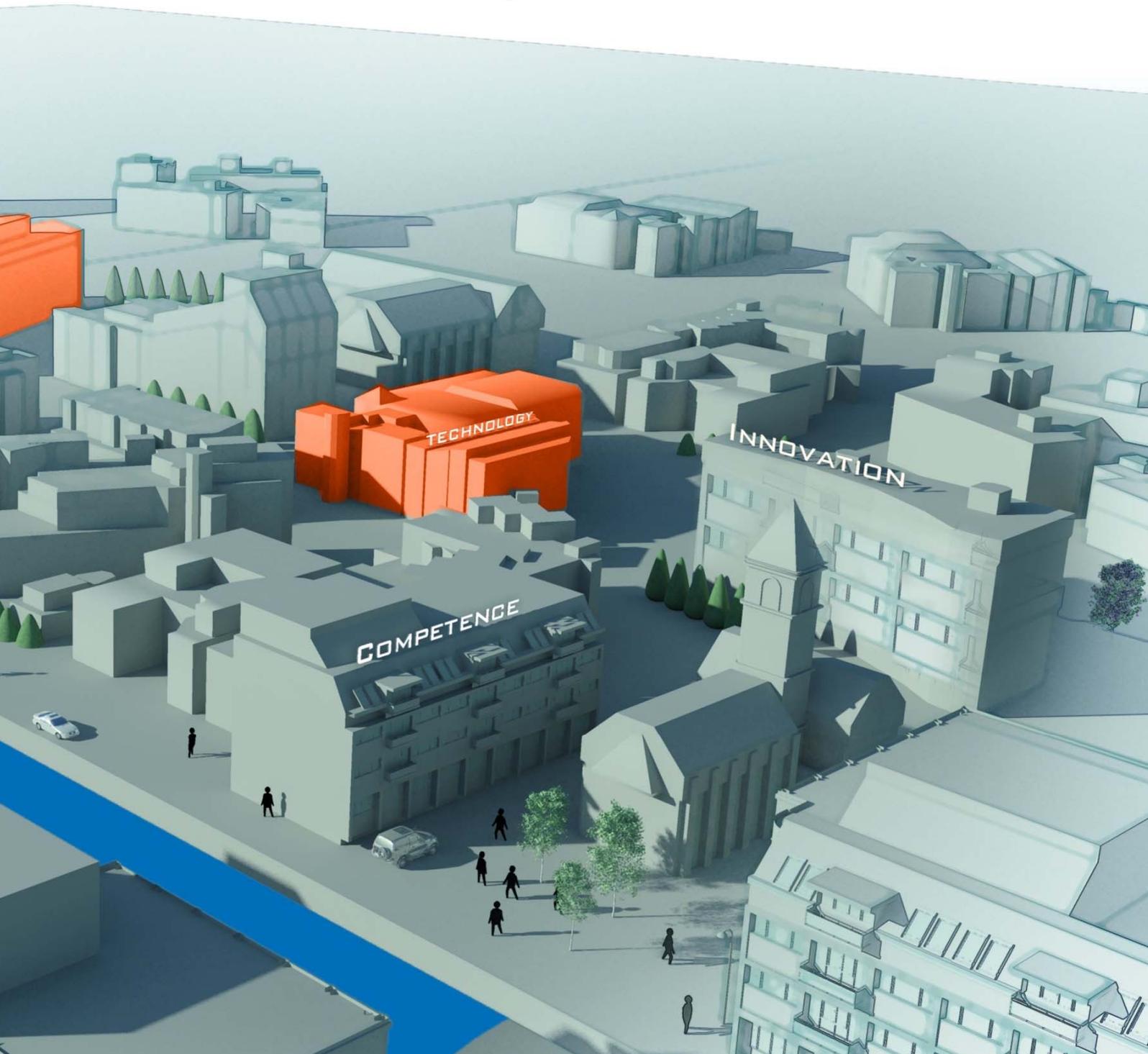




BLOM
IMAGING THE WORLD

REPORT FOR
1st QUARTER 2015



1st quarter 2015

The 1st quarter is normally the weakest quarter. Winter entails a low level of production, and delayed start-up in the spring results in additional costs being incurred. Adjusted for non-recurring costs, the 1st quarter of 2015 is slightly weaker than the same period last year. The main reason for this is a large aerial photography project in Europe that was scheduled to start early in the quarter, but where the progress has to some degree been delayed on the part of the client.

The volume of new orders for 2015 is good, and the group is maintaining a strong market position in the Nordic market. In the UK in particular, jobs in the infrastructure segment have shown a positive trend.

After the end of the quarter, we announced that Blom is merging with Team Bane, one of Norway's largest railway contractors. The merger will represent a solid addition to the Group offering better market opportunities in the infrastructure segment, as well as a greater size, visibility and access to the capital markets.

The group reported revenues of NOK 35 million for the 1st quarter of 2015, compared with NOK 39 million for the same quarter in 2014. EBITDA for the quarter was NOK -13 million, compared with NOK -6 million for the corresponding quarter in 2014. NOK 5 million in non-recurring effects has been charged against the profit for 2015. The operating profit for the quarter was NOK -15 million, compared with NOK -7 million for the same period in 2014. The pre-tax loss was NOK -15 million, compared with a pre-tax loss of NOK -9 million for the corresponding quarter in 2014.

The merger with Team Bane, which was announced on 23 April 2015, will provide a foundation for strong further development of the infrastructure segment in the group. This is a segment that represented approximately 20 per cent of the revenues in 2014 and is expected to account for 28 per cent of the revenues in 2015.

In the future, the group will focus on increasing sales and measures to develop business opportunities and profitability in markets where the group's competence can be exposed to a better risk and earnings profile. This applies in particular to the infrastructure segment, which includes railways, roads and utility networks. The group will also continue its work to adapt its structure, cost base and product portfolio.

The equity ratio is 43 per cent, the current ratio is good, and the group has limited interest-bearing liabilities. The net interest-bearing cash position is NOK 28 million.



Results

(Amounts in NOK 1000)	1 st Qtr. 2015	1 st Qtr. 2014	31/12/2014
Operating revenues	35,406	38,982	234,138
EBITDA	-12,643	-5,716	15,270
EBIT	-14,539	-7,280	7,290
EBT	-14,997	-8,502	6,458

NOK 5 million in non-recurring effects has been charged against the profit for the 1st quarter of 2015.

This report has been prepared in accordance with IAS 34 on Interim Financial Reporting. The interim accounts do not contain all the information that is required in complete annual accounts, and they should be read in conjunction with the consolidated accounts for 2014. The interim accounts have been prepared in accordance with the same principles that are used in the annual accounts for 2014. The result from discontinued businesses is presented on a separate line in other comprehensive income. The report has not been audited.

Operations

Operational development

The group's market position in the Nordic market continues to be good. Profitability in the traditional market is expected to be improved compared to the previous year. The start of a major project for the establishment of a European database has been delayed, and this has had a negative impact on the 1st quarter profit.

A new sensor for laser scanning has been deployed, and it is expected to contribute to greater efficiency and improved quality for data acquisition. Other sensors and equipment are in good condition and ready for a new season.

Certain important customer segments in Norway have seen a decline in volume and lower prices in recent years. In Norway we are in 2015 seeing an increase in the total market and an improvement in prices and profitability. The volume of new orders in these segments has been good in 1st quarter of 2015. The company is maintaining its market volume compared with 2014 with improved margins.

In Mid-Europe, the profitability is satisfactory and at the same level as the 1st quarter of 2014. The volume of new orders in the 1st quarter was relatively good.

The group has implemented and identified a number of cost-saving measures. Measures implemented in the first quarter will give annual savings of NOK 4 million from the 2nd quarter of 2015.

Finance and accounts

1st quarter 2015

Operating revenues and EBITDA from the operative segments for the 1st quarter were:

(amounts in NOK 1000)	Revenues		EBITDA	
	2015	2014	2015	2014
Nordic	19,100	24,467	-6,804	-2,977
Mid-Europe	16,306	14,515	1,904	1,930
Total operative segments	35,406	38,982	- 4,900	-1,047

As a result of normal seasonal fluctuations and non-recurring effects, the group had a negative cash flow from operating activities of NOK 14 million in the 1st quarter. The group's trade receivables declined by NOK 3 million during the period to NOK 23 million, while work in progress declined by NOK 3 million to NOK 22 million.

In the 1st quarter, the group made operational investments of NOK 9 million, which is primarily related to sensors. Net financial income totalled NOK 0.5 million in the 1st quarter.

The equity ratio was 43 per cent, compared with 50 per cent as at 31 December 2014, and cash and cash equivalents for continuing business were NOK 36 million at the end of the quarter.

Organisation and personnel

The group has a committed staff of employees with a high level of competence. This represents the foundation for the group's growth. As at 31 March 2015, there were a total of 148 employees in the operative companies, down from 152 at the end of 2014. There are 267 employees at the group's production facilities in Indonesia and Romania. The group had a total of 400 employees, which is a reduction of 19 since 31 December 2014.

Dirk Blaauw has resigned from the group after 11 years as the Chief Executive Officer. The manager of Blom's operations in Norway, Nils Karbø, has been appointed to act in the position.

Shareholder information

As at 31 March 2015, the company's share capital totalled NOK 10,070,649.00, divided into 10,070,649 shares, each with a par value of NOK 1.00. The total number of shareholders as at 31 March 2015 were 1,716, and foreign shareholders accounted for 0.26 per cent of the share capital. Blom owns a total of 396,452 of the company's own shares, which represents 3.94 per cent of the total number of outstanding shares.

The company sent an announcement to the stock exchange on 25 November 2014 concerning an offer to buy shares in Blom ASA owned by shareholders with fewer than 33 shares. The reason for the offer was the Board's desire to give shareholders with small holdings an opportunity to sell their shares in a cost-effective manner, and to reduce the company's expenses for the administration of the company's shareholder base. The offer price per share was NOK 16.00. Advance notice was given in the offer that the company intended to file an application with the Ministry of Trade, Industry and Fisheries for a permit to enforce compulsory redemption of the shareholders who did not accept the voluntary offer. At the end of the offer period on 12 December 2014, the company had received a total of 339 acceptances to acquire 1,116 shares, corresponding to 0.01 per cent of all the outstanding shares in the company.

Events after the end of the quarter

The company sent an announcement to the stock exchange on 23 April 2015 that an agreement had been signed to merge the Blom ASA with Team Bane. The transaction will be carried out as a share transaction with an exchange ratio of 50-50, in which Blom ASA as the acquiring company will issue new shares to the shareholders of Team Bane (through the acquisition of Team Bane's holding company). It will be proposed to rename the listed parent company Blom ASA to NRC Group ASA, while Blom's operations will continue to operate under the Blom brand. Upon completion of the transaction, the current shareholders of Blom ASA and Team Bane will each own 50 per cent of the total number of outstanding shares in the NRC Group. Completion of the transaction is subject to approval by the company's General Meeting, scheduled the 28th of May 2015. Shareholders who own approximately 74 per cent of the outstanding shares in Blom have irrevocably undertaken to vote in favour of the transaction. The new shares that will be issued to the shareholders of Team Bane will be listed on the Oslo Stock Exchange. Completion of the transaction is expected to take place around 28 May 2015. Consolidated figures for Team Bane showed revenues of NOK 75 million and EBITDA of NOK -5 million in the 1st quarter. Seasonally, the 1st quarter is always weak in this business as usual in other construction operations in the Nordic region.

The sale of Blom's German operations has been considered, and it was classified as discontinued business in the accounts. After the end of the quarter, the Board of Directors decided to keep the business, and it will be classified as continuing business in the accounts from the 2nd quarter.

Outlook

The volume of new orders for 2015 is good, and the group is maintaining a strong market position in the Nordic market. In the UK in particular, jobs in the infrastructure segment have shown a positive trend.

The merger with Team Bane will make the group even better positioned for profitable growth, and Blom has already implemented measures internally to pursue the market opportunities provided by the merger. The combination has been well received internally, and an effort is being made to identify consolidation opportunities for the combined Blom and Team Bane.

Oslo, 29 April 2015

Trygve Bruland

Board Chairman

Siv Staubo

Board Member

Birgitte Ellingsen

Board Member

Kristian Lundkvist

Board Member

Nils Karbø

CEO



Consolidated Statement of Income – Blom Group

(Amounts in NOK 1000)

	<u>31/03/2015</u>	<u>31/03/2014</u>	<u>31/12/2014</u>
Operating revenues	35,406	38,982	234,138
Cost of materials	12,060	13,368	90,995
Salaries and personnel costs	29,640	24,894	101,524
Depreciation and write-downs	1,896	1,564	7,980
Other operating and administrative costs	6,349	6,436	26,349
Operating expenses	49,945	46,262	226,848
Operating profit	-14,539	-7,280	7,290
Net financial items	-458	-1,222	-832
Pre-tax profit/loss	-14,997	-8,502	6,458
Taxes	-148	-131	-729
Profit/loss from continuing business	-15,145	-8,633	5,729
Profit/loss from discontinued business	-2,182	3,207	2,197
Profit/loss for the year	-17,327	-5,426	7,926
Profit/loss attributable to:			
Shareholders	-17,327	-5,426	7,926
Profit/loss after tax	-17,327	-5,426	7,926
Comprehensive income:			
Recalculation of pension obligations	-66	-420	-853
Currency translation differences	301	-127	11,327
Comprehensive income	-17,092	-5,973	18,400
Comprehensive income attributable to:			
Shareholders	-17,092	-5,973	18,400
Comprehensive income	-17,092	-5,973	18,400
Earnings per share:			
From continuing business	-1.56	-0.89	0.59
From discontinued business	-0.23	0.33	0.23
From profit/loss for the year	-1.79	-0.56	0.82

Balance Sheet – Blom Group

ASSETS

(Amounts in NOK 1000)

	<u>31/03/2015</u>	<u>31/03/2014</u>	<u>31/12/2014</u>
Intangible assets	449	621	482
Property, plant and equipment	30,501	18,621	19,949
Fixed asset investments	4,371	1,268	4,538
Total fixed assets	<u>99,908</u>	<u>122,768</u>	<u>122,953</u>
Work in progress	21,973	24,955	24,983
Trade receivables	22,993	30,626	26,139
Other current receivables	16,734	17,340	16,232
Total receivables	39,727	47,966	42,371
Cash and cash equivalents	35,697	49,847	51,400
Assets classified as held for sale	2,511	0	4,199
Total current assets	<u>99,908</u>	<u>122,768</u>	<u>122,953</u>
TOTAL ASSETS	<u>135,230</u>	<u>143,278</u>	<u>147,922</u>

Balance Sheet – Blom Group

EQUITY AND LIABILITIES

(Amounts in NOK 1000)

	<u>31/03/2015</u>	<u>31/03/2014</u>	<u>31/12/2014</u>
<i>Called-up and fully paid share capital:</i>			
Share capital	10,071	10,071	10,071
Treasury shares	-1,978	-1,977	-1,978
Share premium account	97,703	97,720	97,703
<i>Other reserves:</i>			
Currency translation differences	-23,703	-35,475	-24,003
Retained earnings	-24,529	-20,057	-7,137
Total equity	<u>57,564</u>	<u>50,283</u>	<u>74,656</u>
Pension obligations	4,813	4,141	4,348
Non-current liabilities	5,720	10,256	1,003
Total non-current liabilities	<u>10,533</u>	<u>14,397</u>	<u>5,351</u>
Interest-bearing current liabilities	2 448	3,360	648
Trade payables	17,309	19,277	19,526
Unpaid government taxes	8,362	13,767	13,310
Other current liabilities	36,225	42,193	30,711
Total other current liabilities	<u>61,895</u>	<u>75,237</u>	<u>63,547</u>
Liabilities classified as held-for-sale	2,790	0	3,720
Total current liabilities	<u>67,133</u>	<u>78,598</u>	<u>67,915</u>
Total liabilities	<u>77,666</u>	<u>92,995</u>	<u>73,266</u>
TOTAL EQUITY AND LIABILITIES	<u>135,230</u>	<u>143,278</u>	<u>147,922</u>

Change in equity from 1 January to 31 March

	2015	2014
Equity as at 31 December	74,656	56,256
Profit/loss for the period	-17,327	-5,426
Pension obligations	-66	420
Currency translation differences	301	-127
Equity as at 31 March	<u>57,564</u>	<u>50,283</u>

Cash Flow Statement – Blom Group

Indirect model (Amounts in NOK 1000)

	As at 31 March	
	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Pre-tax profit/loss	-14,997	-8,502
Depreciation and amortisation of property, plant and equipment	1,896	1,565
Change in trade receivables	3,146	-631
Change in inventories and work in progress	3,010	5,632
Change in trade payables	-2,217	-2,187
Change in other accruals and unrealised foreign exchange	-4,882	-7,359
Net cash flow from operating activities – continuing business	-14,044	-11,482
Net cash flow from operating activities – discontinued business	-176	-5,149
Net cash flow from operating activities – total	-14,220	-16,632
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of property, plant and equipment	-1,352	-152
Receipts from sale of shares and other investments	0	24,308
Net cash flow from investment activities – continuing business	-1,352	24,156
Net cash flow from investment activities – discontinued business	0	-19,242
Net cash flow from investment activities – total	-1,352	4,914
CASH FLOW FROM FINANCING ACTIVITIES		
Net change in current and non-current liabilities	-307	-402
Net cash flow from financing activities – continuing business	-307	-402
Net cash flow from financing activities – discontinued business	0	0
Net cash flow from financing activities – total	-307	-402
A+B+C Net change in cash and cash equivalents	-15,879	-12,120
Cash and cash equivalents at the start of the period	52,390	61,967
Cash and cash equivalents as at 31 March	36,511	49,847
Cash and cash equivalents – continuing business	35,697	47,462
Cash and cash equivalents – discontinued business	814	2,385

Segments – Blom Group

(Amounts in NOK 1000)

Operating revenues	As at 31/03/2015	As at 31/03/2014
Nordic	19,100	24,467
Mid-Europe	13,523	12,452
Eastern Europe	2,783	2,063
Total	35,406	38,982
EBITDA	As at 31/03/2015	As at 31/03/2014
Nordic	-6,804	-2,977
Mid-Europe	826	1,112
Eastern Europe	1,078	818
Total operative segments	-4,900	-1,047
Other segments / unallocated	-7,743	-4,669
Total	-12,643	-5,716
EBIT	As at 31/03/2015	As at 31/03/2014
Nordic	-7,971	-4,173
Mid-Europe	369	823
Eastern Europe	945	739
Total operative segments	-6,657	-2,611
Other segments / unallocated	-7,882	-4,669
Total	-14,539	-7,280
Assets 1)	As at 31/03/2015	As at 31/03/2014
Nordic	45,206	39,107
Mid-Europe	23,953	13,183
Eastern Europe	5,451	3,935
Other segments / unallocated	60,620	87,143
Total	135,230	143,278
Investments	As at 31/03/2015	As at 31/03/2014
Nordic	7,881	121
Mid-Europe	1,352	0
Eastern Europe	127	0
Other segments / unallocated	0	33
Total	9,360	154

1) Allocated assets include external trade receivables, work in progress, non-current assets and intangible assets with the exception of deferred tax assets. Other / unallocated assets include assets classified as held for sale as at 31 December 2014.

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