

## Press Release

# Increased earnings and good results for Jotun

**(Sandefjord, 24 September 2015)** The Jotun Group reports NOK 10.75 billion in operating revenue and NOK 1.63 billion in operating profit in the first eight months of the year. The company expects growth to continue, albeit at a somewhat slower pace.

Operating revenue increased by 24 per cent compared to the same period last year, to a large extent due to beneficial changes in currency exchange rates. Adjusted for currency rates, underlying growth is 10 per cent. Growth has taken place in all of Jotun's segments and regions. The most important drivers are lasting growth in sales of marine coatings to newbuildings in North East Asia, as well as increased volumes in the Decorative segment in the Middle East and South East Asia.

"We expect positive developments in sales to continue. Our long-term focus on organic growth and a strong presence in growth economies enables this," says Jotun's CEO Morten Fon.

"All the same, we expect growth to lose pace somewhat in the time ahead. Among other things, this is related to the downturn in the oil and gas sector, and that growth in paint supply to newbuildings within the Marine segment will not continue at the same rate," Fon says.

Operating profit increased to NOK 1.63 billion as of 31 August 2015. The increase in profit is largely impacted by positive currency translation effects. Increased sales volume combined with active cost control contribute to underlying growth in profit. For the operation in Scandinavia by contrast, changes in currency rates are having a negative impact on margins as raw materials prices are increasing.

### Stable rate of investment

Jotun's investments so far in 2015 amount to NOK 594 million, up NOK 46 million compared to the same period last year. Investments constitute six per cent of turnover and are in line with the company's strategic ambitions. The greatest investments are related to new production facilities in Brazil and Oman, in addition to a new warehouse and office building in Indonesia.

"We will maintain the level of strategic investment going forward. Increased production capacity in existing and new markets, investments in systems and not least in employees, will contribute to manage and ensure efficient growth," Fon says.

### Highlights in 2015:

- High growth in revenues due to good sales and beneficial currency exchange rates
- Strengthened profitability through increased sales and good cost control
- Capacity investments in Brazil, Oman and Indonesia

| Key financial figures (NOK million) | January - August 2015 | January - August 2014 | Change |
|-------------------------------------|-----------------------|-----------------------|--------|
| Operating revenues                  | 10 753                | 8 660                 | 24 %   |
| Operating profit                    | 1 630                 | 978                   | 67 %   |
| Profit before tax                   | 1 543                 | 952                   | 62 %   |

### For further information:

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