Kid

Interim report Q3 2015

Dear Shareholders

2 November 2015 marked a milestone in the history of Kid when the company's shares were listed on the Oslo Stock Exchange. Over the last years our employees have successfully managed to strengthen the company's market position, profitability and balance sheet. At the same time, we have been able to invest significantly in our store portfolio and employees, and the company has even relocated into a new and modern warehouse and headquarter, which I am confident we will benefit from going forward.

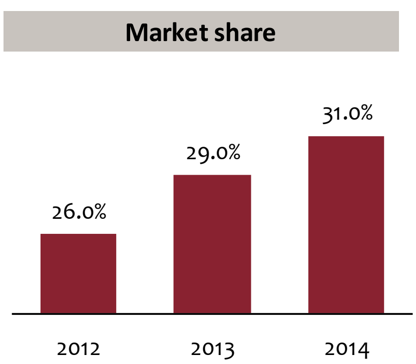
At this point in time, which marks the start of a new era for our company, I would like to take a few moments to reflect on what we have achieved over the last few years and where we start off as a listed company:

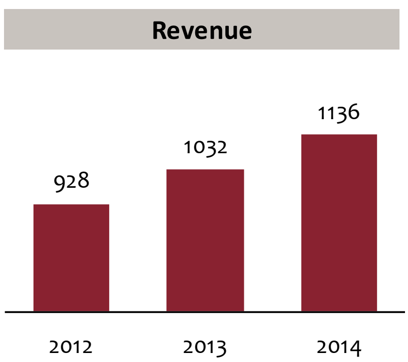
- **Significantly increased market share** – from 26% in 2012 to 31% in 2014 which makes Kid the undisputable leader among our peers within home textile retailers
- **Unmatched brand awareness** – 97% of Norwegian women are familiar with the Kid brand
- **Impressive top line growth** – 11% annual growth from 2012 to 2014 (CAGR)
- **Stable gross margins** – consistently between 59-62% over the last 10 years, despite currency exchange rate fluctuations, changing raw material prices and strong seasonal patterns
- **Stellar profitability** – EBIT margin of 14,7% in 2014 and EBIT growth of 19% annually (CAGR) from 2012 to 2014 makes Kid one of the most profitable retailers in Norway
- **Strong balance sheet and reasonable gearing ratio** – Strong cash conversion has enabled us to repay NOK 225 mill. in long-term debt over the last three years, and the recent equity issue of NOK 175 mill. has further strengthened our financial position, we target a gearing ratio of 2,5 going forward
- **Substantial dividend potential** – we target a 60-70% payout ratio on net profits

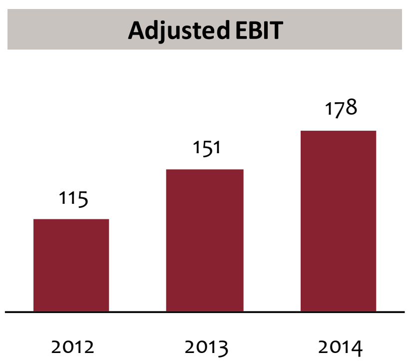
I am proud of having been part of the Kid team over the last five years, where we have refocused the chain with the goal of delivering a strong value proposition and helping our customers to create beautiful homes. Furthermore, I am confident that Kid will continue to deliver strong performance for our shareholders and other stakeholders in the future, and I really look forward to continue the journey as a listed company.

Yours sincerely,

Kjersti Hobøl
CEO





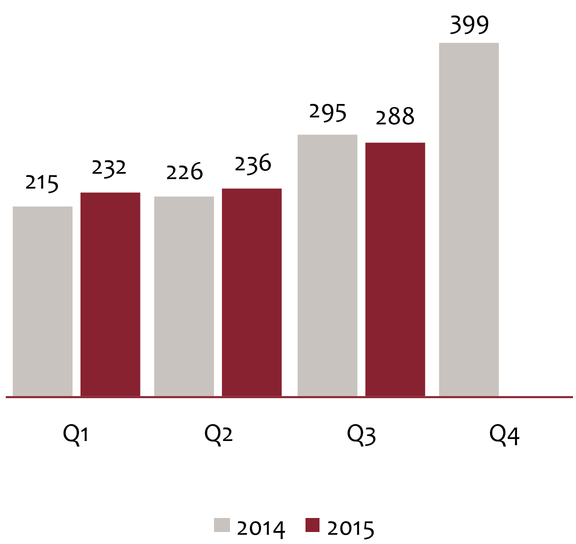


Third quarter in brief

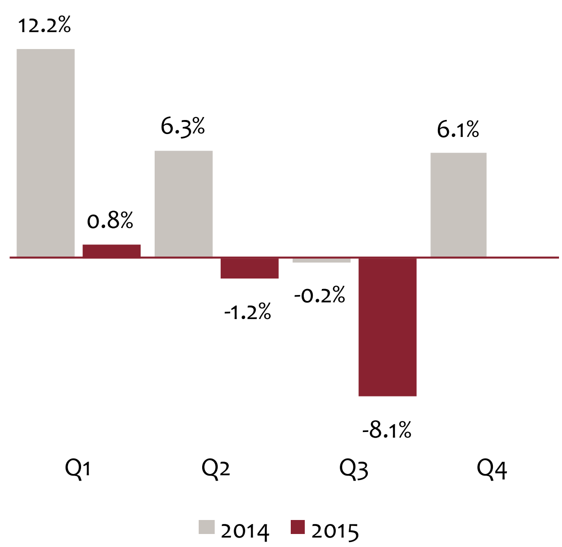
(Figures from corresponding period the previous year in brackets)

- Revenues of NOK 287.6 million (NOK 295.5 million), down -2.7% in the quarter. The revenue decline in Q3 was entirely driven by a weak August, due to unfavourable weather conditions. In the same period the sale of home textiles in specialised stores in Norway declined by -3.8%, according to Statistics Norway.
- Like-for-like (LFL) sales growth of -8.1% in the quarter and –3.4% YTD.
- For the first three quarters of 2015, revenue amounted to NOK 755.3 million (NOK 736.7 million), growing by 2.5% compared to the first three quarters of 2014.
- Gross margin after realised currency effects of 60.8% (62.3%) in Q3. The company has resumed its hedging strategy and implemented price increases in the quarter, which have had a positive effect on the gross margin
- Adjusted EBITDA of NOK 48.6 million (NOK 61.1 million)
- The store at CC Hamar was relocated to a better location in the quarter

Revenues, NOK million



Like-for-like growth

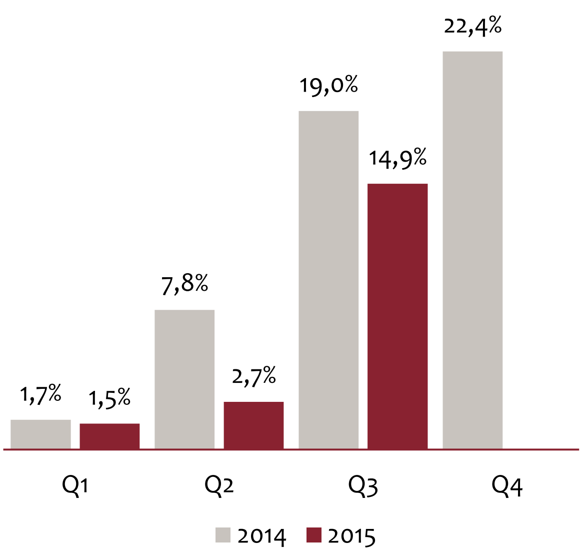


Key figures

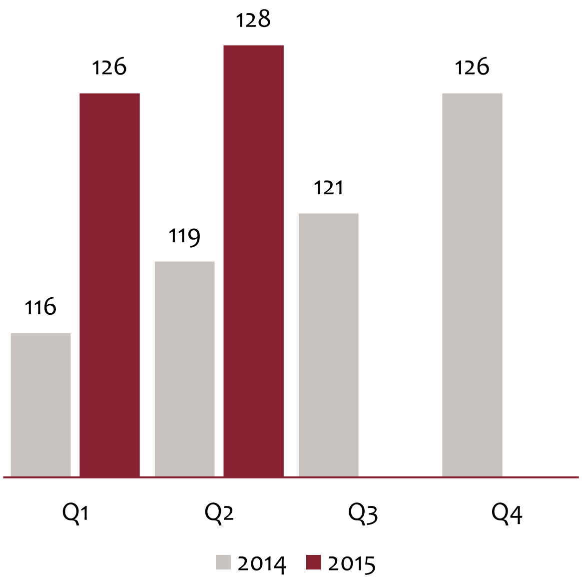
(Amounts in NOK million)	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Full Year 2014
Revenues	287,6	295,5	755,3	736,7	1 135,9
Growth	-2,7%	3,6%	2,5%	8,3%	10 %
LFL growth	-8,1%	-0,2%	-3,4%	5,3%	6,0%
No. of shopping days in period	79	79	227	226	303
No. of physical stores at period end	128	121	128	121	126
COGS including realized FX-effects	-112,8	-111,4	-304,0	-281,7	-429,8
Gross profit	174,8	184,0	451,3	454,9	706,1
Gross margin (%)	60,8%	62,3%	59,7%	61,8%	62,2%
Adj. EBITDA*	48,6	61,1	69,7	91,5	186,7
EBITDA margin (%)	16,9%	20,7%	9,2%	12,4%	16,4%
Adj. EBIT*	43,0	56,2	52,7	77,6	166,8
EBIT margin (%)	14,9%	19,0%	7,0%	10,5%	14,7%
Adj. Net Income*	28,1	36,4	28,0	42,3	103,0
Adj. Earnings per share	0,80	1,04	0,80	1,21	2,94

**Adjusted for non-recurring items related to IPO process, unrealized FX gains/ losses and a Swap contract that has been 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, profit and cash flow. The fourth quarter with the holiday season is the most important, while August is also an important month with the start of the school year supporting strong demand for interior articles.

Kid's revenues declined by -2.7% in the third quarter of 2015 compared to the third quarter of 2014 (3.6%). In the same period the sale of home textiles in specialised stores in Norway declined by -3.8%, according to Statistics Norway. Kid's decline was primarily driven by the poor market development, and LFL stores declined by -8.1%. Seven new stores have been opened since the end of Q3 2014.

The results in the third quarter of 2015 were affected by the poor weather in Norway in July, which affected the seasonal product assortment targeting the outdoor environment, as well as unusually warm weather in August, which led to a sharp decline in shopping centre visitors. The strengthening of the US Dollar relative to the Norwegian Krone continued to affect gross profit. Several measures were implemented during the quarter to compensate for this, including re-initiation of the hedging strategy and price increases, which helped lift the gross margin above 60%.

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

- Implementation of the "Back to School" launch immediately after the Summer break.
- Strong focus on cost control, with personnel expenses coming in below the level in the same quarter in 2014 despite having 9 new stores opened during the third quarter in 2015.
- Continued focus on the customer loyalty program aimed at increasing store traffic, shopping frequency and basket size. By the end of the third quarter the club had 175,000 members, a strong increase of members since launch in June 2015.
- Centralisation of the online store at the new warehouse, in order to better serve the online customers. The Company's online sales grew 39% compared to the same period in 2014, and we are working on developing the online store into a responsive website, i.e. providing optimal viewing and interaction across all electronic platforms.

Financial review

The figures reported in the Q3 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 third quarter of 2015 amounted to NOK 287.6 million (NOK 295.5 million), which represents a decrease of -2.7% compared to the third quarter of 2014 (3.6%). The revenue decline in Q3 was entirely driven by a weak August, where consumers were not visiting shopping centres due to unusually warm weather, following a cold June and July. Norwegian shopping centres reported weak trade numbers, and data from Statistics Norway showed that the Norwegian market for textiles was down -8.1% in August compared to the corresponding month in 2014. Sales in July were ahead of last year while September sales were approximately at 2014 level. The LFL growth in the quarter was -8.1%, while LFL growth for the first three quarters was -3.4%.

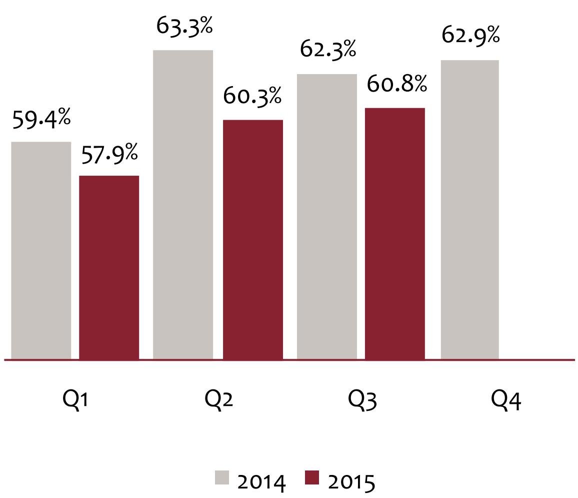
Online sales grew 39% in the third quarter of 2015 compared to the third quarter of 2014. Last twelve month (LTM) online revenue was NOK 17.3 million as of September 30, 2015.

For the first three quarters of 2015, revenue amounted to NOK 755.3 million (NOK 736.7 million), growing by 2.5% compared to the first three quarters of 2014. The key drivers of the revenue increase are related to a strong first half, mainly driven by new store openings.

During the third quarter of 2015, Kid relocated one store. In September, our store at CC Hamar was relocated to a better location within the shopping centre.

Gross margin after realised currency effects was 60.8% (62.3%) for the quarter, and 59.7% (61.8%) for the first three quarters. The gross margin has been affected by the strengthening of the USD/NOK exchange rate, as approximately 90% of goods purchases are denominated in USD. In the third quarter, the effects of the currency rate were still prevalent. However, towards the end of the period, the Company saw effects from its hedging contracts and price increase activities implemented during the quarter. Counteracting this was a change in the product mix, with a somewhat higher share of campaign goods sold.

Gross margin



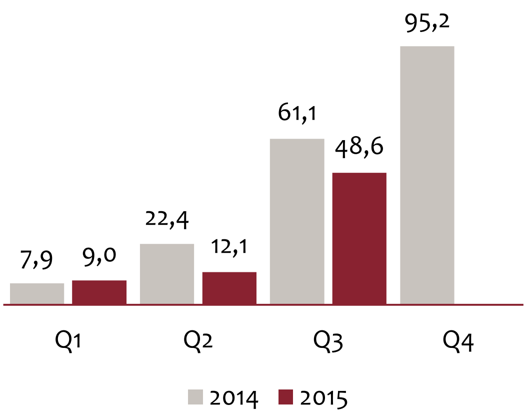
Other operating expenses, including employee benefits expenses, came to NOK 127.0 million (NOK 123.0 million) in the third quarter. Other operating expenses include a non-recurring adjustment of NOK 3.3 million related to the IPO. Despite having a higher number of stores in third quarter 2015, employee expenses were slightly below the corresponding period in 2014, amounting to NOK 61.4 million (NOK 61.8 million). Other operating expenses have however increased in the period due to net new store openings, amounting to NOK 65.6 million (NOK 61.2 million) in the third quarter.

For the first three quarters of 2015, other operating expenses, including employee benefits, amounted to NOK 382.8 million (NOK 363.5 million). Adjustments for the first three quarters amounted to NOK 7.4 million (NOK 0.0 million), and were related to the IPO process and the relocation of the warehouse and headquarters to new premises in Lier in June.

Adjusted EBITDA came to NOK 48.6 million (NOK 61.1 million) 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 unrealized gain of NOK 7.1 million (NOK -2.8 million). EBITDA was affected by the lower gross margins and higher other operating expenses in the quarter. The negative LFL growth and unfavourable weather also had an adverse impact on the figures.

Adjusted EBITDA for the first three quarters of 2015 came to NOK 69.7 million (NOK 91.5 million), representing a decrease of -23.9%. Adjustments in relation to unrealized gains/losses amounted to a gain of NOK 14.4 million (NOK -0.6 million) in the period. For full year 2014, the adjustments amounted to an unrealized loss of NOK -2.6 million.

Adjusted EBITDA



Adjusted EBIT amounted to NOK 43.0 million (NOK 56.2 million) in the third quarter, corresponding to an EBIT margin of 14.9% (19.0%). The main reasons for the performance are described above in relation to adjusted EBITDA.

Adjusted EBIT for the first three quarters came to a total of NOK 52.7 million (NOK 77.6 million), corresponding to an EBIT margin of 7.0% (10.5%).

Adjusted net financial expenses amounted to NOK 4.5 million (NOK 6.4 million) in the third quarter. Net financial expenses are adjusted for expenses and fair value adjustments related to a swap contract. The total adjustment in relation to the swap contract was NOK 3.6 million (NOK -0.2 million) in the third quarter. Adjusted net financial expenses were positively affected by decreased margins and lower long-term debt.

Adjusted net financial expenses for the first three quarters of 2015 came to a total of NOK 14.3 million (NOK 19.6 million). The total adjustment in relation to the swap contract was NOK 1.6 million (NOK 8.5 million) in the first three quarters.

Adjusted net income amounted to NOK 28.1 million (NOK 36.4 million) in the third quarter. Adjusted net income for the first three quarters came to NOK 28.0 million (NOK 42.3 million).

Events after the end of the reporting period

The company's shares were listed on Oslo Stock Exchange on November 2nd 2015, and the company also raised 175 MNOK in an equity issue.

As of November 3rd 2015, the Company terminated the MNOK 600 million interest swap agreement at a one-time cash charge of NOK 20.4 million plus NOK 1 million in accrued interest (the book value of the swap was NOK 21.2 million as of 30 September 2015).

Oslo, 11th November 2015

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

Foto: Gorm Kallestad / NTB Scanpix

Kid ASA Q3 2015

Financial statements

Interim condensed consolidated statement of profit and loss for the three and nine months ended 30 September 2015

(Amounts in NOK thousand)	Note	Q3 2015 Unaudited	Q3 2014 Unaudited	Q1-Q3 2015 Unaudited	Q1-Q3 2014 Unaudited	Full Year 2014 Audited
Revenue		287,631	295,486	755,318	736,654	1,135,914
Other operating income		773	33	1,180	77	190
Total revenue		**288,405**	**295,519**	**756,498**	**736,731**	**1,136,104**
Cost of goods sold		123,617	117,693	318,557	288,500	439,417
Employee benefits expense		61,401	61,787	186,551	178,897	260,188
Depreciation and amortisation expenses	9	5,582	4,903	16,976	13,921	19,848
Other operating expenses		68,951	61,187	203,647	184,639	259,446
Total operating expenses		**259,551**	**245,570**	**725,731**	**665,956**	**978,900**
Other realized (losses)/gains- net	6	10,803	6,253	14,510	6,781	9,601
Other unrealized (losses)/gains- net	6	7,106	-2,802	14,350	-648	-2,599
Operating profit		**46,763**	**53,400**	**59,626**	**76,907**	**164,206**
Other financial income		95	21	377	159	393
Other financial expense		6,907	8,042	21,006	24,758	32,907
Changes in fair value of financial current assets		-1,302	1,483	4,701	-3,423	-10,825
Net financial income (+) / expense (-)		**-8,114**	**-6,538**	**-15,928**	**-28,023**	**-43,338**
Profit before tax		**38,649**	**46,862**	**43,698**	**48,884**	**120,868**
Income tax expense		10,455	12,679	11,813	13,230	32,705
Net profit (loss) for the period		**28,194**	**34,183**	**31,886**	**35,654**	**88,163**
Interim condensed consolidated statement of comprehensive income						
Profit for the period		28,194	34,183	31,886	35,654	88,163
Other comprehensive income		0	0	0	0	0
Total comprehensive income		**28,194**	**34,183**	**31,886**	**35,654**	**88,163**
Attributable to equity holders of the parent		28,194	34,183	31,886	35,654	88,163
Basic and diluted Earnings per share (EPS):		**0.81**	**0.98**	**0.91**	**1.02**	**2.52**

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

Interim condensed consolidated statement of financial position for the nine months ended 30 September 2015 and 2014

(Amounts in NOK thousand)	Note	30.09.15	30.09.14	31.12.2014
Assets		Unaudited	Unaudited	Audited
Trademark	9	1,459,585	1,459,587	1,459,585
Total intangible assets		**1,459,585**	**1,459,587**	**1,459,585**
Fixtures and fittings, tools, office machinery and equipment	9	84,236	63,832	69,890
Total tangible assets		**84,236**	**63,832**	**69,890**
Total fixed assets		**1,543,820**	**1,523,419**	**1,529,475**
Inventories		311,335	264,911	201,053
Trade receivables		1,936	3,379	1,844
Other receivables	6	15,912	9,209	11,169
Derivatives	6	14,350	1,951	0
Total receivables		**32,197**	**14,539**	**13,013**
Cash and bank deposits		11,316	41,646	99,070
Total current assets		**354,848**	**321,097**	**313,136**
Total assets		**1,898,669**	**1,844,516**	**1,842,611**

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

Interim condensed consolidated statement of financial position for the nine months ended 30 September 2015 and 2014

(Amounts in NOK thousand) **Equity and liabilities**	**Note**	**30.09.15** Unaudited	**30.09.14** Unaudited	**31.12.2014** Audited
Share capital		42,000	42,000	42,000
Share premium		156,874	156,874	156,874
Other paid-in-equity		64,617	37,719	37,718
Total paid-in-equity		**263,491**	**236,593**	**236,592**
Other reserves - OCI		0	0	0
Other equity		418,340	353,582	406,090
Total equity		**681,831**	**590,175**	**642,682**
Pensions liabilities		9	90	15
Deferred tax		400,896	403,813	389,084
Total provisions		**400,905**	**403,903**	**389,099**
Liabilities to financial institutions		555,938	576,629	555,496
Derivatives		21,191	18,490	25,892
Total long-term liabilities		**577,129**	**595,120**	**581,388**
Liabilities to financial institutions		113,829	119,635	45,000
Trade creditors		36,248	31,022	22,255
Tax payable		8,743	18,873	34,205
Public duties payable		35,512	40,930	62,186
Other short-term liabilities		44,472	44,859	65,798
Total short-term liabilities		**238,803**	**255,319**	**229,443**
Total liabilities		**1,216,838**	**1,254,341**	**1,199,930**
Total equity and liabilities		**1,898,669**	**1,844,516**	**1,842,612**

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

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

(Amounts in NOK thousand)	Total paid- in equity	Other equity	Total equity
	Unaudited	Unaudited	Unaudited
Balance at 1 January 2014	210,879	343,642	554,521
Profit for the period YTD 2014	0	35,654	35,654
Group contribution to/from parent company	25,714	-25,714	0
Balance as at 30 September 2014	**236,593**	**353,582**	**590,175**
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**

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 nine months ended 30 September 2015

(Amounts in NOK thousand)	Note	Q3 2015 Unaudited	Q3 2014 Unaudited	Q1-Q3 2015 Unaudited	Q1-Q3 2014 Unaudited	Full Year 2014 Audited
Cash flow from operations						
Profit before income taxes		38,649	46,862	43,698	48,884	120,868
Taxes paid in the period		0	0	-18,199	0	-28,873
Gain/loss from sale of fixed assets		0	0	0	0	23
Depreciation & impairment	9	5,582	4,903	16,976	13,921	19,848
Change in financial derivatives		-5,804	1,319	-19,051	4,072	13,424
Differences in expensed pensions and payments in/out of the pension scheme		-6	0	-6	0	-75
Effect of exchange fluctuations		588	254	620	-22	-352
Items classified as investments or financing		6,812	8,021	20,629	24,600	32,514
Change in working capital						
Change in inventory		-64,897	-61,227	-113,013	-112,095	-49,598
Change in trade debtors		1,465	-1,361	-92	-1,352	183
Change in trade creditors		9,402	17,347	16,724	13,646	6,239
Change in other provisions		-2,701	-5,267	-51,247	-43,235	6,251
Net cash flow from operations		**-10,909**	**10,851**	**-102,960**	**-51,583**	**120,451**
Cash flow from investments						
Net proceeds from investment activities		0	0	0	0	158
Purchase of fixed assets	9	-7,223	-11,028	-31,322	-27,035	-39,199
Net cash flow from investments		**-7,223**	**-11,028**	**-31,322**	**-27,035**	**-39,041**
Cash flow from financing						
Change in debt		28,462	28,149	68,424	68,742	-26,179
Net interest		-6,999	-7,960	-21,276	-26,153	-34,186
Net cash flow from financing		**21,464**	**20,190**	**47,148**	**42,589**	**-60,365**
Cash and cash equivalents at the beginning of the period		8,572	21,888	99,070	77,653	77,653
Net change in cash and cash equivalents		3,332	20,013	-87,134	-36,028	21,045
Exchange gains / (losses) on cash and cash equivalents		-588	-254	-620	22	372
Cash and cash equivalents at the end of the period		**11,316**	**41,646**	**11,316**	**41,646**	**99,070**

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

Note 1 Corporate information

Kid ASA (previously 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 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 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 pre-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 September 2015 and 31 December 2014.

(Amounts in NOK thousand)	**30 Sep 2015**		**31 Dec 2014**	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and receivables				
Trade and other receivables excluding pre-payments	1,936	1,936	1,844	1,844
Cash and cash equivalents	11,316	11,316	99,070	99,070
Total	**13,252**	**13,252**	**100,914**	**100,914**
Financial liabilities				
Borrowings (excluding finance lease liabilities)	668,829	668,829	600,000	600,000
Finance lease liabilities	938	938	1,344	1,344
Trade and other payables excluding non-financial liabilities	43,671	43,671	28,775	28,775
Total	**713,438**	**713,438**	**630,119**	**630,119**

Financial instruments measured at fair value through profit and loss				
Derivatives - asset				
Foreign exchange forward contracts	14,350	14,350	0	0
Total	**14,350**	**14,350**	**0**	**0**
Derivatives – liabilities				
Interest rate swaps	21,191	21,191	25,892	25,892
Foreign exchange forward contracts	0	0	0	0
Total	**21,191**	**21,191**	**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.

	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	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	28,194	34,183	31,886	35,654	88,163
Earnings per share (basic and diluted) (Expressed in NOK per share)	**0.81**	**0.98**	**0.91**	**1.02**	**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 nine months ended 30 September 2015 and 2014:

Lease agreements:	2015	2014
Vågsgaten Handel AS (Store rental)	490	0
Gilhus Invest AS (Headquarter rental)	4,243	0
Total	**4,733**	**0**

Note 9 Fixed assets and intangible assets

(amounts in NOK million)	PPE	Trademark
Balance 01.01.2015	69.9	1,459.6
Additions	31.3	0
Disposals and write downs		0
Depreciation and amortisation	-17.0	0
Balance 30.09.2015	**84.2**	**1,459.6**

(amounts in NOK million)	PPE	Trademark
Balance 01.01.2014	50.7	1,459.6
Additions	27.0	0
Disposals and write downs	0	0
Depreciation and amortisation	-13.9	0
Balance 30.09.2014	**63.8**	**1,459.6**

Note 10 Events occurring after the reporting period

On 30 October 2015, the Company made a capital increase of MNOK 175 in connection with the initial public offering of shares in Kid ASA and the Listing of Kid ASA's Shares on Oslo Stock Exchange at 2 November 2015.

The proceeds from the capital increase has been disposed as follows:

1. Settlement of NOK 21.4 million short term liability related to termination of the NOK 600 million swap agreement (the book value of the swap was NOK 21.2 million as of 30 September 2015)
2. The board has on the date of this report decided to prepay an instalment of the existing Term Loan of NOK 45 million
3. The board has on the date of this report decided to prepay an instalment of NOK 30 million of the existing Term Loan

Remaining net proceeds from the capital increase have strengthen the Group's liquidity reserve.

pwc

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 September 2015 and the related consolidated condensed statements of income, changes in equity and cash flows for the nine-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, 10 November 2015
PricewaterhouseCoopers AS

Sigmund Landaas
State Authorised Public Accountant

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, 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 and "other unrealized (losses)/gains"

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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