
Differences in expensed pensions and payments in/out of the pension scheme		0	0	0	0	-75
Effect of exchange fluctuations		-753	-286	32	-276	-352
Items classified as investments or financing		6,887	7,947	13,817	16,578	32,514
Change in working capital						
Change in inventory		3,425	-16,410	-48,116	-50,868	-49,598
Change in trade debtors		270	135	-1,557	8	183
Change in trade creditors		-1,592	428	7,322	-3,701	6,239
Change in other provisions		4,660	-2,441	-48,547	-37,968	6,251
Net cash flow from operations		**4,927**	**3,858**	**-92,051**	**-62,434**	**120,451**
Cash flow from investments						
Net proceeds from investment activities		0	0	0	0	158
Purchase of fixed assets		-14,243	-10,950	-24,100	-16,007	-39,199
Net cash flow from investments		**-14,243**	**-10,950**	**-24,100**	**-16,007**	**-39,041**
Cash flow from financing						
Change in debt		22,753	20,008	39,962	40,593	-26,179
Net interest		-7,348	-9,561	-14,278	-18,192	-34,186
Equity received		0	0	0	0	0
Payment of dividend		0	0	0	0	0
Group contribution		0	0	0	0	0
Net cash flow from financing		**15,405**	**10,447**	**25,685**	**22,400**	**-60,365**
Exchange gains / (losses) on cash and cash equivalents		753	286	-32	276	372
Net change in cash and cash equivalents		-2,768	3,355	-90,466	-56,041	21,045
Cash and cash equivalents at the beginning of the period		10,587	18,247	99,070	77,653	77,653
Cash and cash equivalents at the end of the period		**8,572**	**21,888**	**8,572**	**21,888**	**99,070**

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

Note 1 Corporate information

Kid ASA (former known as Nordisk Tekstil Holding AS) 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 1000 unless otherwise stated.

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

These condensed interim financial statements have been subject to a limited review from the Group's auditor.

Note 2 Basis of preparations

Basis of preparation

These condensed interim financial statements for the six months ended 30 June 2015 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 2014, which have been prepared in accordance with IFRS as adopted by the European Union ('IFRS').

Note 3 Accounting policies

The 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 2014.

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.

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 2014.

Note 5 Segment information

The Group sells home textiles in 128 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 2014.
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 June 2015 and 31 December 2014.

	30 Jun 2015		31 Dec 2014	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and receivables				
Trade and other receivables excluding pre-payments	3,401	3,401	1,844	1,844
Cash and cash equivalents	8,572	8,572	99,070	99,070
Total	**11,973**	**11,973**	**100,914**	**100,914**
Financial liabilities				
Borrowings (excluding finance lease liabilities)	640,422	640,422	600,000	600,000
Finance lease liabilities	883	883	1,344	1,344
Trade and other payables excluding non-financial liabilities	33,077	33,077	28,775	28,775
Total	**674,382**	**674,382**	**630,119**	**630,119**
Financial instruments measured at fair value through profit and loss				
Derivatives - asset				
Foreign exchange forward contracts	7,243	7,243	0	0
Total	**7,243**	**7,243**	**0**	**0**
Derivatives – liabilities				
Interes rate swaps	19,889	19,889	25,892	25,892
Foreign exchange forward contracts	0	0	0	0
Total	**18,889**	**18,889**	**25,892**	**25,892**

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

All shares are owned by Gjelsten Holding AS in the period and there exists only one class of shares.

	Q2 2015	Q2 2014	**H1 2015**	H1 2015	FY2014
Number of shares	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Net profit or loss for the period	640	9,211	3,691	1,470	88,163
Earnings per share (basic and diluted) (Expressed in NOK per share)	0.02	0.26	0.11	0.04	2.52

The weighted average number of ordinary shares is 35 000 000 each year.

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 six months ended 30 June 2015 and 2014:

Lease agreements:	2015	2014
Vågsgaten Handel AS (Store rental)	511	0
Gilhus Invest AS (Headquarter rental)	1,063	0
Total	**1,574**	**0**

Note 9 Fixed assets and intangible assets

(amounts in NOK million)	PPE	Trademark
Balance 01.01.2015	69.9	1459.6
Additions	24.1	
Disposals and write downs		
Depreciation and amortisation	-11.4	
Balance 30.06.2015	**82.6**	**1459.6**

(amounts in NOK million)	PPE	Trademark
Balance 01.01.2014	50.7	1459.6
Additions	9.8	
Disposals and write downs		
Depreciation and amortisation	-9	
Balance 30.06.2014	**51.5**	**1459.6**

To the Board of Directors of Kid ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated condensed balance sheet of Kid ASA as of 30 June 2015 and the related consolidated condensed statements of income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with standards on auditing adopted by Den Norske Revisorforening, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Drammen, 25 August 2015
PricewaterhouseCoopers AS

Sigmund Landaas
State Authorised Public Accountant

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 ASA, Gilhusveien 1, 3426 Gullaug
Main office: +47 940 26 000, Customer service: +47 00 20 00
www.kid.no