

PRESS RELEASE

Jotun reports: Good results first four months of 2015

(Sandefjord, 1. June 2015) Jotun Group had a consolidated operating revenue of NOK 5 234 million and an operating profit of NOK 774 million after the first four months (T1) of 2015. The company expects a lower growth rate from now on, but is well prepared for a more challenging business climate.

The growth of 28 per cent compared to T1 2014 is highly affected by positive changes in currency rates. Underlying sales growth, adjusted for currency, is 12 per cent, with growth across all segments and regions. The most significant drivers of the growth are increased sales of both decorative paints and protective coatings in the Middle East and South East Asia, as well as high pre-season sales of decorative paints in Scandinavia. In addition, the Marine Coatings segment continues to develop positively.

- We have had a very good start this year, but looking ahead, we expect a more challenging business climate, especially in shipping and offshore. We do not expect the growth rate to continue at the same level. We operate, however, within many lines of business, and sell and produce products in several markets. This spread of risk does not make us immune, but more resistant, says Jotun's CEO Morten Fon.

The operating profit increased from NOK 435 million to 774 million. Positive currency translation effects, increased sales volume and cost improvements drive the increase in profit.

Long-term investments and innovation

Total investments in T1 amounted to NOK 208 million as of 30 April 2015, down 46 million compared to last year. This represents 4 per cent of the operating revenue. The level of investments is in line with strategic ambitions. Construction of new factories in Russia, Brazil, Oman and Indonesia represents the major part of the investments.

- Maintaining the level of investments in new and existing markets is a way to prepare ourselves for future growth. The investments are long-term and in line with Jotun's organic growth strategy, says Fon.

Jotun continues to invest considerably in research and development within all of its four business segments. Some examples are "Hull Performance Solutions" - which is the next generation antifouling, "Jotachar JF750" - a passive fire protection system, in addition to new more environmentally friendly products for the consumer and professional markets.

T1 2015 highlights:

- Solid revenue growth year to date driven by both positive currency translation effects and higher sales volumes
- Improved profitability through increased sales and cost improvements
- On-going capacity investments in Russia, Brazil and Oman

Key Figures (NOK million)	T1 2015	T1 2014	Change
Operating revenue	5 234	4 091	28%
Operating profit	774	435	78%
Profit before tax	770	411	87%

For further information:

Morten Fon, CEO, mobile: (+47) 909 19 822

Sverre Knudsen, Group Communications Director, mobile: (+47) 906 32 035