ArcusGruppen

Arcus-Gruppen Holding AS

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– A leading Nordic brand company within wine and spirits

2015 Annual Report

ArcusGruppen

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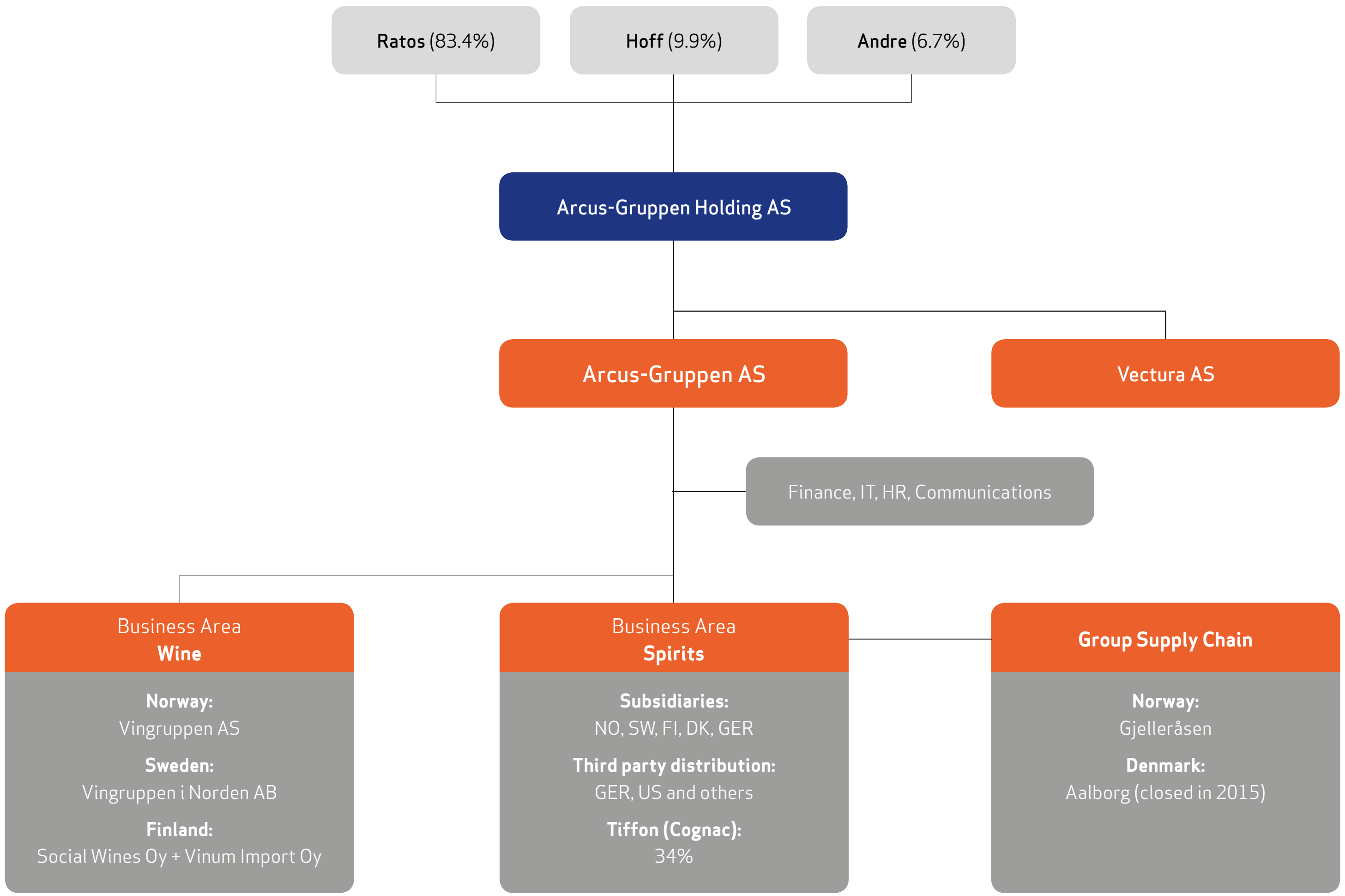
BUSINESS STRUCTURE



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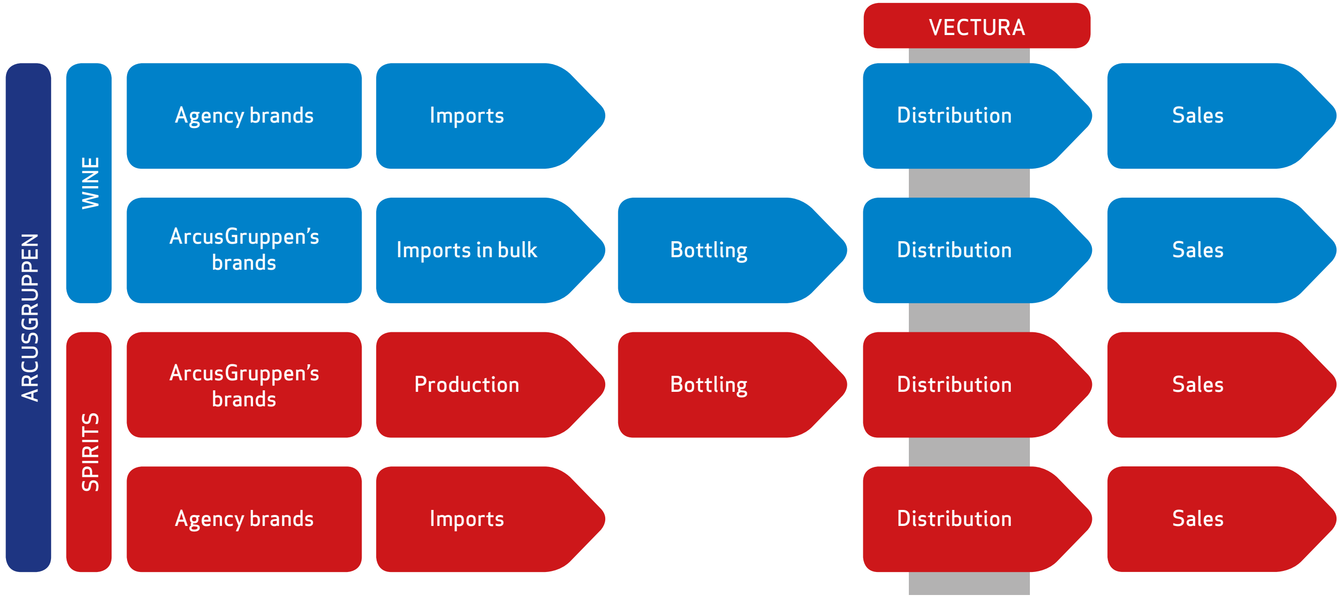
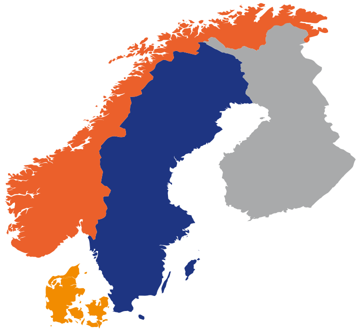
BUSINESS MODEL



THE NORDIC REGION IS OUR HOME MARKET



DISTRIBUTION OF REVENUE BY BUSINESS AREA IN 2015

Business Area	%
Wine	58
Spirits	33
Distribution (Vectura)	9
Total	**100**

DISTRIBUTION OF REVENUE BY COUNTRY IN 2015

Country	%
Sweden	40
Norway	30
Finland	7
Denmark	5
Duty-free trade	4
Other countries	4
Distribution (Vectura)	10
Total	**100**

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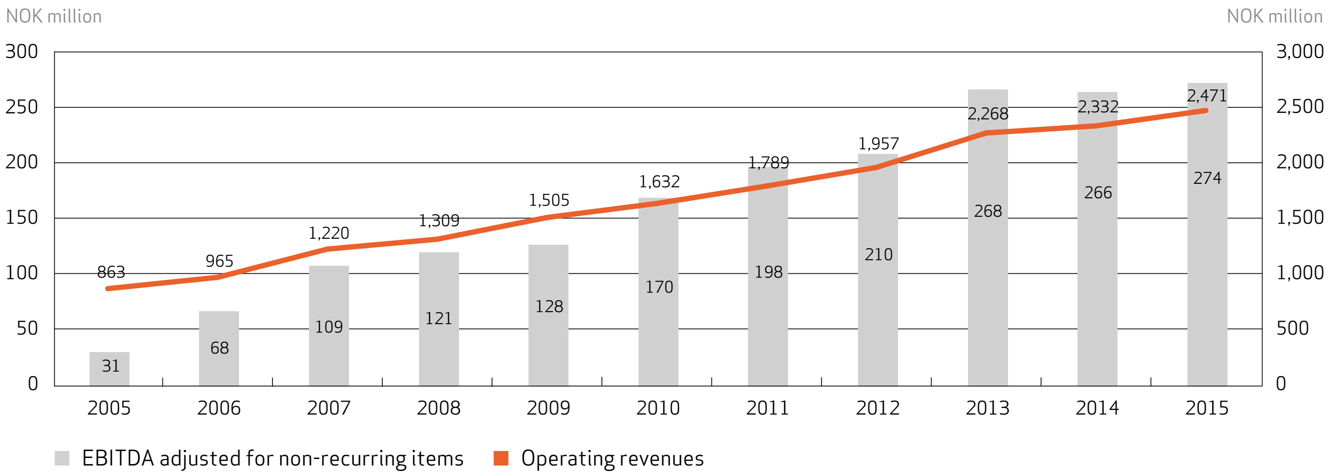
KEY FIGURES IN 2015

ArcusGruppen Holding Group		2015	2014	2013	2012	2011
Operating revenues	NOK million	2,470.9	2,332.4	2,268.2	1,957.2	1,788.6
Of which operating revenues outside Norway	NOK million	1,479.5	1,288.5	1,255.9	977.6	912.1
EBITDA	NOK million	257.8	272.1	259.0	38.2	144.5
EBITDA adjusted for non-recurring items	NOK million	274.4	266.3	268.0	209.6	197.9
EBITDA margin adjusted for non-recurring items	(%)	11.1%	11.4%	11.8%	10.7%	11.1%
Number of FTEs, 31.12.	Number	413	448	441	469	452

GROWTH 2005–2015



OPERATING REVENUES
NOK million
2,471

NUMBER OF EMPLOYEES
422

EBITDA NOK million
274

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Another record year:

Sales growth for the 17th consecutive year

In 2015, ArcusGruppen yet again posted record sales. Total group revenue reached NOK 2,471 million, NOK 139 million higher than in 2014. Operating EBITDA (operating profit before depreciation, adjusted for non-recurring items) amounted to NOK 274 million, an increase of NOK 8 million from 2014.

Revenues were boosted by increased sales of wine, and in particular by the increased sales of white, rosé and sparkling wines. Imports became more expensive due to the strong euro, but re-negotiations with the wine producers ensured that only part of the currency effect was passed on to consumers. In 2015, wine sales increased by nearly 15 per cent, to NOK 1,439 million.

This was partly due to the acquisition in April of the Finnish company Social Wines, posting sales of NOK 103 million after the transaction.

The spirits market was characterised by lower sales, but ArcusGruppen managed to reverse a negative trend during the second half of the year, which led to a recovery in market share. Brand sales were stable compared to 2014, with total sales reaching NOK 761 million.

In 2015, the Group's wholly owned distribution company, Vectura, reported reduced sales of NOK 19 million, to NOK 270 million. On a positive note, however, the 2014 deficit of NOK 35 million was halved to NOK 16 million (operating EBITDA).

ARCUS-GRUPPEN HOLDING AS

Arcus-Gruppen Holding AS is the holding company of Arcus-Gruppen AS, Vectura AS and subsidiaries. Combined, these companies represent the Group's overall operations. The term ArcusGruppen is used to refer to the operations of the entire Group.

IMPORTANT EVENTS IN 2015

WINE GROWTH IN SWEDEN

2015 was a very good year for Vingruppen i Norden, which represents ArcusGruppen's operations in the Swedish market. Its wholly owned subsidiary, Vinunic, took over the large Masi and Astoria agencies. Sales also increased due to the acquisition of Social Wines in Finland.

EFFICIENCY AND COST-SAVING MEASURES

In 2015, production and bottling of the Danish spirits brands were moved from Aalborg in Denmark to Gjelleråsen in Norway, with significant synergies realised during the year.

WINE GROWTH IN FINLAND

In April, ArcusGruppen acquired 90 per cent of the shares in Social Wines, a Finnish wine importer. The acquisition increased the Group's share of the Finnish wine market to approximately 8-9 per cent.

SOLID MARKET POSITION FOR WINE IN NORWAY

ArcusGruppen has managed to uphold its position as the largest wine and spirits importer in the Norwegian market. ArcusGruppen's brands have performed particularly well.

AQUAVIT GROWTH

The market share for aquavit in the Norwegian market has increased month by month since June 2015, and continued into 2016. At the end of June 2016, the market share was 82.4 per cent.

CONTINUED IMPROVEMENT IN PROFITS AT VECTURA

In 2015, the logistics operation continued its positive development, mainly due to substantial cost reductions.

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Group CEO Kenneth Hamnes:

A leading Nordic brand company

2015 was yet another strong year for ArcusGruppen: A year of record sales and good profitability. Demand for our iconic spirits brands has been solid and wine sales have made significant progress.

The strong performance is due to our knowledge of the Nordic monopoly markets, our consumer insight and our ability to collaborate with producers from all over the world; and, of course, the quality of our outstanding brands.

ArcusGruppen is a Nordic enterprise. The company is the leading supplier of spirits in Norway and the second largest in Denmark. In terms of wine, ArcusGruppen is the largest in Norway, number two in Sweden and the third largest in Finland; and there is still a potential for growth. This applies to both wine and spirits in our Nordic home market, but also to growth opportunities for spirits in markets such as Germany and the USA.

Sales to the state monopolies, Systembolaget, Alko and Vinmonopolet, constitute approximately 80 per cent of the company's revenues. The monopolies enjoy a strong standing among both consumers and authorities. For ArcusGruppen, this ensures a high degree of predictability. As a result of hard work for many years, we have gained solid knowledge of the monopolies and how they work. This gives us a clear competitive edge towards our international competitors.

Operational efficiency is of utmost importance to ArcusGruppen, and we are especially focused on releasing the full potential of our new production facility in Gjelleråsen, outside Oslo. In 2015, we made a quantum leap by moving the production of our Danish brands (Gammel Dansk, Aalborg aquavits and Malteserkreuz) from Aalborg to Gjelleråsen. The result has been better capacity utilisation of the modern production facility, more streamlined operations and cost reductions.

In all our brand work, we are strongly committed to creating positive experiences for the end consumers. An important aspect is that alcohol should be enjoyed responsibly. This is the background of the "Think before you drink" campaign, an internal and external awareness campaign launched in 2015.

ArcusGruppen develops rapidly and we continue to grow. Our ambition is clear: 2016 will be the eighteenth consecutive year of growth.

Kenneth Hamnes
Group CEO

Our ambition is clear: 2016 will be the eighteenth consecutive year of growth.

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The company in brief

ArcusGruppen is one of the Nordic region's largest brand companies within wine and spirits. Sweden, Denmark, Norway and Finland constitute the domestic market, in addition to Germany. Vectura is Norway's leading logistics operation for alcoholic beverages.

Arcus-Gruppen Holding AS (the Group) owns the brand company, Arcus-Gruppen AS (ArcusGruppen), and the distribution company, Vectura AS (Vectura). The Group's operational activities are run via the Spirits, Wine and Distribution business areas. Group Supply Chain (GSC) is reported as part of the Spirits business area.

The Spirits and Wine business areas handle product development, imports, sales and marketing within their respective product categories.

GSC is responsible for purchasing, production, storage, bottling and logistics. Vectura handles the distribution operations in Norway. In other countries, this function is handled by external partners.

Vectura offers logistics services for producers, agents and importers of wine, spirits, beer and other beverages, delivering their goods to Vinmonopolet's shops, as well as to hotels, restaurants and cafés (HORECA) in Norway.

AGENCIES, PRODUCTION AND BRANDS

ArcusGruppen is the world's largest producer of aquavit and one of the major spirits players in the Nordic region. The company has an extensive brand portfolio and a modern, efficient production facility at Gjelleråsen outside of Oslo. The well-known Norwegian aquavit brands are produced here and, as from 2015, also the traditional Danish spirits, such as Aalborg Akvavit and Gammel Dansk. In February 2015, the brand portfolio was expanded to include Snälleröds, a line of Swedish aquavit and mulled wine produced at their facilities in Skåne. ArcusGruppen owns a stake in the French cognac house, Tiffon, the producer of Braastad Cognac. In addition to its own production, ArcusGruppen holds a number of agencies.

ArcusGruppen is the largest importer of wine in Norway, the second largest in Sweden and the third largest in Finland. The Group's wine-related operations cover a wide range of agencies, representing all categories and producers in all the important wine producing countries.

In addition, ArcusGruppen has significant sales of its own brands, produced according to tailor-made specifications for each market. These products are imported in bulk and bottled at Gjelleråsen.

HISTORY

Arcus-Gruppen AS, including Vectura, was established as a state-owned enterprise on 1 January 1996. As part of Norway's adaptation to the EEA rules, the operations of Vinmonopolet

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AS were split. Sales to Norwegian consumers remained the responsibility of the state monopoly, while the newly established commercial enterprise took over the activities related to imports, production, distribution and exports. The traditional distilleries, recipes and the rights to the extensive brand portfolio with an emphasis on aquavit, were also included in the commercial enterprise. Following partial privatisation in 2001 and full privatisation in 2003, the brand company ArcusGruppen and the distribution company Vectura are today owned in full by Arcus-Gruppen Holding AS, with the Swedish investment company Ratos AB (83.4 per cent) and Norwegian Hoff SA (9.9 per cent) as the main owners. The remaining shares are owned by employees and Board members of the Group.

THE NORDIC ALCOHOL MARKET

The Nordic alcohol market is complex, with significant variations in each market. The structure, regulatory regimes, advertising opportunities and pricing mechanisms differs greatly from country to country. Vinmonopolet in Norway, Systembolaget in Sweden and Alko in Finland all have a monopoly on consumer sales. The monopolies are the consequence of social policies designed to regulate and restrict access to alcohol by means of availability, pricing and responsible trading practices. Apart from the monopoly outlets, importers and producers can sell directly to hotels, restaurants and cafés, usually referred to as the HORECA market, as well as to duty-free outlets. Around 90 per cent of the domestic volume is sold off-trade, which means via monopolies in countries with a monopoly structure, and via supermarket chains in Denmark. The remaining 10 per cent is sold on-trade (HORECA). In addition to domestic sales, sales include volumes from duty-free and border shops in other countries (primarily Germany, Poland and Estonia).

SALES THROUGH MONOPOLIES

ArcusGruppen's companies in Norway, Sweden and Finland each have years of experience from interacting with the retail monopolies in their respective countries, and are highly knowledgeable about how the monopolies work. This creates an important competitive advantage over international companies, both in relation to producers and agents.

Sales to the monopolies consist mainly of popular, listed products. The monopolies add new products by obtaining bids from several suppliers, where they specify the price level and characteristics in detail. Finally, blind taste tests are run by the monopoly to determine which bids to accept.

Based on their own assessments of market potential, wine and spirits companies may also introduce products through the catalogues of the monopolies. The sales figures then determine whether a product may be added to the inventory of the monopolies' stores, and in how many stores, dependent on each individual store's size and customer base. The wine and spirits companies set the price to the consumers.

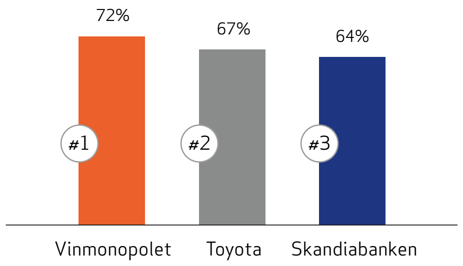
The suppliers' wine and spirits knowledge, as well as their insight into the taste preferences of the target customers, are crucial, both in relation to invitations to tender and self-initiated product launches. ArcusGruppen's size, its longstanding experience and the systematically accumulated knowledge, have proved highly valuable.

CROSS-BORDER SHOPPING AND DUTY-FREE

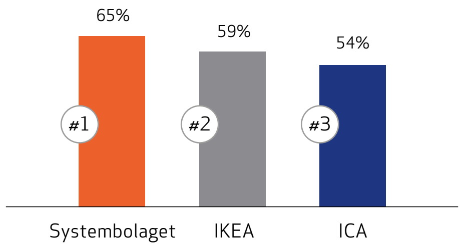
The cross-border retail trade is a factor influencing all the Nordic markets, particularly Norway, Sweden and Finland, where taxation policies lead to significantly higher prices than in their neighbouring countries.

The volume of duty-free sales is substantial in the Nordic countries. The duty-free retailers primarily purchase their goods directly from the producer. They are therefore an important customer group for the Spirits business area, while the wine companies sell very little to this customer segment.

POPULAR MONOPOLIES



Norway: Results from TNS Gallup opinion survey, 2014.



Sweden: Results from TNS Sifo consumer confidence barometer, 2015.

Nordic alcohol monopolies

- Highly popular with consumers
- Authorities wish to maintain monopolies

ArcusGruppen has:

- Solid knowledge of the monopolies
- Expertise in dealing with tender processes

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Business Area

Spirits

ArcusGruppen is the world's largest producer of aquavit and a leading player in the Nordic spirits market.

The primary focus of the Spirits business area is to develop and market Nordic spirits brands. Norwegian, Danish and Swedish aquavit constitute the core of the product range, followed by vodka and cognac. In addition, the business area has its own brands within most of the other important spirits categories, as well as extensive agency operations for foreign products.

The operations of the Spirits business area include product development, marketing and sales.

THE NORDIC MARKETS

Norway, Sweden and Finland are characterised by the three major state-owned retail monopolies, Vinmonopolet, Systembolaget and Alko respectively. In Denmark, spirits sales are unrestricted and spirits are primarily sold to consumers via supermarket chains. Sales are subject to highly competitive pricing, and participation in campaigns run by the chains is essential to promote sales. Spirits advertising is permitted in Denmark, with some restrictions, while the monopoly markets in Norway, Sweden and Finland are heavily regulated in this respect.

ArcusGruppen has an important competitive advantage over its international competitors, due to the distinctive market situation, with state-run alcohol monopolies. ArcusGruppen's operations are run through subsidiaries that have many years' experience from selling to the retail monopolies in their respective markets, and detailed knowledge of how the monopolies work. In Denmark, marketing and sales are operated through a partnership with a Danish operator with a long track-record and in-depth knowledge of the local market.

GERMANY

In Germany, there are no restrictions on the sale of spirits. For ArcusGruppen, aquavit is the largest export category, and both Norwegian and Danish brands are well-represented. Malteser Aquavit has a long tradition in the German market. LINIE Aquavit and Aalborg Taffel Akvavit are also popular.

DUTY-FREE

Duty-free retailers mainly purchase their goods directly from the producer. Due to its significant portfolio of own products and popular brands, the Spirits business area is a significant supplier in the Nordic region. The most important categories are Norwegian and Danish aquavit, although cognac and vodka also hold a strong position.

BRANDS AND AGENCY BRANDS

The largest proportion of brands produced in-house, are Norwegian and Danish aquavits, although significant volumes of vodka, bitters and gin are also produced. In addition, ArcusGruppen offers its own brands of whisky and grape spirits, based on imported spirits, bottled at

Experience in dealing with alcohol monopolies gives ArcusGruppen an important competitive advantage over its international competitors.

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the Gjelleråsen facility. The company owns a 34 per cent stake in the French cognac house, Tiffon SA, the producer of Braastad Cognac.

ArcusGruppen manages agencies for producers in several countries, the largest of which are the USA, the UK, France and Italy. When competing for the most attractive agencies, the expertise, the consumer insight and the close cooperation with Norwegian, Swedish and Danish alcohol monopolies are important competitive advantages for the Spirits business area.

Another advantage is the fact that ArcusGruppen is one of only a few players in the industry who are able to operate throughout the Nordic region. Even though the Nordic countries individually represent small markets for major international suppliers, the Nordic region in total generates a large customer base.

PREFERENCES AND TRENDS

For several years now, the premium spirits segment has grown, with particular interest for specialised whiskey and exclusive aquavits. In parallel, especially in Norway, a sharp growth in the low price segment indicates a degree of polarisation in the market.

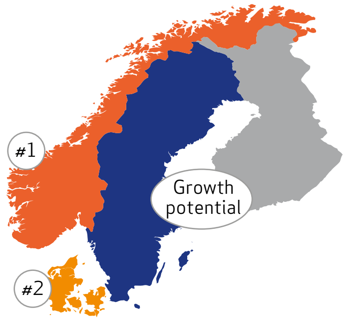
From a global perspective, vodka is the best-selling category, and the Nordic region is no exception. Overall, whisky is slowly gaining ground in the market at the expense of cognac and grape spirits, although there are fluctuations from year to year and between markets. Aquavit and bitters are relatively stable, although, with certain variations between the countries. Low alcohol products are also gaining strength.

Small niche manufacturers of spirits are found in all the Nordic countries, producing primarily vodka, aquavit and whisky. The number of micro distilleries is increasing, showing how the local production of spirits is following the same trend as microbreweries and a growing interest

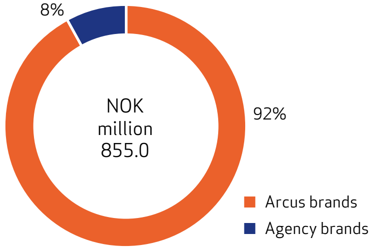
BUSINESS AREA SPIRITS	2015	2014	2013	2012	2011
Total operating revenue (NOK million)	855.0	903.2	887.5	647.1	591.6
EBITDA (NOK million)	112.2	154.3	163.8	47.5	65.6
EBITDA adjusted for non-recurring items (NOK million)	113.0	142.0	166.3	94.8	88.4
EBITDA margin adjusted for non-recurring items	13.2%	15.7%	18.7%	14.7%	15.0%

SPIRITS:
NO. 1 IN NORWAY, NO. 2 IN DENMARK

- Aquavit, vodka and cognac are the most important categories
- High focus on innovation



Distribution of sales, brands



Market position, aquavit

for local food traditions. ArcusGruppen is capitalising on this trend through its broad selection of regional aquavits and other locally-distilled spirits. With the small-scale craft beer operations at Atlungstad Brenneri in Stange, Norway, and the Snälleröds brewery in Ljungbyhed in Skåne, Sweden, ArcusGruppen has created excellent conditions for enhancing its position in the craft spirits market.

STRATEGY 2020

One of our highest priorities is to ensure a continued strong aquavit position in the Nordic home markets, as well as Germany. To succeed, we must continuously adapt and deliver on our strategy of strong brands. In the long term, we will also be focusing on increased growth in Sweden and Finland, markets in which innovation also is of great importance.

An attractive long-term option is to establish aquavit as a category in the international market.

OPERATIONS IN NORWAY

The management of the Spirits business area, which handles central sales, marketing and R&D, is located at Gjelleråsen, north of Oslo. This is also the home to ArcusGruppen's main facility for production, bottling and storage.

OPERATIONS IN DENMARK

In Denmark, marketing and sales of ArcusGruppen's spirits products are handled by Det Danske Spiritus Kompagni A/S (DDSK), in which Arcus-Gruppen AS and Flemming Karberg Familieholding ApS are equal owners and partners.

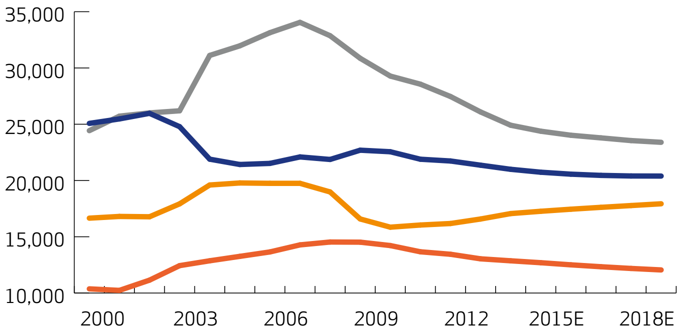
OPERATIONS IN SWEDEN

Arcus Sweden AB handles marketing, sales and agency management for the Swedish market. The company is a wholly owned subsidiary of Arcus-Gruppen AS. The operations are located in the same premises as Vingruppen i Norden AB in Stockholm.

SPIRITS:
PREMIUMISATION

Stabilising spirits volume

LITRE thousand

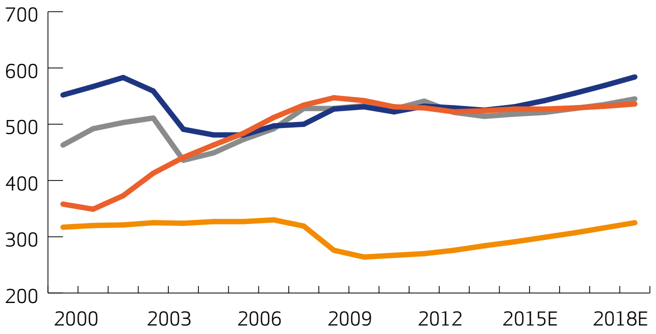


	'14–'19 CAGR
EU	(0.1%)
Norway	(1.3%)
Sweden	(0.6%)
Denmark	1.0%
Finland	(1.2%)

Source: Euromonitor and ArcusGruppen

Value enhancement through premiumisation

EUR million



	'14–'19 CAGR
EU	1.9%
Norway	0.4%
Sweden	2.2%
Denmark	2.7%
Finland	1.2%

Source: Euromonitor and ArcusGruppen

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OPERATIONS IN FINLAND

Arcus Finland Oy handles marketing, sales and agency management in Finland. This is a wholly owned subsidiary of Arcus-Gruppen AS. Its operations are located in the same premises as Vingruppen i Norden's wine companies in Helsinki.

OPERATIONS IN GERMANY

Arcus Deutschland GmbH, in close cooperation with the German wine and spirits importer Eggers & Franke, handles marketing and sales in Germany. In April 2016, Arcus GmbH made its first operational sales and marketing appointment in Germany.

1 million litres of LINIE Aquavit, one of ArcusGruppen's most important export products, are sold every year.

New Braastad design was launched in April 2016.

Malteser is ArcusGruppen's biggest brand in Germany.

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SPIRITS:
INNOVATION

Moscow Mule, Mojito and Raspberry Mojito – famously tempting cocktails. Developed by ArcusGruppen and bottled in our own facilities, these products demonstrate the power of innovation in a growing segment: products with a strength of 22 per cent alcohol by volume.

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Business Area
Wine

ArcusGruppen is the largest player in the Norwegian wine market and the second largest in Sweden. In addition, ArcusGruppen has secured a significant position in Finland through ambitious growth initiatives.

The Wine business area covers imports, marketing and sales of wine in Sweden, Norway and Finland. The core business for ArcusGruppen's wine import companies in each country, is to manage their respective agencies. However, operations also include in-house brands, produced according to specifications from the wine companies, and bottled in ArcusGruppen's facilities at Gjelleråsen.

THE NORDIC MARKETS

In Sweden, Norway and Finland, all wine sales to consumers are channelled through state retail monopolies.

The situation in Denmark is different, where consumers are free to buy wine in grocery stores and supermarkets. The Danish market is subject to fiercely competitive pricing and competition from the retail chains' own brands. As a result, profit margins are low. So far, ArcusGruppen has chosen to concentrate its Danish operations on spirits.

Marketing opportunities also vary between the countries.

In Norway, alcohol advertising is forbidden, apart from the trade press. Alcohol advertising in Sweden and Finland is also subject to significant restrictions. This necessitates a specialised insight into the relevant marketing tools when launching and promoting new products. The media is an important channel, and all new products are promoted to wine journalists and writers.

DUTY-FREE

Duty-free players make the bulk of their purchases directly from the producers, therefore their contribution to ArcusGruppen's wine revenue growth is minimal.

AGENCIES AND BRANDS

Most of the ArcusGruppen wine sales in Sweden, Norway and Finland is conducted through import companies in each respective country. These companies manage overseas producers' agencies for established brands.

Winning and retaining attractive agencies requires a strong network of contacts, in addition to professional wine expertise, to earn the trust and respect of the suppliers. The industry is characterised by personal relationships between producers and agents. This is why ArcusGruppen's import operations are organised into a number of small companies, often partly owned by founders or key personnel with strong relationships to attractive suppliers. This model encourages the continuation of an entrepreneurial approach and the continued development of the business.

There is a clear trend towards closer cooperation between producers and importers to develop products adapted to local preferences. Wines produced on special order from ArcusGruppen, and marketed under its brands, are one manifestation of this trend.

We are passionate about creating great moments.

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ArcusGruppen holds a leading position in this segment.

PREFERENCES AND TRENDS

There are major differences in the taste preferences of consumers in Sweden, Norway and Finland. This applies to grape varieties and country of origin, as well as brands. In both Sweden and Norway, Italian and French wines are popular. In Sweden, new wine countries such as South Africa, Chile and Australia are relatively strong, while traditional wine producing countries such as Germany and Spain have high market shares in Norway. Chile and Spain are the most popular wine producing countries in the Finnish market.

All three markets are characterised by a high change rate, with a strong focus on new products. Brand loyalty is low and wine brands have shorter life cycles than spirits brands. Consumer insight and the ability to innovate in combination with market knowledge, is crucial to maintain a product portfolio that can be quickly adapted to meet new customer preferences.

BUSINESS AREA WINE	2015	2014	2013	2012	2011
Total operating revenue (NOK million)	1,466.6	1,281.3	1,177.1	1,128.7	996.5
EBITDA (NOK million)	197.1	180.3	192.8	198.5	140.0
EBITDA adjusted for non-recurring items (NOK million)	197.5	179.4	195.6	199.2	147.6
EBITDA margin adjusted for non-recurring items	13.5%	14.0%	16.6%	17.7%	14.8%

OPERATIONS IN SWEDEN

The Wine business area in Sweden is run by Vingruppen i Norden AB, parent company of ArcusGruppen's Swedish and Finnish wine companies. The parent company is responsible for functions such as finance, IT, HR and logistics for all of the wine companies, while each wine company manages its own agencies and undertakes imports, marketing and sales. Sales to the HORECA market are organised through the parent companies in Sweden and Norway.

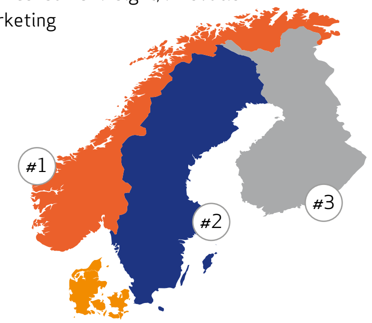
The primary strategy of Vingruppen i Norden is to achieve continued growth by winning new agencies, through acquisitions, new product launches and product development.

http://www.vingruppen.se

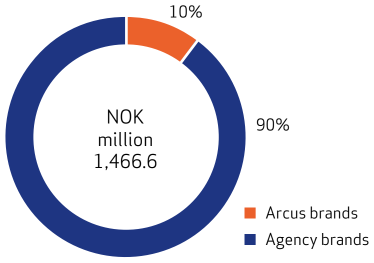
WINE:
NO. 1 IN NORWAY AND NO. 2 IN SWEDEN

We bring the best of the world's wine to the Nordic region

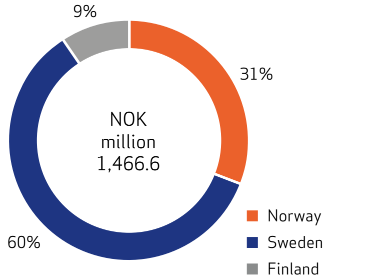
- Established portfolio with strong brands
- Focus on consumer insight, innovation and marketing



Distribution of sales, brands



Distribution of sales, countries



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OPERATIONS IN NORWAY

Operations in Norway are run through Vingruppen AS, parent company for ArcusGruppen's Norwegian wine companies. Internal functions such as finance, IT and HR are provided centrally by ArcusGruppen. The individual wine companies manage their own agencies and are responsible for imports, marketing and sales.

Vingruppen's strategy is to expand through organic growth in its existing companies, new agencies, establishment of new companies and via acquisitions.
http://www.arcus.no/vin/vingruppen-as/

OPERATIONS IN FINLAND

Operations in Finland are run through Social Wines Oy and Vinum Import Oy, both companies owned by Vingruppen i Norden AB. The Finnish wine companies manage their own agencies and are responsible for imports, marketing and sales. In 2015, the wine companies and Arcus Finland Oy moved into shared premises in Helsinki.

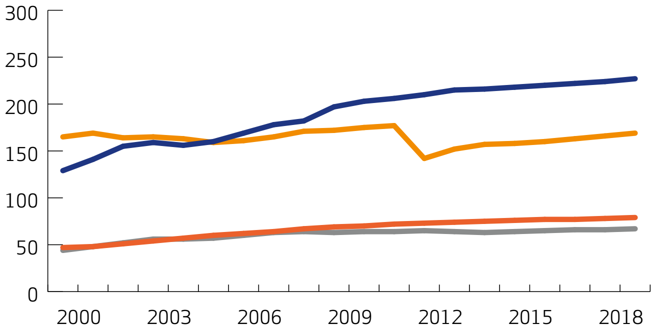
The strategy of Vingruppen i Norden in Finland is also to achieve continued growth by winning new agencies, acquisitions, new product launches and product development.

As a direct result of this growth strategy, 90 per cent of the shares in Modern Fluids Oy, one of Finland's leading wine importers, were acquired in April 2015. Following the acquisition, the company was renamed Social Wines Oy.

The acquisition elevates ArcusGruppen to the third largest wine importer in the Finnish market.

WINE:
GROWTH IN VOLUME AND VALUE

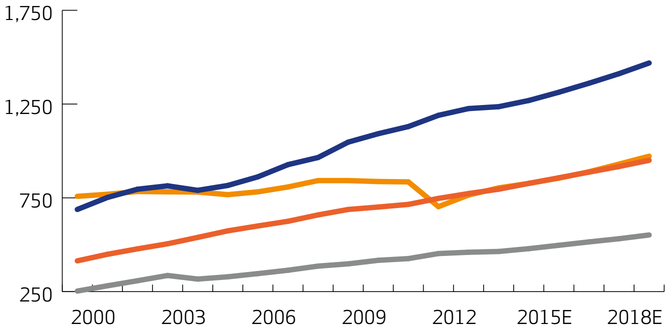
Growth in wine volume
LITER million



	'14–'19 CAGR
EU	(0.2%)
Norway	1.1%
Sweden	1.0%
Denmark	1.5%
Finland	1.2%

Source: Euromonitor and ArcusGruppen

Premiumisation and innovation increase value
EUR million



	'14–'19 CAGR
EU	2.2%
Norway	3.6%
Sweden	3.5%
Denmark	3.9%
Finland	3.6%

Source: Euromonitor and ArcusGruppen

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WINE:
ENVIRONMENTALLY-FRIENDLY PACKAGING

Norwegians and Swedes buy most of their wine in cardboard boxes (BiB). In both countries Bag-in-Box wine constitutes more than 50 per cent of all wine sales.

In 2015, Arcus Wine Brands exported 769,000 litres of Falling Feather and Ruby Zin. In 2016, this figure is expected to increase to 1,000,000 litres.

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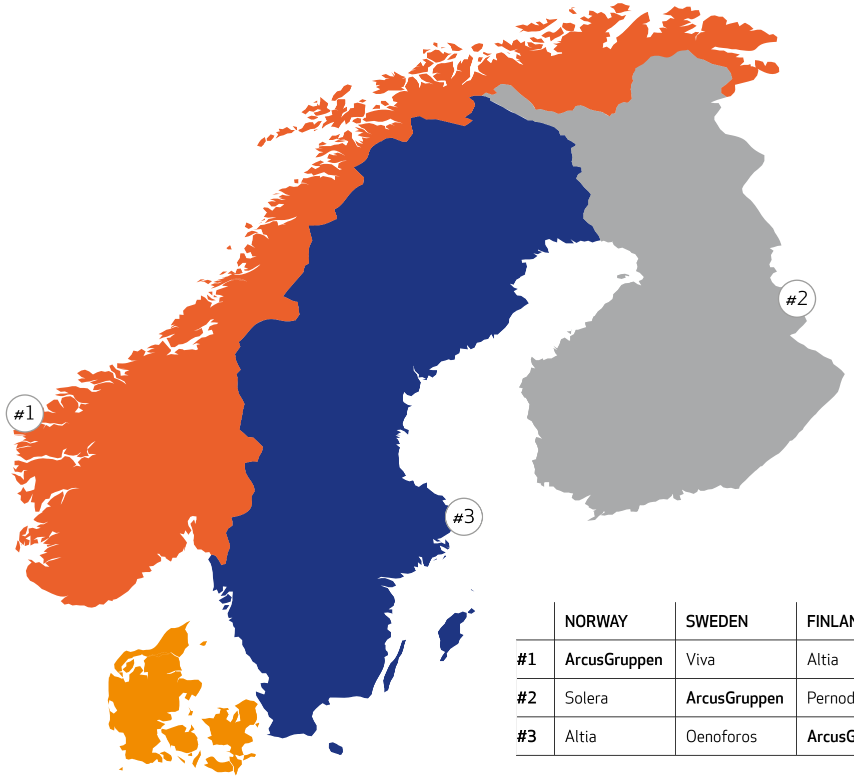
WINE:
STRONG NORDIC FOOTHOLD.



	NORWAY	SWEDEN	FINLAND
#1	**ArcusGruppen**	Viva	Altia
#2	Solera	**ArcusGruppen**	Pernod Ricard
#3	Altia	Oenoforos	**ArcusGruppen**

ArcusGruppen is the only player with a leading position in Norway, Sweden and Finland.

Fredag (Norwegian for Friday) wine was launched at Vinmonopolet on a Friday and was sold out by the end of the day.

The South African Mulderbosch is the most popular rosé wine in Sweden. Since 2016, it is also available in Norway.

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Group Supply Chain

Group Supply Chain ensures the efficient flow of goods across business areas and national borders. At its advanced production facilities in Gjelleråsen, outside Oslo, ArcusGruppen's Norwegian and Danish aquavit brands are produced, and large volumes of wine are bottled.

Group Supply Chain (GSC) is responsible for purchasing, production, storage, bottling, distribution and logistics across the business areas. GSC's financial figures are reported together with the accounts of the Spirits business area.

Based on their own sales forecasts and other underlying material, the Wine and Spirits business areas place orders with GSC, which then plans the purchasing, production and stock levels. The purchase of finished goods, as part of the agency operations, is handled by the Wine and Spirits business areas themselves.

PRODUCTION FACILITIES

At Gjelleråsen, outside Oslo, GSC is responsible for operating the raw materials warehouse and casks warehouse, the latter consisting of more than 8,000 casks for the maturing of aquavit and other spirits. GSC is also responsible for the operation and maintenance of the spirits production facility and the spirits and wine bottling facility.

Gjelleråsen is one of Europe's newest and most advanced facilities and one of the very few to have its own accredited laboratory for quality assurance and monitoring. The laboratory carries out chemical, microbiological and sensory tests. All products to be bottled at the facilities in Gjelleråsen are checked and approved by the laboratory prior to bottling.

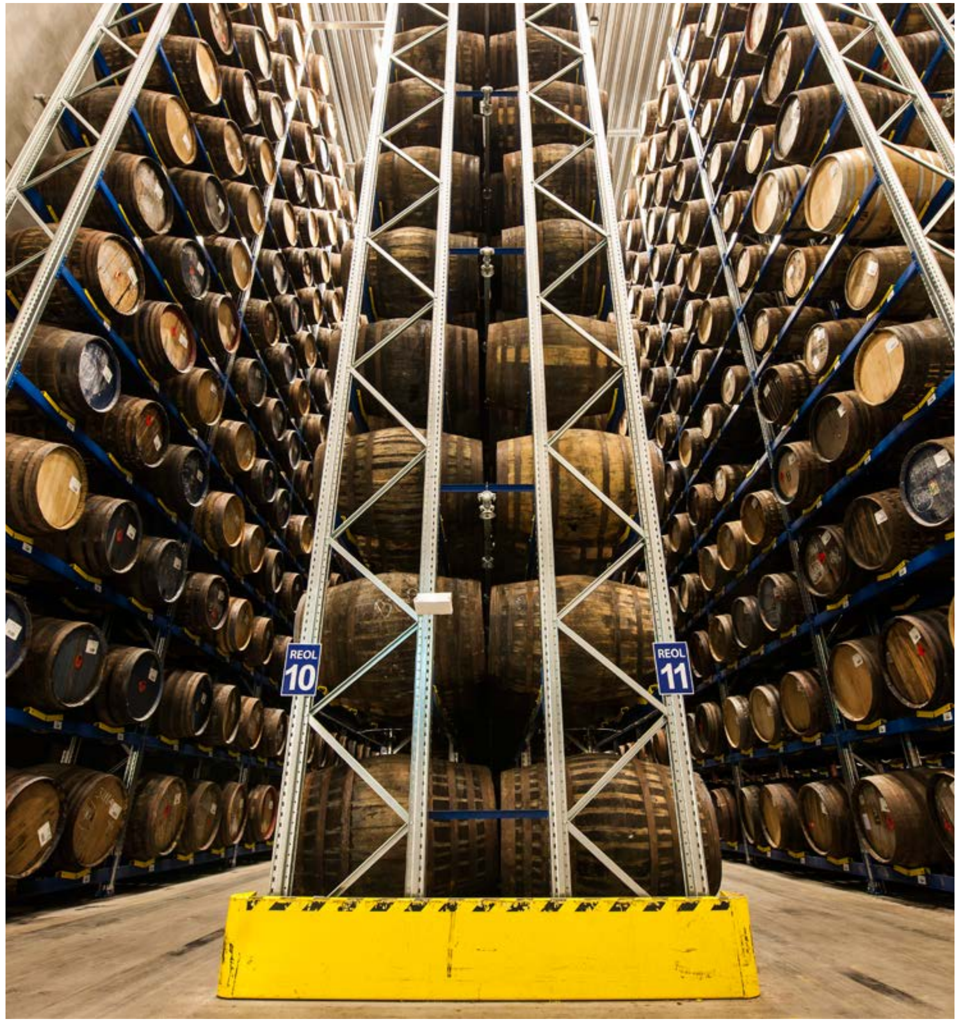
One of GSC's main goals is to achieve the highest possible degree of utilisation of the large production capacity. With this in mind, production and bottling of the Aalborg aquavits, Gammel Dansk and Malteserkreuz were moved from Denmark to Norway during 2015. The operations were moved without employing more staff. This alone resulted in a productivity improvement of around 30 per cent.

RESTRUCTURING AND INNOVATION

With modern facilities GSC now perform large bottling assignments for external companies.

Finished goods warehousing and distribution are part of GSC's responsibility. In Norway, these functions are outsourced to Vectura, who distribute directly to Vinmonopolet and HORECA. In other countries' distribution takes place via partners and wholesalers with agreements with GSC.

GSC is also operationally responsible for property operation/facility management, although this formally belongs to the parent company.



Aquavit is stored in approximately 8,000 casks at Gjelleråsen, outside Oslo.

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Business Area

Vectura AS

Vectura AS is Norway's leading logistics operation for alcoholic drinks, with a market share of approximately 40 per cent. Vectura makes use of one of the industry's most modern facilities.

Vectura delivers a full range of inbound logistics services, storage and product distribution. Vinmonopolet, the hotel and restaurant industry, wholesalers and the duty-free segment are the main customers. Its partners include well over a hundred producers/importers of alcoholic beverages, covering the entire range from the largest industry players to small crafts producers. The products handled originate from more than 40 countries.

Vectura AS was established in 1996 and is owned by Arcus-Gruppen Holding AS. The company is located at Gjelleråsen, outside Oslo, in the same facilities as Arcus-Gruppen AS, and is closely integrated with this operation. Vectura has state-of-the-art logistics facilities, among the most modern in the industry, and handles approximately 9,200 different products.

Vectura has 177 employees in total and an annual revenue of NOK 256 million.

PURCHASING AND WHOLESALE SERVICES

Vectura's purchasing department is made up of experienced buyers. Close dialogue with importers and advanced IT systems enable them to deliver correct amount at the right time and price. This provides excellent, consistent results for purchasing portfolios managed by Vectura: increased delivery precision, reduced stocks, low costs, high stability and a high degree of predictability. Vectura also offers purchasing forecasts, extensive advisory services and various key performance reports that measure delivery services, circulation and forecasting accuracy.

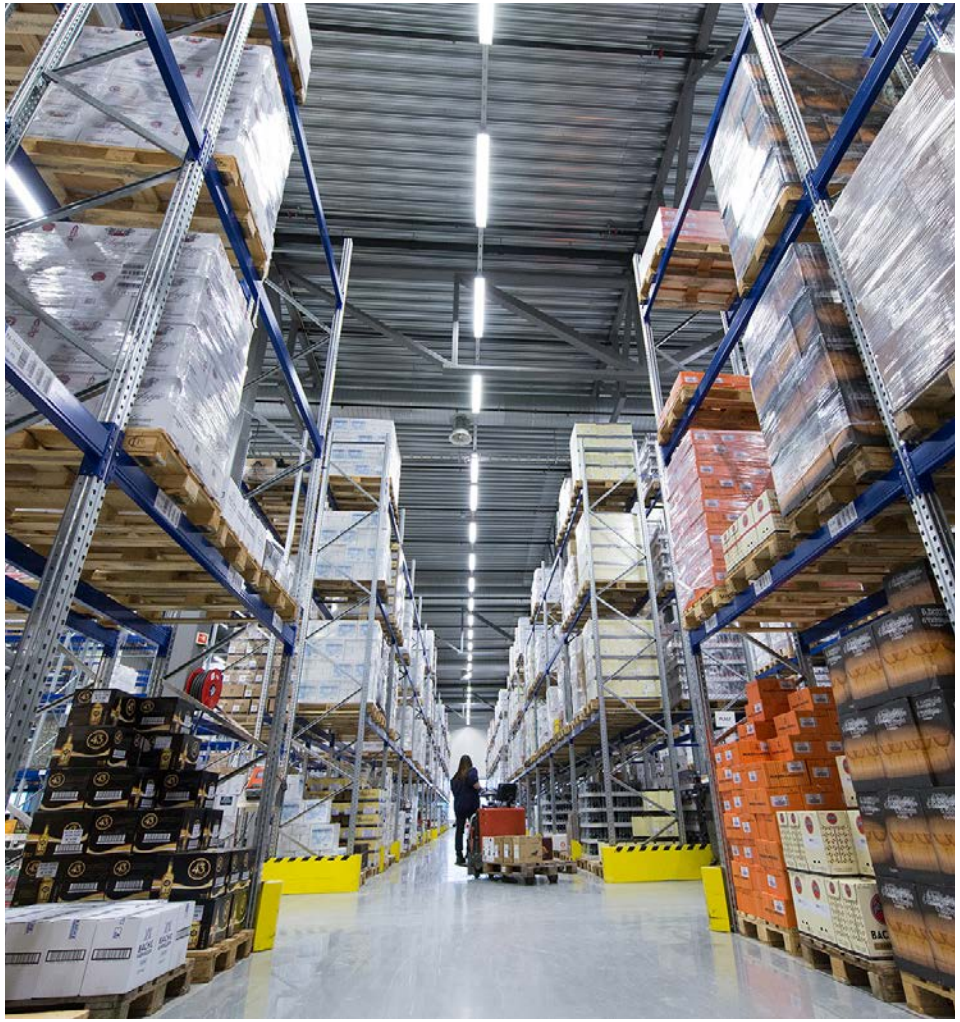
In addition to the role as a logistics supplier for importers, Vectura has its own wholesales operation, targeting the HORECA market. The portfolios of all importers with logistics agreements with Vectura, are automatically available to all HORECA customers.

SALES FORCE

The Vectura sales force is the company's point of contact with customers in the HORECA market, in the purchasing chains and Vinmonopolet. Customers are usually invoiced by Vectura, including the payment of alcohol tax. The primary task of the sales force is to meet the customer's wishes and needs in line with the Vectura business model. The customers are also free to make their purchases through Vectura's online store.

SHIPPING AND CUSTOMS

Through its network, Vectura offers shipments to Norway from more than 800 suppliers. The size of its network makes it possible to be competitive, both with fully loaded cargos and singular transports. Vectura has its own customs service for all goods imported via the company's warehouse.



In spring 2016, Vectura signed with six new customers, increasing annual sales by approximately 10 per cent.

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BUSINESS AREA VECTURA	2015	2014	2013	2012	2011
Volume (million litres)	40.6	45.0	48.0	50.5	47.4
Total operating revenue (NOK million)	250.1	272.0	286.7	307.2	313.4
EBITDA (NOK million)	-19.2	-37.2	-68.9	-123.2	0.8
EBITDA adjusted for non-recurring items (NOK million)	-15.7	-34.6	-63.1	-57.9	19.3
EBITDA margin adjusted for non-recurring items	-6.3%	-12.7%	-22.0%	-18.9%	6.1%

WAREHOUSING SERVICES

Vectura's modern warehousing facilities at Gjelleråsen can hold a total of 36,000 pallets. The facilities are temperature-controlled and fully automated. A monorail transport system is used for goods restocking from the raised storage platforms to the picking stations. There is also an automated weight control station for pallets with picked goods. This will detect potential errors in the shipment before the goods are transported to the customer.

DISTRIBUTION

As the only beverage supplier of alcoholic beverages in Norway, Vectura has country-wide distribution to both the HORECA market and all of Vinmonopolet's stores. In the regions close to Oslo (Østlandet), this service is provided via an in-house fleet of 25 trucks with a dedicated maintenance and repair shop. For the rest of the country, distribution is handled via a partnership agreement with postal services, Bring.

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At year-end, ArcusGruppen had 422 employees, 360 of whom were affiliated to the facility at Gjelleråsen.

Organisation

EMPLOYEES AND EXPERTISE

Committed employees are crucial to the success of each business area. The Group, therefore, invests in competence development and measures to increase the mastery of those skills. Increased mastery encourages greater commitment, improved performance and increased work quality.

To strengthen the leadership within ArcusGruppen, a leadership programme, ArcusAcademy, was launched in January 2015. All managers and key employees of ArcusGruppen are enrolled to the two year program.

Twice a year, a survey is conducted to assess the commitment of our employees. The survey in November 2015 showed a slight improvement compared with that of May 2015. On a scale of 1-5, where 5 is the best, the result of the survey was 3.8 in 2015. The biggest improvement was related to managers' ability to give recognition and praise. The target for 2018 is 4.1.

ArcusGruppen has established tools and processes for performance management. The purpose is to set clear goals for the Group's employees, and to create an understanding of how they relate to the Group's overall objectives and priorities. Performance evaluation in addition to career and replacement planning are some elements of the performance management process.

SAFETY WORK

ArcusGruppen is strongly focused on health, safety and the environment (HSE).

Great emphasis is placed on avoiding accidents and injuries. Risk assessments, job safety analyses and root cause analyses are therefore performed on a regular basis.

ArcusGruppen is a company that handles flammable liquids. In addition to the high degree of safety embedded in the buildings, production processes and procedures, comprehensive emergency measures are in place for dealing with adverse incidents. Employees take part in annual courses and training on how to best handle accidents.

A separate rescue staff team undergoes annual training in a hypothetical but comprehensive emergency situation. This training is conducted with police, fire brigade and ambulance personnel present.

ArcusGruppen works closely with occupational health services and NAV (Norwegian Labour and Welfare Administration) and has signed an agreement with the latter to reduce sick leave. Individual follow-up and facilitation are important tools in this work. In 2015, sick leave amounted to 4.7 per cent. For 2016, the Group's target is a maximum of 4.5 per cent sick leave.

Sick leave statistics and HSE incidents are presented each month at departmental meetings and on bulletin boards.

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GROUP MANAGEMENT

Kenneth Hamnes
Group CEO ArcusGruppen
Master of Business Administration
Group CEO since August 2015. CEO Maarud 2009-15, sales director at Orkla-owned Stabburet 2006-09 and Bakers 2004-06. Consultant/project manager Boston Consulting Group 2000-04 and brand manager/key account manager Lilleborg (Orkla) 1997-00.

Erlend Stefansson
Group Director Spirits
Master of Business Administration
Member of Group Management since 2012. Sales Director Ringnes 2008-12, CEO Spits ASA 2006-08, CEO Virtual Garden/Staal 2003-06, between 1993 and 2003 various roles within sales, marketing and consulting (incl. McKinsey 1993-96).

Thomas Patay
Group Director Wine Norway
Bachelor of Arts, Major in Marketing
Member of Group Management since 2008. Managing Director of Bibendum, 2003-08. Previously held management positions within sales and marketing of FMCG in Norway and internationally, including as Marketing Director of Steen & Strøm ASA.

Claes Lindquist
CEO of Vingruppen i Norden (Wine Sweden and Finland)
Master of Business Administration
Established Vingruppen in 1992. Member of Group Management at Hexagon AB with responsibility for M&A, IR and trading company (1994-00). Broad experience from Indutrade, VBG and Svedbergs i Dalstorp.

Sigmund Toth
Group Director Finance and IT
Master, Business Administration (Diplôme ESSEC), ESSEC, France
Member of Group Management since 2016. Head of business controlling & treasury ArcusGruppen 2015-16. Associate and Engagement Manager McKinsey 2012-15, and Sales Finance Manager, Financial Analyst, etc. Procter & Gamble 2011-12.

Erik Bern
Group Director Group Supply Chain, Purchasing and Property Management
Master in Engineering
Member of Group Management since 2012. Managing Director Vectura AS, Factory Manager 2000-03, Technical Director Ringnes 1999-08 and Sales Manager Landteknikk 1986-99.

Lorna Stangeland
CEO Vectura
International education in management and logistics. Luftfartsskolen Norge (Aviation School of Norway).
CEO Vectura since 2013. Nordic Logistics Manager JF Hillebrand 2012-13. Nordic Managing Director VSD Logistics 2007-12. Commercial and Logistics Director, VSD Logistics 2002-07. Previous senior positions in management/marketing/logistics 1995-02.

Per Bjørkum
Group Director IR and Communications
Bachelor of Commerce, Master of Business Administration
Member of Group Management since January 2013. Partner in First House 2009-12, Director of Trolltind Kommunikasjon 2003-09, GCI Monsen 2000-03, VP Communications NetCom 1996-00, journalist and editor Reuters Norge 1992-96.

Bjørn Delbæk
Group Director HR
Military Academy and Master program in HR & Change Management
Member of Group Management since June 2015. HR Director Vectura og Director Change program in ArcusGruppen, Program Director NHO, Partner and Advisor, HR Director/Vice President Ringnes/Carlsberg 1995-08. Long experience as Head of Negotiation and about 9 years as an army officer (Major R).

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Corporate Social Responsibility

Corporate social responsibility is important to ArcusGruppen. We are particularly committed to encourage a responsible approach to alcohol consumption.

To preserve competitiveness and realise the ambition of becoming the leading wine and spirits brand company in the Nordic region, ArcusGruppen must have a relationship of trust with its most important stakeholders: employees, customers, suppliers, owners, politicians and government authorities.

This involves integrating a responsible approach to alcohol consumption, workers' rights, social issues, the environment and combating corruption in the day-to-day operations of the company.

GUIDELINES, PRINCIPLES AND PROCEDURES

A set of guidelines, principles and procedures has been established to ensure that the above considerations are observed in the Group's business strategies, in day-to-day operations and in our relationships with employees, customers, suppliers, owners, politicians and government authorities.

Corporate social responsibility policy

The Group's corporate social responsibility policy defines the following main CSR themes within ArcusGruppen:

- Human rights and labour conditions
- Anti-corruption
- Use of alcohol
- External environment

When the annual corporate social responsibility report issued by the management, the Board of Directors also conduct annual assessment of the corporate social responsibility policy.

NAM Code of Conduct

ArcusGruppen supports and participates actively in the Nordic alcohol monopolies' (NAM) CSR initiative and complies with all requirements of the NAM Code of Conduct. The Group expects the same from all our suppliers and partners. This work is monitored through established follow-up systems. The NAM Code of Conduct must be part of all purchasing contracts and agreements entered into by ArcusGruppen and its subsidiaries.

UN Global Compact

ArcusGruppen supports the UN Global Compact initiative for social responsibility work. The Group adheres to the ten principles laid down by the Global Compact for the environment, human rights, standards for working life and anti-corruption. ArcusGruppen's annual Global Compact reports are available at *www.unglobalcompact.org*

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Ethical guidelines
The Group's ethical guidelines define, clarify and secure a common business ethics framework to outline the expectations for ethical and appropriate behaviour of all employees.

The Group's ethical guidelines stipulate that ArcusGruppen has zero tolerance for discrimination, harassment and corruption. All employees are required to sign a declaration stating that they are familiar with the CSR policy and the company's ethical guidelines, and that they understand what it means to comply with these. All managers with staff responsibility are required to discuss the ethical guidelines with their employees on an annual basis. This will strengthen compliance with the guidelines.

As part of the ethical guidelines, provision is also made for the notification of any misconduct within the Group. Whistle-blowers can use a designated phone number, established for this purpose. All employees have been made aware of this, and the fact that their anonymity is guaranteed. There were no reported cases of whistle-blowing in 2015.

Drugs and alcohol policy
As a major provider of alcohol, ArcusGruppen has assumed an active role in promoting responsible alcohol consumption. In 2015 a public awareness campaign related to responsible alcohol consumption was launched. Our brief was to raise the awareness and understanding among all of ArcusGruppen's target groups on our corporate approach to alcohol and responsible consumption - and to get this message across in as simple a way as possible. This is the background for the "Think before you drink" campaign.

ArcusGruppen has its own drugs and alcohol policy, aiming to combat alcohol and substance abuse among its own employees. All employees are expected to comply with the Group's drugs and alcohol policy. The Group has its own AKAN committee to prevent gaming and/or substance abuse, and to help those who already have an addiction to quit.

Environmental policy
Consideration for the external environment is an important part of corporate social responsibility at ArcusGruppen. The Group's operations affect the external environment through the production and distribution of its products. ArcusGruppen supports a precautionary approach to environmental challenges, and works systematically to reduce the impact of the business on the external environment.

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"Think before you drink. Make great moments even better."

ArcusGruppen takes a clear stance on responsible alcohol consumption.

Our aim is to raise awareness and understanding among all of ArcusGruppen's target groups about our corporate approach to alcohol and responsible consumption - and to get this message across in as simple a way as possible. This is the background for our "Think before you drink" campaign, launched in the autumn of 2015. "Think before you drink" is both an internal and external awareness campaign, reaching all employees and all stakeholders in touch with ArcusGruppen.

The main message of the campaign - to think before you drink – is based on ArcusGruppen's mission: *We are passionate about creating great moments, therefore we only send the best Nordic spirits out into the world and bring only the world's best wine to the Nordic market.*

GREAT MOMENTS

We are passionate about creating great moments at ArcusGruppen. We want to help our customers enjoy themselves – at home, in restaurants or in bars and clubs. We are proud of our products. We generate revenue, we create good places to work, and we preserve Nordic culture.

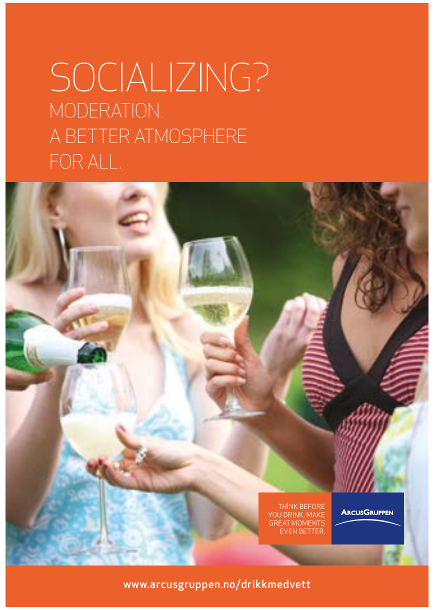
But we are also aware of the dark side of alcohol. We have to take into account both its good and its bad aspects. At ArcusGruppen we are as keen as everyone else to live in a safe and healthy society.

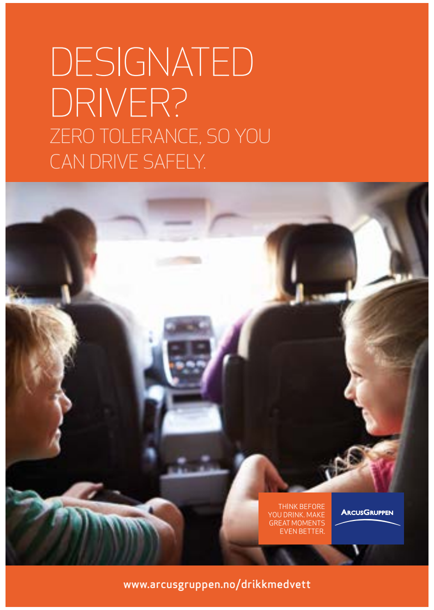
ArcusGruppen is a leading Nordic wine and spirits company, and we have always been serious about taking corporate social responsibility. We will continue to do so in the future.

PRIDE AND RESPONSIBILITY

We are proud of our products. We are pleased that our products bring enjoyment and help our customers enjoy themselves in a good social atmosphere. ArcusGruppen is an important partner to the Nordic alcohol monopolies. One fundamental demand is that we follow their initiatives to contribute to safety in the entire supplier chain.

Regardless of the external requirements we are expected to meet, ArcusGruppen will not and cannot remain indifferent to the consequences of the abuse of alcohol, both on people and society. We are therefore committed to responsible and sensible consumption of alcohol.





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ARCUSGRUPPEN'S ENVIRONMENTAL GOALS

THE BOARD OF DIRECTORS OF ARCUSGRUPPEN HAS SET SPECIFIC ENVIRONMENTAL GOALS

GOAL	TARGET	STATUS 2015
To increase the energy efficiency of our production processes.	0.323 KWh per litre produced.	The twelve-month rolling measurement per October was 0.38 KWh. Due to lower production, the target was not reached.
To increase the percentage of renewable energy used in the operation of our buildings.	62%	The percentage in 2015 was 70 per cent. The most important contribution to this was the geothermal heating system.
To reduce our water consumption in production.	10 per cent reduction i 2016.	Water consumption in October 2015 was at the same level as when the target was set. Effective measures have been implemented, but these have been offset by lower production, which means that the relative proportion of water used for cleaning purposes has increased.
To reduce the amount of waste in production per bottled litre.	10 per cent reduction in 2016 per bottled litre. To establish a reference point for wines and spirits (secondary goal in 2016).	Since setting this goal in 2014, wine wastage been reduced by 35 per cent. The production process for spirits is far more complex than for wine. This means that a reference point for spirits will only be established in the first half of 2016.

THE GLOBAL COMPACT
WE SUPPORT

ArcusGruppen supports the UN Global Compact initiative for social responsibility work. The Group adheres to the ten principles laid down by the Global Compact for the environment, human rights, standards for working life and anti-corruption. ArcusGruppen's annual Global Compact reports are available at www.unglobalcompact.org

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Clean water

In the Nordic countries, we take clean drinking water for granted. But even though all the water we use is clean and ready for bottling, ArcusGruppen is still committed to water quality. The Group has its own water treatment plant, where the water is continuously sampled and, if necessary, the natural salinity adjusted.

The water used by ArcusGruppen is locally produced. It arrives at the bottling plant without the use of polluting transport, through the established pipeline network in the area. Most of the water used for bottling and cleaning purposes is sourced locally, from Nittedal municipality.

For Vikingfjord Vodka, we use water from the Folgefonna glacier in Hardanger, transported by tank trucks.

ArcusGruppen aims to reduce overall water consumption by 10 per cent in 2016.

Clean energy

Before inaugurating the bottling plant and head office at Gjelleråsen in May 2012, the local authorities set clear requirements for energy consumption: 40 per cent of ArcusGruppen's total energy consumption should be emission free. Hence, a geothermal heating system was installed.

Geothermal energy is surplus heat from the ground and, therefore, classified as clean energy. Geothermal energy does not contribute to global warming.

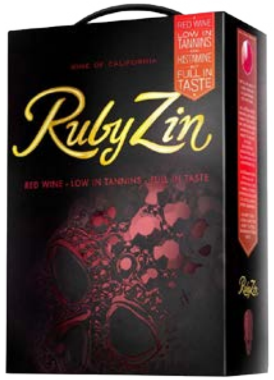
ArcusGruppen's geothermal systems deliver 70 per cent of the total energy consumed. Natural gas, also a clean and pollution free energy source, makes up the additional energy supply.

Plastic bottles

Every year, ArcusGruppen fills 2.5 million plastic bottles (PET), this equals approximately 23 per cent of all the bottles filled. PET bottles weigh little and are recycled like other plastics.

An ordinary wine bottle made of glass (75 cl), weighs 350 grammes. A similar PET bottle weighs only 50 grammes. The low weight makes transport easier and less resource demanding.

PET is also advantageous to consumers: PET bottles are easy to carry and they do not smash.



Bag in Box

Boxed wine (Bag in Box, BiB) was introduced to the Nordic region in the 1980s and has become very popular. 59 per cent of all red wine sold in Norway in 2014, was BiB. BiB sales in Sweden were 58 per cent.

BiB has a number of practical features such as low weight, large volume and the fact that it is unbreakable. Wine in a BiB will keep for six weeks after opening, without comprising the quality of the product.

There are huge environmental savings with BiB: the wine is poured into large flexi-tanks in the country of origin and then transported to ArcusGruppen, where it is bottled. This form of transport ensures low weight and large volume per load, compared with the transport of ordinary glass bottles.

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CORPORATE SOCIAL RESPONSIBILITY: ENVIRONMENTALLY-FRIENDLY PRODUCTION

High quality spices

To ensure high quality end products, ArcusGruppen is particularly careful about the raw materials used and where they are sourced. Caraway, which is the most important spice used in Norwegian aquavits, is exclusively produced in Norway.

The wild caraway used is entirely natural and has not been genetically modified. In this way, we are able to maintain a high level of the essential oils that contribute to the nice and spicy flavour of the aquavit.

Locally-produced Norwegian spirits

Every year, ArcusGruppen uses around two million litres of 96 per cent rectified alcohol in the production of its spirits. The alcohol is produced from Norwegian potatoes and delivered to ArcusGruppen by HOFF. The potatoes used to make the alcohol are potatoes that would have otherwise been discarded.

Tanker trucks from the HOFF plant at Gjøvik transport the potato spirit to ArcusGruppen's production facility at Gjelleråsen. The ecological aquavit manufacturer Snälleröds bases the production of its aquavit on local potato spirit.

LINIE voyage

ArcusGruppens LINIE aquavit spends four months of the year on board a Wilhelmsen ship and crosses the Equator twice. This method of maturing aquavit dates back to 1807 and is essential for the quality, taste and smell of the aquavit. Before, during and after the trip, the aquavit is kept in casks that were previously used to store sherry. The voyage through different climate zones with varying degrees of humidity, temperature and waves gives the aquavit a unique nose and flavour.

ArcusGruppen has approximately 1,000 casks on the high seas at all times. Each cask holds 480 litres. To reduce the space and weight, the alcohol content is 65 per cent, which also provides the best conditions for maturing the aquavit.

Traditional craftsmanship

ArcusGruppen has approximately 8,000 casks for storing aquavit. Each cask has been bought from Spanish sherry and port wine producers, and are used time and time again. The oldest are 100 years old, and all the casks need to be maintained. The two coopers at Gjelleråsen who maintain the casks represent a traditional Norwegian craft.

Cooperage was widespread in Norway until 1930, and the main products produced by Norwegian coopers were herring barrels. However, as time passed, the wooden barrels were replaced with plastic.

By the 1960s, most of the barrel production in Norway had ceased.

The coopers at ArcusGruppen ensure that a traditional craft lives on, and that the 8,000 oak casks still can be used to store aquavit.

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Responsible alcohol consumption
Environmental goals
Environmentally-friendly production

CORPORATE SOCIAL RESPONSIBILITY:
ENVIRONMENTALLY-FRIENDLY PRODUCTION

Testing in our own laboratory

ArcusGruppen has its own laboratory that performs chemical, microbiological and sensory tests. All liquids to be bottled at the Gjelleråsen facilitiy are checked and approved by the laboratory before the bottling can begin. In addition, samples are taken of spices, wine and spirits even before they are bought.

Five employees, with an academic background from organic analytical chemistry and food science, each year perform several thousand tests, including smelling and tasting everything that is produced.

Production at ArcusGruppen is certified according to the ISO 9001 standard. The laboratory is accredited according to ISO 17025, meaning there is a strict regime to ensure that the test results are accurate. Each month, along with more than a hundred other laboratories, the laboratory takes part in a proficiency testing program to ensure that its results are comparable.

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Arcus-Gruppen Holding AS

Arcus-Gruppen Holding AS is a holding company whose purpose is to own and manage shares. With its head office at Gjelleråsen in Nittedal municipality, the Group is a leading wine and spirits company in the Nordic region. The Group is a global market leader in the aquavit category; a market leader in spirits in Norway and number two in Denmark; and the market leader within wine in Norway and number two in Sweden. For the first time, in 2015, consolidated financial statements were prepared for Arcus-Gruppen Holding AS in accordance with IFRS (International Financial Reporting Standards). In the implementation year, the consolidated financial statements show comparable information for the two previous years.

FINANCIAL DEVELOPMENT

Statement of income

In 2015, the Group's total operating revenue was NOK 2,471 million (NOK 2,332 million). The revenue increase was primarily due to increased sales of wine in the Finnish and Swedish markets.

Consolidated operating costs totalled NOK 2,257 million (NOK 2,127 million). The increase in costs was primarily linked to higher commodity costs due to increased sales and weak NOK.

In 2015, the Group's operating revenue before depreciation (EBITDA) was NOK 258 million, compared with NOK 272 million in 2014. Operating EBITDA (adjusted for non-recurring items) was NOK 274 million, compared with NOK 266 million in 2014.

The Group's net financial profit amounted to NOK -101 million (NOK -114 million). The improvement was mainly due to lower interest costs.

The Group's pre-tax profit was NOK 102 million (NOK 107 million).

The Group's profit for the year after tax was NOK 84 million (NOK 90 million).

The parent company has no operating revenues.

The pre-tax profit of the parent company, Arcus-Gruppen Holding AS, was NOK -105 million, compared with NOK 78 million in the previous year. The change in profit was primarily due to increased agio effects from the translation of SEK loans.

Financial position, investments and liquidity

At year-end, the Group had intangible assets of NOK 1,742 million (NOK 1,636 million). The increase was mainly related to business acquisitions in Finland, as well as translation effects linked to brands and goodwill related to acquisitions in Denmark.

In 2015, the Group invested NOK 66 million in fixed assets. The investments were primarily linked to the facilities at Gjelleråsen in relation to the production relocation from Denmark to Norway, resulting in significant cost synergies. No significant investments are expected in the coming years.

In 2015, financial assets totalled NOK 55 million (NOK 56 million).

Total current assets were NOK 1,674 million, compared with NOK 1,713 million at the same time last year. Receivables at year-end amounted to NOK 1,095 million (NOK 1,141 million). Factoring amounted to NOK 225 million.

At the end of 2015, cash and bank deposits were NOK 190 million (NOK 175 million).

Group equity was NOK 876 million as of 31 December (NOK 761 million). Changes in equity consist of profit for the year, reduced by dividends paid to minority shareholders. At year-end, the equity ratio was 22 per cent, compared with 19 per cent for the same period in 2014.

The Group is financed through long-term loans of NOK 1,010 million. In addition to long-term bank debts, the Group has NOK 231 million in long-term liabilities related to financial leasing. As of 31 December 2015, the Group's total liabilities amounted to NOK 3,135 million (NOK 3,171 million). Interest-bearing debt amounted to 38 per cent.

Consolidated net cash flow from operating activities was NOK 273 million (NOK 219 million). Net cash flow from investment activities was NOK -91 million (NOK -30 million). Net cash flow from financing activities was NOK -183 million (NOK -179 million).

Holdings of cash and cash equivalents were NOK 190 million (NOK 175 million). Discrepancies between the company's operating profit and operating cash flow are the Group's financial expenses, changes in working capital and tax paid during the period.

Financial risk and risk management

The Board has adopted a financial policy, defining the framework and guidelines for financial risk management within the Group.

ArcusGruppen's principal source of income is the core business. The main risk management strategy for the Group is to limit the financial risk created by the core business.

The most important financial risks to which the Group is exposed are associated with credit risk, interest-rate risk, liquidity risk and foreign currency risk.

To a certain extent, ArcusGruppen uses financial instruments to hedge interest rate and currency risks. The Group does not meet the accounting requirements for hedge accounting, and such instruments are therefore, on initial recognition, accounted for as financial instruments at fair value, while changes in value are recognised through profit or loss.

Credit risk

The finance policy stipulates that credit risk should be assessed before establishing credit purchase agreements with new customers. The assessment includes a review of accounting information, as well as other relevant and accessible data, to determine the credit limit and credit terms. Once a relationship has been established with a customer, credit risk and credit limits are continuously assessed in relation to the client's financial performance and payment history.

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Outstanding receivables are continuously monitored by the finance department in cooperation with the marketing departments of the individual businesses.

A large proportion of the Group's accounts receivables arise from the sale of wines and spirits to the state-owned monopoly outlets in the Nordic region. Credit risk associated with these customers is considered to be non-existent. The Group's credit risk is otherwise spread over a large number of small customers within the hotel, restaurant and catering market, as well as a small number of distributors outside the Nordic region.

Interest rate risk

The Group is exposed to interest-rate risk through financing activities (debt financing and financial leasing liabilities) and investments (bank deposits). At the end of 2015, the Group's long-term liabilities consisted of credit facilities at SEB and financial leasing at Nordea Finans. The interest rate hedging policy entails that up to 50 per cent of the base rate on long-term loans must be secured. At the end of 2015, the hedging ratio was 42 per cent for the Group as a whole. The interest rate margin on credit facilities at SEB is related to the size of the Group's net interest-bearing debt relative to EBITDA, while the agreement with Nordea Finans involves a fixed interest rate margin.

Liquidity risk

Liquidity risk is the risk that the Group will not be in a position to service its financial liabilities as they fall due. ArcusGruppen must at all times have sufficient liquidity to meet its liabilities. At the same time, the aim is to minimise the Group's surplus liquidity. The Group will work continuously to develop its financial independence, through close monitoring of income development and capital binding, and through continuous assessment of alternative sources of finance.

The plant at Gjelleråsen covers an area equivalent to six football pitches.

ArcusGruppen aims for the highest degree of flexibility in terms of utilising liquid assets as effectively as possible in day-to-day operations. This is achieved through a Group cash pool system with a drawing facility managed by Arcus-Gruppen Holding AS.

When funds are needed for investment purposes, the Group relies on its own liquidity as far as possible. However, for larger investments external debt financing from a financial institution is used. In the first half of 2015, ArcusGruppen set up additional debt financing from SEB, its main bank, linked to acquisition and to relocation of production from Denmark to Norway, while financial covenants were re-negotiated. The Group also has agreements on financial leasing for larger investments in production equipment.

Currency risk

The Group is exposed to currency risk as it operates in several countries and makes significant purchases in foreign currencies.

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The Group's currency exposure can mainly be divided into two groups: cash flow risk and translation risk. The principal objective is to limit the effect of exchange rate fluctuations on the Group's cash flow in Norwegian kroner. Changes in purchase costs from suppliers in functional currency, due to exchange rate fluctuations, are continuously sought offset by changes in customer prices and through renegotiation of purchase prices from suppliers. The most significant currencies are euro, Danish krone, US dollar and Swedish krona.

The risk horizon, i.e. the time it takes to compensate for negative currency movements, is generally controlled by the price-adjustment opportunities with the Nordic state monopolies. In Norway this happens every fourth month and in Sweden every sixth. As a general rule, currency is purchased in the spot market, but also to some extent in the forward market, continuously offset against net cash positions.

Part of the Group's long-term borrowing is undertaken in Swedish kronor as a natural hedging of cash flow in the form of dividends in Swedish kronor.

For reporting purposes, receivables and debt, as well as monetary items in foreign currency, are translated at the closing rate for the reporting period. The Group's presentation currency is Norwegian kroner. The Group is therefore further exposed to currency risk on translating foreign subsidiaries from their functional currency to the Group's presentation currency. This translation risk is not hedged.

ABOUT THE COMPANY

Arcus-Gruppen Holding AS owns all of the shares in Arcus-Gruppen AS and Vectura AS. The purpose of the company is to own and manage shares and other company holdings. The Group operates in the Spirits, Wine and Distribution business areas.

The Spirits business area imports, produces, bottles, markets and sells wine and spirits primarily in the Nordic region, but also in selected export markets. The company also provides bottling services for associated companies.

The Wine business area imports, bottles, markets and sells wine in Norway, Sweden and Finland.

The Distribution business area distributes wine and spirits in the Norwegian market.

The company's registered office is in Nittedal Municipality.

Employees, working environment and sick leave

At year-end, the Group had 417 FTEs (Full Time Equivalent) divided among 422 permanent employees. The parent company, Arcus-Gruppen Holding AS, had no employees.

NUMBER OF EMPLOYEES AT ARCUSGRUPPEN AS AT 31.12.2015

	Arcus AS	Arcus Gruppen AS	Arcus Wine Brands AS	Symposium Wines AS	Vinordia AS	Excellars AS	Vingruppen i Norden - Sweden	Vingruppen i Norden - Finland	Arcus Sweden AB	Arcus Denmark A/S	Arcus Finland Oy	Total AG	Vectura	Total AGH
Women	38	12	10	3	2	1	26	5	2	-	1	100	28	128
Men	79	28	5	1	2	2	13	3	6	4	2	145	149	294
Total	**117**	**40**	**15**	**4**	**4**	**3**	**39**	**8**	**8**	**4**	**3**	**245**	**177**	**422**

DISTRIBUTED BY COUNTRY

	Norway	Sweden	Denmark	Finland	Total
Women	94	28	-	6	128
Men	266	19	4	5	294
Total	**360**	**47**	**4**	**11**	**422**

	Women	Men	Total
Spirits	41	91	132
Wine	47	26	73
Arcus-Gruppen AS	12	28	40
Vectura	28	149	177
Total	**128**	**294**	**422**

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The Board considers the working environment and cooperation with employee representatives as good. The participation of employees is assured at several levels of the Group. Permanent cooperation committees, consisting of employee representatives and representatives from management, have been set up in the operating companies. At these meetings, the management provides information, and engage in discussions when needed. A corporate committee has also been established where the employees' Board members and key representatives meet before each meeting to discuss relevant issues.

The Group's operating companies work systematically with health, safety and the environment. Individual action plans are established and followed up, both centrally and regionally.

In 2015, sick leave for ArcusGruppen was 4.7 per cent. The goal for 2016 has been set at a maximum of 4.5 per cent. Efforts to reduce sick leave continue unabated, including the appointment of a new occupational health service provider, and a new IA advisor (Inclusive Workplace advisor). Individual follow-up, action plans and facilitation are some of the initiatives currently pursued, and they are producing good results.

To avoid serious injuries and incidents, it is important to have an organisation that identifies hazardous conditions, registers adverse incidents and introduces corrective measures on an ongoing basis. In this respect, the Group has been largely successful. Adverse incidents are reported regularly. These incidents are reported on a monthly basis to management, employees and safety representatives. All injuries are investigated to discover the underlying cause and measures are then implemented to avoid similar incidents. In 2015, seven injuries resulted in sick leave, although none were serious and all those affected returned to work following a short period of absence. In 2014 and 2013, four and nine injuries, respectively, resulted in leave of absence. The Group's goal for 2016 is zero sick leave due to injuries.

Equal opportunities

Of the Group's 422 employees at year-end, 30.3 per cent were women and 69.7 per cent men. Arcus-Gruppen Holding AS has no employees and therefore no management team. At year-end, the management group at Arcus-Gruppen AS consisted of seven men. The management group at Vectura AS consisted of one woman and four men.

At the end of 2015, the holding company's Board of Directors (Arcus-Gruppen Holding AS) comprised seven Board members, all of them men. Two of the members were employee representatives.

The Group's goal for the operating companies is to be a workplace with no discrimination.

At the end of 2015, approximately 20 per cent of the employees in the Group had a different mother tongue than Norwegian, in total divided across 35 different languages.

The Group has a stated policy not to discriminate on the basis of gender, disability, ethnicity, religion, etc. The Board of Directors and the management groups of the operating companies' consider this in relation to recruitment, appointments, salaries and working conditions, as well as through awareness-raising activities.

Environment

Consideration for the external environment is an important part of corporate social responsibility at ArcusGruppen. The Group's operations affect the external environment via the production and distribution of its products. ArcusGruppen supports a precautionary approach to environmental challenges, and works systematically to reduce the impact of its activities on the external environment.

Ownership

Ratos AB owns 83.4 per cent of the shares in Arcus-Gruppen Holding AS. Hoff SA owns 9.9 per cent, while the remaining shares are owned by the former and current management of Arcus-Gruppen AS, as well as the Board members of Arcus-Gruppen AS and Arcus-Gruppen Holding AS.

Continued operations

In accordance with Section 3-3a of the Norwegian Accounting Act, it is confirmed that the company is a going concern. The basis for this lies in the long-term plans and strategic choices that have been made.

The Board believes that the annual accounts give a true and fair view of the financial position and results of Arcus-Gruppen Holding AS.

APPROPRIATION OF PROFITS

The parent company Arcus-Gruppen Holding AS reported a negative profit for the year of NOK -85.3 million in 2016, compared with NOK -54.2 million in 2014.

The Board proposes that the loss of NOK -85,3 million be transferred from other equity.

FUTURE PROSPECTS

The Board of Arcus-Gruppen Holding AS expects 2016 to be another year of solid growth for the Group, in terms of both sales and profitability. Sales of wine from agencies and our own wine brands will continue to be high priority, as will sales of our highly regarded spirits. In addition there will be strong focus on product innovation - both in Wine and Spirits. The ongoing change process at Vectura is expected to improve the company's performance. For Group Supply Chain, a commitment to streamlining and taking advantage of economies of scale will make a positive contribution.

Nittedal, 21 June 2016

Mikael Norlander Chairman of the Board	Leif Johansson	Eilif Due	Daniel Repfennig
Marius Juul Møller	Kjell Arne Greni	Erik Hagen	Kenneth Hamnes Group CEO

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Statement of income 01.01. - 31.12.

Figures in NOK 1 000	Note	2015	2014	2013
OPERATING INCOME AND EXPENSES				
Net sales	5,6	2 365 242	2 208 417	2 166 644
Net gain on sale of fixed assets	12	223	343	0
Other operating revenues	5	105 397	123 648	101 561
Total income	5	**2 470 862**	**2 332 408**	**2 268 205**
Cost of sales	16	-1 394 637	-1 253 402	-1 133 573
Salaries and other personnel costs	8,9	-380 301	-377 157	-410 338
Depreciation and amortisation	12,13	-51 123	-51 487	-51 146
Write-downs	12,13	-4 380	0	0
Other operating expenses	7,14	-426 128	-444 643	-467 062
Share of profit from associated companies and jointly controlled entities	2	4 557	9 074	10 733
Operating profit before other income and expenses		**218 850**	**214 793**	**216 819**
Other income and expenses	7	-16 507	5 870	-8 943
Operating profit		**202 343**	**220 663**	**207 876**

Figures in NOK 1 000	Note	2015	2014	2013
FINANCIAL INCOME AND EXPENSES				
Interest income	10	9 859	16 066	9 095
Other financial income	10,20	21 510	14 320	22 687
Interest costs	10	-77 805	-89 327	-90 168
Other financial costs	10,20	-54 190	-54 684	-116 431
Net financial profit		**-100 626**	**-113 625**	**-174 817**
PRE-TAX PROFIT		**101 717**	**107 038**	**33 059**
Tax	11	-17 329	-17 518	9 581
Profit for the year		**84 388**	**89 520**	**42 640**
The profit for the year is allocated to				
Non-controlling interests		20 305	27 012	27 655
Parent company shareholders		64 083	62 508	14 985
		84 388	**89 520**	**42 640**

Earnings per share for the part of the annual result attributable to the parent company's shareholders (figures in NOK)

	Note	2015	2014	2013
Earnings per share, continued operations (= diluted earnings per share)	18	64.1	62.5	15.0
Earnings per share, discontinued operations (= diluted earnings per share)	18	0.0	0.0	0.0

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Statement of other comprehensive income 01.01. - 31.12.

Figures in NOK 1 000	Note	2015	2014	2013
Income for the year		**84 388**	**89 731**	**42 640**
Items that will not be reclassified against the statement of income:				
Change in actuarial gains and losses, pensions	9	6 402	-783	-5 703
Total items that will not be reclassified against the statement of income, before tax		**6 402**	**-783**	**-5 703**
Tax on items that will not be reclassified against the statement of income	11	-1 729	211	1 597
Total items that will not be reclassified against the statement of income, after tax		**4 673**	**-572**	**-4 106**
Items that may be reclassified against the statement of income:				
Translation differences on translation of foreign subsidiaries		58 888	59 321	153 485
Total items that may be reclassified against the statement of income, before tax		**58 888**	**59 321**	**153 485**
Tax on items that may be reclassified against the statement of income		0	0	0
Total items that may be reclassified against the statement of income, after tax		**58 888**	**59 321**	**153 485**
TOTAL OTHER COMPREHENSIVE INCOME		**63 561**	**58 749**	**149 379**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**147 949**	**148 269**	**192 019**
The total comprehensive income for the year is allocated as follows				
Non-controlling interests		21 968	27 406	29 854
Parent company shareholders		125 981	120 863	162 165
		147 949	**148 269**	**192 019**

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Statement of financial position as at 31 December

Figures in NOK 1 000	Note	2015	2014	2013	01.01.13
ASSETS					
Fixed assets					
Intangible assets					
Goodwill	13	1 042 182	983 648	955 194	601 333
Brands	13	665 689	640 199	614 153	226 892
Software	13	34 042	12 464	10 718	890
Total intangible assets		**1 741 913**	**1 636 311**	**1 580 065**	**829 115**
Tangible assets					
Land, buildings and other real estate	12	0	5 569	13 109	1 626
Machinery and equipment	12	284 875	314 778	343 183	357 983
Fixtures and fittings, tools, office equipment etc.	12	25 600	36 983	38 734	38 902
Assets under construction	12	67 417	21 080	214	5 708
Total tangible assets		**377 892**	**378 410**	**395 240**	**404 219**
Deferred tax assets	11	**162 370**	**148 483**	**120 734**	**66 494**
Financial assets					
Investments in associated companies and jointly controlled entities	2	54 719	55 319	51 439	40 213
Other investments in shares	3	200	200	227	225
Other long-term receivables	15	471	166	166	262
Total financial assets		**55 390**	**55 685**	**51 832**	**40 700**
Total financial assets		**2 337 565**	**2 218 889**	**2 147 871**	**1 340 528**

Figures in NOK 1 000	Note	2015	2014	2013	01.01.13
Current assets					
Inventories	16	388 217	397 146	319 069	248 721
Receivables					
Trade receivables	4	1 003 328	1 023 570	1 091 598	890 756
Prepayments to suppliers	15	65 290	58 258	95 610	95 579
Other receivables	15	26 383	58 805	25 171	38 621
Total receivables		**1 095 001**	**1 140 633**	**1 212 379**	**1 024 956**
Bank deposits	4,17	190 419	175 125	148 388	363 876
Cash and cash equivalents		**190 419**	**175 125**	**148 388**	**363 876**
Total current assets		**1 673 637**	**1 712 904**	**1 679 836**	**1 637 553**
TOTAL ASSETS		**4 011 202**	**3 931 793**	**3 827 707**	**2 978 081**

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Statement of financial position as at 31 December

Figures in NOK 1 000	Note	2015	2014	2013	01.01.13
EQUITY AND LIABILITIES					
Equity					
Paid-in equity					
Share capital	19	1 000	1 000	1 000	1 000
Share premium		794	794	794	794
Total paid-in equity		**1 794**	**1 794**	**1 794**	**1 794**
Retained earnings					
Other equity		843 010	731 907	612 237	454 766
Total retained earnings		**874 927**	**761 947**	**640 075**	**454 766**
Non-controlling interests		31 603	27 301	24 749	23 266
Total equity		**876 407**	**761 002**	**638 780**	**479 826**
Liabilities					
Provisions					
Deferred tax liability	11	96 562	102 708	97 018	8 565
Pension obligations	9	35 902	40 444	35 830	29 493
Liabilities at fair value through profit or loss	4,20	70 264	161 262	226 000	210 884
Other provisions	21	1 140	1 676	2 473	4 197
Total provisions		**203 868**	**306 090**	**361 321**	**253 139**

Figures in NOK 1 000	Note	2015	2014	2013	01.01.13
Other long-term liabilities					
Debt to financial institutions	4,19	1 033 486	1 031 108	1 132 077	647 336
Other long-term liabilities		271	269	267	260
Total other long-term liabilities		**1 033 757**	**1 031 377**	**1 132 344**	**647 596**
Current liabilities					
Debt to financial institutions	19	172 222	149 401	95 034	60 000
Liabilities at fair value through profit or loss	4,20	48 735	37 113	0	0
Trade payables		551 457	570 931	499 262	456 849
Tax payable	11	13 504	16 309	50 554	24 195
Unpaid public duties	22	879 099	829 596	859 271	808 796
Other current liabilities	21,22	232 153	229 974	191 141	247 680
Total current liabilities		**1 897 170**	**1 833 324**	**1 695 262**	**1 597 520**
Total liabilities		**3 134 795**	**3 170 791**	**3 188 927**	**2 498 255**
TOTAL EQUITY AND LIABILITIES		**4 011 202**	**3 931 793**	**3 827 707**	**2 978 081**

Nittedal 21 June 2016

Mikael Norlander
Chairman of the Board

Leif Johansson

Eilif Due

Daniel Repfennig

Marius Juul Møller

Kjell Arne Greni

Erik Hagen

Kenneth Hamnes
Group CEO

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Statement of cash flows 01.01. - 31.12.

Figures in NOK 1 000	Note	2015	2014	2013
CASH FLOWS FROM OPERATIONS				
Pre-tax profit		101 717	107 038	33 059
Ordinary depreciation	12,13	55 503	51 487	51 146
Share of profit from associated companies and jointly controlled entities	2	-4 557	-9 074	-10 733
Dividends received from associated companies and jointly controlled entities	2	4 553	5 806	1 966
Taxes paid		-50 613	-88 783	-61 703
Interest costs during the period		76 887	86 863	84 184
Interest income during the period		-9 859	-16 066	-9 095
Pension costs without cash effect		1 324	3 034	-1 091
Interest costs without cash effect	10	918	2 464	2 686
Value changes without cash effect	10	-18 235	1 096	-11 360
Loss/profit on sale of shares/fixed assets		-15 603	-343	-14 056
Other financial items without cash effect		9 756	8 931	8 025
Unrealised agio		32 610	4 349	69 286
Change in inventories	16	22 690	-78 075	-35 687
Change in trade receivables		40 442	68 028	-200 841
Change in trade payables		-31 651	71 669	42 413
Change in other current assets and other liabilities		56 690	869	-8 814
Net cash flows from operational activities		**272 572**	**219 293**	**-60 615**
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Payments on acquisition of intangible fixed assets	13	-13 209	-5 252	-3 708
Proceeds from sale of tangible fixed assets	12,13	14 701	349	172 447
Payments on purchase of of tangible fixed assets	12,13	-65 719	-25 380	-19 713
Payments on acquisition of business	24	-34 583	0	-680 835
Net cash effect from sale of business	24	8 284	0	0
Payment of loans to non-controlling interests		-305	0	0
Payments on acquisition of other financial investments	3	0	0	-2 031
Net cash flow from investment activities		**-90 831**	**-30 283**	**-533 840**

Figures in NOK 1 000	Note	2015	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds - incentive programme	20	2 000	4 000	4 483
Payments - incentive programme	20	-2 500	0	0
Proceeds from long-term interest-bearing debt to financial institutions	4,19	124 298	35 019	1 034 875
Repayment of long-term interest-bearing debt to financial institutions		-149 811	-98 200	-580 847
Interest cost paid during period		-76 887	-86 863	-84 184
Interest income received during period		9 859	16 066	9 095
Payments for acquisition of non-controlling interests		-70 828	-27 475	0
Payments of dividends/Group contributions		-19 155	-21 977	-33 065
Net cash flow from financing activities		**-183 024**	**-179 430**	**350 357**
Effect of exchange rate fluctuations on cash and cash equivalents		16 577	17 157	28 610
Effect of exchange rate fluctuations on cash and cash equivalents		**16 577**	**17 157**	**28 610**
Net change in cash and cash equivalents		**15 294**	**26 737**	**-215 488**
Holding of cash and cash equivalents as at 01.01.		175 125	148 388	363 876
Holding of cash and cash equivalents as at 31.12.	17	**190 419**	**175 125**	**148 388**

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Statement of changes in equity

Figures in NOK 1 000	Share capital	Share premium	Translation differences	Other retained earnings	Total for owners of the parent company	Non-controlling interests	Total for the Group
Equity 01.01.2013	**1 000**	**794**	**-2 185**	**456 951**	**456 560**	**23 266**	**479 826**
Profit for the year 2013	0	0	0	14 985	14 985	27 655	42 640
Total other comprehensive income 2013	0	0	151 286	-4 184	147 102	2 277	149 379
Total profit for the year 2013	**0**	**0**	**151 286**	**10 801**	**162 087**	**29 932**	**192 019**
Transactions with owners 2013							
Dividend paid to non-controlling interests	0	0	0	0	0	-33 065	-33 065
Transfer of profit for the year from minority to majority *	0	0	0	-4 616	-4 616	4 616	0
Total transactions with owners 2013	**0**	**0**	**0**	**-4 616**	**-4 616**	**-28 449**	**-33 065**
Equity as at 31.12.2013	**1 000**	**794**	**149 101**	**463 136**	**614 031**	**24 749**	**638 780**
Profit for the year 2014	0	0	0	62 508	62 508	27 012	89 520
Total other comprehensive income 2014	0	0	58 927	-572	58 355	394	58 749
Total profit for the year 2014	**0**	**0**	**58 927**	**61 936**	**120 863**	**27 406**	**148 269**
Transactions with owners 2014							
Dividend paid to non-controlling interests	0	0	0	0	0	-21 977	-21 977
Changes in non-controlling interests	0	0	0	0	0	-4 070	-4 070
Transfer of profit for the year from minority to majority *	0	0	0	-1 193	-1 193	1 193	0
Total transactions with owners 2014	**0**	**0**	**0**	**-1 193**	**-1 193**	**-24 854**	**-26 047**
Equity as at 31.12.2014	**1 000**	**794**	**208 028**	**523 879**	**733 701**	**27 301**	**761 002**
Profit for the year 2015	0	0	0	64 083	64 083	20 305	84 388
Total other comprehensive income 2015	0	0	57 225	4 673	61 898	1 663	63 561
Total profit for the year 2015	**0**	**0**	**57 225**	**68 756**	**125 981**	**21 968**	**147 949**
Transactions with owners 2015							
Dividend paid to non-controlling interests	0	0	0	0	0	-25 429	-25 429
Changes in non-controlling interests	0	0	0	-5 912	-5 912	-1 203	-7 115
Transfer of profit for the year from minority to majority *	0	0	0	-8 966	-8 966	8 966	0
Total transactions with owners 2015	**0**	**0**	**0**	**-14 878**	**-14 878**	**-17 666**	**-32 544**
Equity as at 31.12.2015	**1 000**	**794**	**265 253**	**577 757**	**844 804**	**31 603**	**876 407**

* The Group owns 99.4 per cent and 51 per cent, respectively, of the subsidiaries Vingruppen i Norden AB and Excellars AS. In addition, put and call options exist which are associated with the non-controlling interests, although the Group was not considered to have control of the shares as of the close of the financial year. These companies are recognised as though they were wholly owned, but with partial presentation of the non-controlling interests. Partial presentation of non-controlling interests means that the non-controlling interests' share of the profit for the year is shown in the statement of income, whereas only direct non-controlling interests are stated in the equity statement. The transfer relates to the non-controlling interests' share of the profit for the year, adjusted for the dividend distributed for the period.

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Brief history of the Group

Arcus-Gruppen Holding AS is registered and domiciled in Norway, and located at Destilleriveien 11 in Gjelleråsen in Nittedal Municipality, just north of Oslo. The consolidated financial statements include the parent company and subsidiaries (together referred to as "ArcusGruppen" and individually as a "Group company") as well as the Group's holdings in associated companies. The Group's principal activity is the import, production, marketing, sale and distribution of wine and spirits.

Historical development
The Group has carried out the following important transactions in recent years:

2015
- In February, acquired the aquavit brand Snälleröds in Sweden.
- In April, acquired the wine activity from Fondberg in Finland. Changed the name of the company to Social Wines Oy.
- In September, acquired 70 per cent of the shares in a recently-founded Norwegian wine company, Heyday Wines AS.
- In Q4, reorganised the ownership of Vingruppen i Norden AB, by selling the shares to a newly-established wholly-owned holding company in Sweden called VinGruppen Sweden Holding AB.
- Discontinued production in Aalborg and moved the production and bottling of the Danish brands (Aalborg, Malteserkreutz and Gammel Dansk) to customised facilities at Gjelleråsen.

2014
- Established Vingruppen AS as new holding structure for the wine business in Norway.

2013
- In January, acquired all the shares in Arcus Denmark A/S from Pernod Ricard, which included the Aalborg Aquavit and Gammel Dansk brands, and all the shares in Arcus Deutschland GmbH, which owns the Malteserkreutz brand.

2012
- Completed the new production and distribution facility and head office at Gjelleråsen, and moved the business there.

2011
- Acquired 28.2 per cent of the shares in Vingruppen i Norden AB, increasing the holding from 62.5 per cent to 90.7 per cent. At the same time, entered into an option agreement for the remaining 9.3 per cent.
- Acquired 51 per cent of the shares in Excellars AS, with an option for the remaining 49 per cent.
- Swapped 34 per cent of the shares in SAS de L'île Madame for 32.6 per cent of the shares in Tiffon SA. Acquired a further 106 shares and increased the holding in Tiffon SA to 34 per cent.

2010
- Implemented an agreement on sale of Gjelleråsen Prosjekt 1 AS.
- Started construction of a new production and distribution facility and head office at Gjelleråsen.

2009
- Acquired the brands Star Gin, Red Port and Dry Anise from Pernod Ricard.
- Acquired 80 per cent of the company Symposium Wines AS.

2008
- Acquired Gjelleråsen Prosjekt 1 AS which includes the site of the new operating location at Gjelleråsen in Nittedal Municipality north of Oslo.

2007
- Sold Arcus Eiendom AS, Arcus Eiendom Anders Winsvoldsvei AS, Hjemmel Haslevangen AS and Hjemmel Anders Winsvolds vei AS.
- Sold Tendex OY.
- Liquidated Arcus Danmark A/S.

2006
- Acquired 62.5 per cent of Swedish Vingruppen i Norden AB.
- Sold the Group's chemical activities.

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Accounting policies

The accounts for 2015 are the Group's first IFRS financial statements. In accordance with Section 3-7 of the Norwegian Accounting Act, the Group has not prepared consolidated accounts for previous years. The consolidated financial statements for 2015, including comparative information, have been prepared in accordance with IFRS applicable as at 31 December 2015, and as described in the note on the accounting policies. The opening balance sheet is prepared as at 1 January 2013, the Group's date of transition to IFRS. Applicable IFRS have been applied retrospectively. None of the exemptions from retrospective application of IFRS 1 have been applied. Group goodwill has been calculated by applying the principles for business mergers in IFRS 3 retrospectively.

The Group's head office is located at Gjelleråsen in Nittedal Municipality. The annual financial statements were adopted by the Board on 14 June 2016.

NEW ACCOUNTING STANDARDS

Adopted IFRS and IFRIC with future effective dates:

The standards and interpretations adopted up to the date of presentation of the consolidated financial statements, but where the effective date is in the future, are shown below. The Group's intention is to implement the relevant changes on the effective date, on the assumption that the EU approves the changes before the presentation of the consolidated financial statements.

CHANGES RELEVANT TO ARCUSGRUPPEN

IFRS 9 Financial instruments

In July 2014, the IASB published the final subproject of IFRS 9 and the standard has now been finalised. IFRS 9 includes changes related to classification and measurement, hedge accounting and impairment. IFRS 9 will replace IAS 39 Financial Instruments – Recognition and Measurement. The parts of IAS 39 that were not changed as part of this project were transferred and included in IFRS 9.

The standard will be implemented retrospectively, with the exception of hedge accounting, although the preparation of comparative figures is not a requirement. The rules for hedge accounting will mainly be implemented prospectively, with a few exceptions. The Group has no plans for the early implementation of the standard. The new standard will apply with effect from reporting years beginning on 1 January 2018 or later.

The new standard is not expected to have any material impact on the Group's financial reporting, but may affect the Group's classification and measurement of financial assets and liabilities.

IFRS 15 Revenue from Contracts with Customers

IASB and FASB have released a new common standard for revenue recognition, IFRS 15 Revenue from Contracts with Customers. The standard replaces all existing standards and interpretations for revenue recognition. The core principle of IFRS 15 is that revenue is recognised in order to reflect the transfer of agreed goods or services to customers, and at an amount that reflects the consideration the company expects to be entitled to in exchange for these goods or services.

The standard applies, with a few exceptions, to all revenue-generating contracts with customers and includes a model for recognition and measurement of the sale of individual non-financial assets. IFRS 15 will be implemented using either a fully retrospective or a modified method. The new standard will apply with effect from reporting years beginning on 1 January 2018 or later.

As the ArcusGruppen Holding Group largely sells products where the shipping and billing times coincide, the new revenue recognition standard is not expected to have any material impact on the Group's financial reporting.

IFRS 16 Leases

IFRS 16 Leases replaces the existing IFRS standard for leases, IAS 17 Leases. IFRS 16 sets out principles for recognition, measurement, presentation and disclosure of leasing agreements for both parties to a leasing agreement, i.e., the customer (lessee) and provider (lessor). The new standard requires the lessee to recognise the assets and liabilities of most leasing agreements, which is a significant change from current principles. The standard comes into force on 1 January 2019 but has not yet been approved by the EU. The new standard will apply with effect from reporting years beginning on 1 January 2019 or later.

The new standard for the recognition of leases is expected to have a significant impact on the Group's reported balance sheet, as assets and liabilities will increase, which, in turn, will have a significant impact on the Group's reported equity ratio.

Other changes resulting from new standards that have yet to come into effect will not influence or have any significant effect on the consolidated financial statements.

ACCOUNTING POLICIES

Consolidation principles

The consolidated financial statements concern Arcus-Gruppen Holding AS and subsidiaries in which Arcus-Gruppen Holding AS has control over activities that affect the variable returns. Normally these will be companies in which Arcus-Gruppen Holding AS, either directly, or indirectly via subsidiaries, owns more than 50 per cent of the shares with voting rights. In the consolidated financial statements, this Group is referred to as ArcusGruppen.

See Note 1 for an overview of all the companies included in the consolidation.

Business mergers in the Group have been prepared in accordance with the purchase method and present the Group as though it were one entity. In the consolidated financial statements all intra-Group receivables and internal transactions between companies within the Group have been eliminated. The cost price of shares in subsidiaries is eliminated against equity at the time of acquisition. Values in excess of the underlying equity in subsidiaries are attributed to the assets with which the excess value can be associated. That part of the cost price that cannot be attributed to identifiable assets and liabilities represents goodwill. Accounting value including goodwill and excess value associated with foreign subsidiaries is translated from the functional currency to NOK according to the exchange rate at the close of the financial year. With staged acquisition of subsidiaries, the value of the assets and liabilities at the time of the formation of the Group is used. Subsequent acquisition of holdings in existing subsidiaries in excess of the majority will not affect the valuation of assets or liabilities.

Goodwill is included in the consolidated financial statements as an intangible asset.

Currency

The functional currency of the subsidiaries is the currency in which the subsidiary reports its financial statements. All transactions in foreign currency are translated to functional currency as of the date of the transaction. Monetary items in foreign currency are translated as of the close of the financial year to functional currency using the exchange rate as of the close of the financial year.

The Group's presentation currency is NOK, which is also the parent company's functional currency.

On consolidation of subsidiaries that have a functional currency other than NOK, items of

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income and expenses are converted to the Group's presentation currency in accordance with average conversion rates. This means that at the end of each period, items of income and expenses are translated at the average exchange rate to date in the year. For the statement of financial position, including excess value and goodwill, the closing exchange rate as of the close of the financial year is used. Currency differences arising on consolidation of entities with another functional currency are attributed to equity and presented as other comprehensive income in the consolidated statement of other comprehensive income. On disposal of subsidiaries, accumulated translation differences associated with the subsidiary are charged to the statement of income.

As of 31 December 2015, the following exchange rates have been used when translating income and financial position figures from subsidiaries with functional currencies other than NOK:

- EUR average rate 8.9477 / EUR closing rate 9.6156
- SEK average rate 0.9562 / SEK closing rate 1.0467
- DKK average rate 1.1997 / DKK closing rate 1.2886

Investments in associated companies and jointly controlled entities

Associated companies are companies in which the Group has significant influence, normally between a 20 and a 50 per cent holding. The equity method is used for associated companies in the consolidated financial statements. Excess value analysis has been carried out in regard to associated companies. The share of profit is based on profit after tax in the company in which investment has been made with deduction for depreciation of excess value resulting from the cost price of the shares being higher than the acquired holding of capitalised equity. The share of profit is shown in the statement of income on a separate line before operating profit and the investment is shown as a line under financial fixed assets.

Jointly controlled companies are investments in which the Group has an agreement on joint control over an entity together with one or more other parties, when none has decisive influence and all strategic, financial and operational decisions concerning the entity require unanimity between the parties. The share of profit is based on profit after tax in the company in which investment has been made with deduction for depreciation of excess value resulting from the cost price of the shares being higher than the acquired holding of capitalised equity. The share of profit is shown in the statement of income on a separate line before operating profit and the investment is shown as a line under financial fixed assets.

Non-controlling interests

Non-controlling interests' share of profit after tax is shown on a separate line after the Group's profit for the year. Non-controlling interests' share of equity is shown on a separate line as a part of the Group's equity.

In instances where there are put and/or call options associated with the non-controlling interests, and where the Group has determined that it does not have an existing interest in the shares to which the options apply, the subsidiary is presented as if it were wholly owned, but with partial presentation of non-controlling interests.

Partial presentation of non-controlling interests means that for each reporting period the non-controlling interests will receive their part of the profit for the year, which is shown under the profit allocation in the consolidated statement of income and in the statement of changes in equity. At the end of each period, the non-controlling minority interests' share of profit, adjusted for the distribution of dividend for the period to the non-controlling interests, will be transferred as an equity transaction from the non-controlling interests' share of equity to the majority's equity. The option liabilities will be recognised at the present value of the redemption amount and presented in the statement of financial position as an obligation at fair value via profit or loss.

Important accounting estimates and discretionary assessments

Preparation of the annual financial statements requires management to make estimates and assumptions that affect the value of assets, liabilities and conditional liabilities in the statement of financial position, and income and expenses for the financial year.

Future events and changes in the regulatory framework may mean that estimates and assumptions must be changed, while new opinions and interpretations of standards may mean that the choice of principles and presentation will be changed. Estimates and underlying assumptions are examined and evaluated continuously, and changes in accounting estimates are recognised in the period in which the estimates are changed.

Present value estimates of future cash flows are affected by correct assumptions and estimates of future cash flows and estimates of return requirements. Return requirements are determined using the capital asset pricing model (CAPM) and assumptions in using the CAPM are: risk-free interest; market risk premium; and beta.

Areas in which estimates have major significance will be:
Figures in NOK 1 000

Accounting item	Note	Assumptions	Book value
Goodwill	13	Present value of future cash flows	1 042 182
Brands	13	Present value of future cash flows	665 689
Other intangible assets	13	Recoverable amounts and correct useful life	34 042
Property, plant and equipment	12	Recoverable amounts and correct useful life	377 892
Deferred tax assets	11	Assessment of the ability to exploit tax assets in the future	162 370
Pension liabilities	9	Economic and demographic assumptions	35 902
Liabilities at fair value through profit or loss	20	Present value of future cash flows	118 999
Provisions	21	Correct basis for estimate calculations	18 220

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The areas with greatest risk of substantial changes are capitalised goodwill, brands, tax assets and liabilities at fair value via profit/loss, on the basis that the capitalised sums are substantial, and that there may be considerable discretion. The estimates are based on assumptions concerning future cash flows that are discounted at a selected discount rate.

Estimates and assumptions are described in the various notes.

Business mergers

On acquisition, the cost price of the acquired business is allocated so that the consolidated opening balance sheet reflects the estimated fair value of the acquired assets and liabilities. To determine fair value on acquisition, alternative methods of determining fair value must be used for assets for which there is no active market. Value in excess of what is attributable to identifiable assets and liabilities is reported as goodwill. If the fair value of the equity in the acquired company exceeds the consideration, a reassessment is made of the valuation of observable assets and liabilities. If the reassessment reveals no discrepancies, the difference is recognised as income as at the acquisition date. The allocation of the cost price of the business merger must be changed if new information is revealed about the fair value applicable at the time of acquisition and up until the final excess value analysis. This must take place within 12 months of the acquisition date.

With each business acquisition, the minority interest will be measured at fair value, and minorities' share of goodwill capitalised in the consolidated statement of financial position.

Income recognition principles

Income associated with sales of goods and services is recognised when the Group has transferred risk and rights to the purchaser. This is normally on delivery of the goods and services. Other income is recognised when it is probable that transactions will involve future financial gains that will accrue to the company and the size of the sum can be estimated reliably. Variable discounts and bonuses are allocated and accrued in the period in which they are expected to occur.

Sales revenues are presented net after deduction of discounts, VAT, alcohol and packaging tax.

Information on revenue recognition in the Distribution segment

All sales that are distributed and sold through Vectura AS are invoiced by the company, including special duties, cost of goods, handling charges, etc. Sales revenues for the services are presented net after deductions for special duties and associated goods and handling charges, etc. Vectura AS' sales revenues are presented net based on an assessment of the fact that the company's revenues are related to the delivery of services, etc., and that the product flow risk is the suppliers' responsibility.

Other income and expenses

To provide more information in the Group's consolidated income statement, significant positive and negative non-recurring items and restructuring costs are separated out to a separate line in the statement of income called other income and expenses. Other income and expenses are presented net on this income statement line. See also detailed specifications of what these items include in the notes relating to the individual line items.

Inventories

Inventories are valued at the lower of acquisition cost/production cost and net selling value, where net selling value is calculated as the selling price in a transaction with market participants on the measurement date less selling expenses. Purchased inventories are valued at acquisition cost according to the principle of weighted average with deduction for obsolescence, while inventories produced in-house are valued at production cost according to the principle of full costing with deduction for obsolescence.

Receivables

Accounts receivable and other receivables are shown at nominal value after deduction for provisions for expected losses. Provision for losses is made on the basis of an individual assessment of each receivable based on identified indicators of impairment.

Sold accounts receivable that are included in the factoring agreement are presented as reduced accounts receivable in the statement of financial position.

Prepayments to suppliers

Prepayments to suppliers apply to financing the purchase of inventory for individual partners. The prepayment is shown at nominal value after deduction for provisions for expected losses. Provision for losses is based on identified indicators of impairment.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits, balances in the Group cash pool system and other means of payment with a due date less than three months from the acquisition date.

The Group's cash pool system is connected with cash and bank overdrafts within the same cash pool system and is presented net.

The Group cash pool system is managed by the parent company, Arcus-Gruppen Holding AS.

Tangible fixed assets

Tangible fixed assets are capitalised at cost price less accumulated depreciation and accumulated loss on non-transitory impairment. Depreciation is taken to expenses from the date the fixed asset is taken into use, and is calculated on the basis of expected useful life, taking account of estimated residual value.

Different rates of depreciation are used for a fixed asset's components if these have different economic lives. Assets under construction are not depreciated. Depreciation is taken to expenses only when the asset is ready for use. Profit and loss on sales of fixed assets are set as the difference between the selling price and the book value at the time of sale. Profits on sales of fixed assets are recognised as operating income and losses as operating expenses. If there are indications of impairment, the amount recoverable is estimated in order to assess any loss through the impairment. If the book value exceeds the amount recoverable, the asset is written down to recoverable value while the remaining depreciation period is maintained (breakpoint solution).

Depreciation methods, residual values and estimated life are continuously assessed.

Intangible assets

Intangible assets comprise brands, software and goodwill. Intangible assets are capitalised at cost price with deduction for accumulated depreciation and accumulated write-downs in the event of non-transitory impairment.

Intangible assets with limited useful lives are depreciated by the straight-line method over the expected useful life.

The capitalised value of goodwill, brands and other intangible assets with indeterminate lifetime is tested for impairment at least once a year, or more often if there are indications that the value of the asset has decreased. This requires estimates of the amount recoverable by cash-generating units to which goodwill and other intangible assets are attributed.

To determine the recoverable amount, the Group estimates expected future pre-tax cash flows from the cash-generating unit and applies suitable discount rates in order to calculate the present value of future cash flows. Cash flows for brands are calculated based on a market-based (FVLCD - fair value less costs of disposal) "relief from royalty" method before tax.

Expectations regarding future cash flows will vary over time. Changes in the market conditions

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and expected cash flows may cause losses in the event of impairment in the future. The most important assumptions with significance for the present value of the cash flows associated with the investments are future profits and growth, as well as the discount rate used.

Pensions

Net pension costs for defined benefit plans comprise the period's service cost, including future growth in salaries and interest rates on the estimated obligation, less expected returns on the pension assets. Prepaid pension is shown as a long-term asset in the statement of financial position where it is probable that the over-financing can be used or repaid. Correspondingly, a long-term liability is shown in the accounts when the pension obligation is greater than the pension assets. Net pension costs are classified as payroll costs in the statement of income. Changes in the liability resulting from changes in pension plans are taken to profit or loss immediately. Changes in the pension liability and the pension assets resulting from changes in, and deviations from, the estimate assumptions (estimate deviations), are recognised against equity and are presented in the statement of other comprehensive income.

The Group also has defined contribution pension plans, schemes whereby the company pays contributions on an ongoing basis to the employees' individual pension plans. Ongoing premium invoices of this kind are expensed as salaries and other personnel costs.

Restructuring

Provisions for restructuring are recognised as expenses when the programme has been adopted and announced and the costs are identifiable and quantifiable. Provisions linked to restructuring are included as other provisions for liabilities calculated at present value. Agreements securing future work input are recognised as expenses over the period in which the work input is delivered.

Taxes

The tax expense comprises both tax payable and the change in deferred tax. Tax payable is based on taxable income for the year. Taxable income is different from the pre-tax profit as presented in the statement of income because of income and expenditure items that are not taxable/deductible. Tax payable is calculated based on tax rates that are adopted at the end of the period.

Deferred tax is capitalised on the basis of the temporary differences and any deficit to be carried forward existing at the end of the financial year and that involves increased or reduced future tax payable, when these differences are reversed in future periods. Temporary differences are differences between accounting and taxable results arising during a period and are reversed during a later period. Deferred tax is calculated on the basis of nominal tax rates (rates adopted as of the close of the financial year in the individual country) multiplied by temporary differences and the deficit to be carried forward. Deferred tax assets are capitalised when the probability exists that future taxable income will enable utilisation of the asset.

Classification principles

Other assets included in the operating cycle or falling due within 12 months are classified as current assets. Remaining assets are classified as fixed assets.

Liabilities included in the operating cycle or falling due within 12 months are classified as current liabilities. Remaining liabilities are classified as long term.

Proposed dividend/Group contribution is capitalised in the statement of financial position as a liability when the Group has an irrevocable obligation to make dividend payments/Group contribution, normally after adoption by the annual general meeting.

Measurement and classification of financial instruments

The Group classifies financial instruments in the following categories: financial instruments at fair value via profit or loss, loans and receivables, financial assets available for sale and financial liabilities. The classification depends on the purpose of the asset or liability. Management classifies financial assets and liabilities on acquisition.

Financial instruments at fair value via profit or loss

Financial instruments at fair value via profit or loss are either financial instruments held for trading purposes or financial instruments earmarked at fair value. A financial instrument is classified in the category "held for trading purposes" if it is primarily acquired with a view to producing profit from short-term price fluctuations. Derivatives are classified as held for trading purposes unless they form part of a hedge. Derivatives that are included in hedging, but that are not booked in accordance with the rules for hedge accounting, are classified in the "held to maturity" category. Assets and liabilities in this category are classified as current assets if it is expected that they will be settled within 12 months; otherwise they are classified as fixed assets.

The Group's measurement of financial instruments at fair value can be divided into three categories:

Level 1: Listed (unadjusted) prices in active markets.

Level 2: Direct or indirect inputs other than listed prices included in Level 1, that are observable for the asset or the liability.

Level 3: Techniques for calculation of fair value based on other than observable market data.

Loans and receivables

Loans and receivables are financial assets that are not derivatives and that have fixed or determinable payments and that are not traded in an active market. They are classified as current assets unless they fall due more than 12 months after the close of the financial year. Loans and receivables comprise accounts receivable and other receivables, as well as cash and cash equivalents in the statement of financial position.

Loans and receivables are measured at amortised cost, and value changes resulting from interest rate changes are not recognised.

Financial assets available for sale

Financial assets available for sale are financial assets that are not derivatives and that have been placed in this category. or that do not belong to any other category. They are classified as fixed assets provided that the investment does not fall due or the management does not intend to sell the investment within 12 months from the close of the financial year.

Financial instruments available for sale are measured at fair value following the same principles as financial instruments at fair value. Negative value changes related to this category are recognised as financial costs in the consolidated income statement, provided they are of a permanent nature. Any value increases are taken to profit only upon reversal of the previous write-downs.

Other financial liabilities

Financial liabilities not falling into the category of "financial instruments at fair value via profit or loss" are classified as other financial liabilities. For measurement of financial liabilities at fair value, see measurement of financial instruments.

Financial liabilities through borrowing are recognised at the amount received net of transaction costs. Financial liabilities are recognised at amortised cost based on an effective interest rate method. Transaction costs (arrangement charges) are capitalised in the statement of financial position and depreciated over the period of the loan.

Borrowing in currencies other than the functional currency is translated at the exchange rate at the close of the financial year.

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Financial derivatives and hedging

Financial instruments are recognised in the statement of financial position when the Group has become a party to the instrument's contractual provisions, and derecognised when the contractual rights or obligations have been fulfilled, cancelled, expired or transferred. Financial instruments are classified as current when the expected realisation date is less than twelve months after the close of the financial year and as long term when the realisation date is later than twelve months after the close of the financial year.

Leases

Leases where a significant part of risk and return associated with ownership continues to lie with the lessor are classified as operational leases. Lease payments from operational leases (with deduction for any financial incentives from the lessor) are charged as expenses using the straight-line method over the period of the lease.

Leases with regard to property, plant and equipment in which the Group principally holds all risks and rewards are classified as financial leasing. Financial leasing is capitalised at the start of the lease period at the lower of fair value of the leased fixed assets and the present value of the total minimum lease amount. Each lease payment is allocated between a repayment element and an interest element. The lease cost is charged to profit or loss as financial expenses. The lease liability, less the cost of interest, is classified as other current liabilities and other long-term liabilities. Property, plant and equipment acquired through a financial lease agreement is depreciated over the expected life or the period of the lease if this is shorter.

Statement of cash flows

The indirect method is used in the preparation of the statement of cash flows. Cash and cash equivalents in the statement of financial position are defined as holdings of cash and cash equivalents in the statement of cash flows.

Segment information

Operating segments are reported in the same way as for internal reporting to Group management. The Group's business areas comprise Spirits, Wine and Distribution.

The Group's activities consist of sales and marketing of Spirits, sales and marketing of Wine, distribution of spirits and wine, and Supply Chain. Sales and marketing of Spirits and Wine are defined as a profit centre, while Supply Chain is defined as a cost centre. For external reporting, Supply Chain is reported together with the Spirits business area, which is the primary user. Spirits is defined as the primary user on the basis that the plant at Gjelleråsen was primarily built for the production of Spirits. The Wine business area is defined as a secondary user, as bottling of wine is a much simpler process, and as stand-alone would require significantly simpler production facilities.

The Spirits business area comprises the following companies: Arcus AS and subsidiaries, Arcus Denmark A/S, Arcus Sweden AB, Arcus Finland Oy and Arcus Deutschland GmbH.

The Wine business area comprises the following companies: Vingruppen i Norden AB and subsidiaries, and Vingruppen AS and subsidiaries.

The Distribution business area comprises the Vectura AS company.

In addition, there are the remaining Group income and expenses, as well as financing costs, that comprise Arcus-Gruppen AS and Arcus-Gruppen Holding AS.

The Group presents no segment assets or liabilities, as this is not done in the Group's internal reporting.

For further information about the Group's operating segments, see Note 5.

Related parties

The Group's related parties, in addition to subsidiaries, associated companies and jointly controlled companies, are defined as the owners, all members of the Board of Directors and Group Management, and companies in which any of these parties either have controlling interests, Board appointments, or are senior employees.

All transactions between Group companies and related parties are made on market terms.

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NOTE 1 COMPANIES IN THE GROUP

The consolidated financial statements for 2015 cover the following subsidiaries and associated companies:

Figures in 1 000 (local currency) **Company name**	**Registered office**	**Cur-rency**	**Nominal share capital**	**Group holding and voting share**
Arcus-Gruppen Holding AS (parent company)	Nittedal	NOK	1 000	
Subsidiaries				
Arcus-Gruppen AS	Nittedal	NOK	276 552	100%
Vectura AS	Nittedal	NOK	14 014	100%
Shares owned by Arcus-Gruppen AS				
Arcus AS	Nittedal	NOK	62 100	100%
Arcus Denmark A/S	Copenhagen	DKK	10 324	100%
Vingruppen AS	Nittedal	NOK	60	100%
VinGruppen Sweden Holding AB	Stockholm	SEK	50	100%
Arcus Deutschland GmbH*	Cologne	EUR	5 113	100%
Shares owned by Arcus AS				
Arcus Sweden AB	Stockholm	SEK	100	100%
Arcus Finland Oy	Helsinki	EUR	311	100%
De Lysholmske Brenneri- og Destillasjonsfabrikker ANS	Nittedal	NOK	0	100%
Siemers & Cos Destillasjon ANS	Nittedal	NOK	0	100%
Løiten Brænderis Destillation ANS	Nittedal	NOK	0	100%
Oplandske Spritfabrik ANS	Nittedal	NOK	0	100%
Shares owned by VinGruppen Sweden Holding AB				
Vingruppen i Norden AB	Stockholm	SEK	4 192	99%
Shares owned by Vingruppen AS				
Arcus Wine Brands AS	Nittedal	NOK	100	100%
Vinordia AS	Nittedal	NOK	968	97%
Symposium Wines AS	Nittedal	NOK	500	78%
Vinuniq AS	Nittedal	NOK	100	97%
Excellars AS	Nittedal	NOK	181	51%
Heyday Wines AS	Nittedal	NOK	100	70%
Shares owned by Symposium Wines AS				
Hedoni Wines AS	Nittedal	NOK	30	78%
Shares owned by Vingruppen i Norden AB				
Vinunic AB	Stockholm	SEK	145	99%
Wineworld Sweden AB	Stockholm	SEK	500	79%
The WineAgency Sweden AB	Stockholm	SEK	100	79%
Valid Wines Sweden AB	Stockholm	SEK	100	51%
Social Wines Oy	Helsinki	EUR	8	89%
Wineworld Finland Oy	Helsinki	EUR	220	89%
Vinum Import Oy	Åbo	EUR	3	87%
Owned by Vinunic AB				
Vingaraget AB	Stockholm	SEK	50	99%
Owned by Bonarome WineWorld AB				
Quaffable Wines Sweden AB	Stockholm	SEK	100	79%
Owned by The WineAgency Sweden AB and Bonarome WineWorld AB				
Your Wineclub Sweden AB	Stockholm	SEK	50	79%

* Arcus Deutschland GmbH's accounting year runs from 1 July - 30 June. Impacts on earnings from the company in the consolidated financial statements are based on an estimated annual result for the calendar year, which is the Group's financial year.

Associated company				
Tiffon SA	Jarnac	EUR	1 131	34%
Jointly controlled entities				
Det Danske Spiritus Kompagni A/S	Copenhagen	DKK	6 500	50%

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Profit, dividends and equity attributable to non-controlling interests

Figures in NOK 1 000	**Profits attributable to non-controlling interests in 2015**	**Accumulated non-controlling interests 31.12.2015***	**Dividend distributed to non-controlling interests in 2015**
Symposium Wines AS	1 718	2 149	-1 114
Excellars AS *	5 248	0	-6 370
Vingruppen i Norden AB *	25	0	-7 227
Vinunic AB *	225	517	0
Wineworld Sweden AB *	8 415	15 919	-7 450
The WineAgency Sweden AB *	3 510	9 656	-2 980
Social Wines Oy *	404	2 130	0
Vinum Import Oy *	981	894	-224
Other companies with minority interests	-221	338	-64
Total	**20 305**	**31 603**	**-25 429**

Figures in NOK 1 000	**Profits attributable to non-controlling interests in 2014**	**Accumulated non-controlling interests 31.12.2014***	**Dividend distributed to non-controlling interests in 2014**
Symposium Wines AS	1 059	1 555	446
Excellars AS *	6 369	0	8 330
Vingruppen i Norden AB *	0	0	6 270
Vinunic AB	2 950	0	0
Wineworld Sweden AB	10 119	14 024	4 779
The WineAgency Sweden AB	4 987	8 481	1 838
Vinum Import Oy	943	2 569	0
Other companies with minority interests	585	672	314
Total	**27 012**	**27 301**	**21 977**

Figures in NOK 1 000	**Profits attributable to non-controlling interests in 2013**	**Accumulated non-controlling interests 31.12.2013***	**Dividend distributed to non-controlling interests in 2013**
Symposium Wines AS	448	924	-700
Excellars AS *	8 327	0	-11 613
Vingruppen i Norden AB *	116	0	-9 352
Vinunic AB	4 263	0	0
Wineworld Sweden AB	7 099	11 181	-5 052
The WineAgency Sweden AB	5 872	6 526	-5 774
Quaffable Wines AB	608	3 793	-574
Vinum Import Oy	775	1 815	0
Other companies with minority interests	147	510	0
Total	**27 655**	**24 749**	**-33 065**

* The Group owns 99.4 per cent and 51.0 per cent, respectively, of the subsidiaries Vingruppen i Norden AB and Excellars AS. In addition, put and call options exist associated with the non-controlling interests, although the Group was not considered to have control of the shares as of the close of the financial year. These companies have been recognised as though they had been wholly owned, but with partial presentation of the non-controlling interests. Partial presentation of non-controlling interests means that the non-controlling interests' share of the profit for the year is shown in the statement of income, whereas only direct non-controlling interests are stated in the equity statement. The transfer refers to the non-controlling interests' share of the profit for the year, adjusted for the dividend distributed for the period.

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Key figures for companies with significant non-controlling interests in the Group

2015

Figures in NOK 1 000	Symposium Wines AS	Excellars AS	Vingruppen i Norden AB (subgroup)
Net sales revenues	95 000	77 982	979 398
Other operating revenues	0	0	43 475
Operating expenses excluding depreciation	-84 480	-62 694	-888 557
Depreciation	0	-462	-1 664
Operating profit	**10 520**	**14 826**	**132 653**
Net financial profit	89	-18	-2 193
Tax	-2 905	-4 096	-28 682
Profit for the year	**7 704**	**10 712**	**101 778**
Fixed assets	290	3 373	128 539
Current assets	45 179	64 495	546 992
Total assets	**45 469**	**67 868**	**675 531**
Equity	2 635	4 076	-113 360
Liabilities	42 834	63 792	788 890
Equity and liabilities	**45 469**	**67 868**	**675 531**

2014

Figures in NOK 1 000	Symposium Wines AS	Excellars AS	Vingruppen i Norden AB (subgroup)
Net sales revenues	91 265	82 038	797 307
Other operating revenues	0	0	37 812
Operating expenses excluding depreciation	-83 939	-63 381	-718 944
Depreciation	0	-454	-394
Operating profit	**7 326**	**18 203**	**115 781**
Net financial profit	-735	-374	938
Tax	-1 839	-4 832	-26 353
Profit for the year	**4 752**	**12 997**	**90 366**
Fixed assets	351	4 208	4 951
Current assets	41 696	52 027	438 781
Total assets	**42 047**	**56 235**	**443 732**
Equity	1 976	3 364	233 084
Liabilities	40 071	52 871	210 648
Equity and liabilities	**42 047**	**56 235**	**443 732**

2013

Figures in NOK 1 000	Symposium Wines AS	Excellars AS	Vingruppen i Norden AB (subgroup)
Net sales revenues	63 767	83 090	748 946
Other operating revenues	1	0	26 994
Operating expenses excluding depreciation	-60 160	-58 060	-653 354
Depreciation	0	-473	-512
Operating profit	**3 608**	**24 557**	**122 074**
Net financial profit	-775	-930	4 315
Tax	-825	-6 635	-26 159
Profit for the year	**2 008**	**16 992**	**100 230**
Fixed assets	435	4 163	4 991
Current assets	31 686	57 927	408 436
Total assets	**32 121**	**62 090**	**413 427**
Equity	2 145	3 367	217 111
Liabilities	29 976	58 723	196 316
Equity and liabilities	**32 121**	**62 090**	**413 427**

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NOTE 2 INVESTMENTS IN ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

2015

Figures in NOK 1 000	Company type	Ownership interest	Book value 01.01.2015	Buy/sell issue	Share of profit for the year	Dividend	Translation differences	Book value 31.12.2015
Tiffon SA *	AC	34%	45 510	0	1 400	-630	0	46 280
Vinunic OY	AC	0%	1 805	-1 525	0	-396	116	0
Det Danske Spiritus Kompagni A/S **	JCE	50%	8 004	0	3 157	-3 527	805	8 439
Total investments in associated companies and jointly controlled entities			**55 319**	**-1 525**	**4 557**	**-4 553**	**921**	**54 719**

2014

Figures in NOK 1 000	Company type	Ownership interest	Book value 01.01.2014	Buy/sell/ issue	Share of profit for the year	Dividend	Translation differences	Book value 31.12.2014
Tiffon SA *	AC	34%	42 069	0	4 642	-1 201	0	45 510
Vinunic OY	AC	30%	1 726	0	500	-444	23	1 805
Det Danske Spiritus Kompagni A/S **	JCE	50%	7 644	0	3 932	-4 241	669	8 004
Total investments in associated companies and jointly controlled entities			**51 439**	**0**	**9 074**	**-5 886**	**692**	**55 319**

2013

Figures in NOK 1 000	Company type	Ownership interest	Book value 01.01.2013	Buy/sell/ issue	Share of profit for the year	Dividend	Translation differences	Book value 31.12.2013
Tiffon SA *	AC	34%	38 081	0	5 561	-1 573	0	42 069
Vinunic OY	AC	30%	1 162	0	814	-393	143	1 726
Det Danske Spiritus Kompagni A/S **	JCE	50%	970	2 031	4 358	0	285	7 644
Total investments in associated companies and jointly controlled entities			**40 213**	**2 031**	**10 733**	**-1 966**	**428**	**51 439**

* The Group buys Cognac from Tiffon SA, see detailed information on these transactions with associates in Note 6. Tiffon SA has a financial year from 1 July - 30 June. The share of profit from Tiffon is based on an estimated annual profit for the calendar year that is equivalent to the Group's financial year.
** Det Danske Spiritus Kompagni A/S was established to handle sales of ArcusGruppen's products in Denmark. It is owned jointly with Flemming Karberg Familieholding ApS which also owns Hans Just, ArcusGruppen's distribution partner in the Danish market. Both ownership and voting shares, as well as Board composition, are divided 50/50 between ArcusGruppen and Flemming Karberg Familieholding ApS. See detailed information on transactions with related parties in Note 6, the Danish market. See detailed information on transactions with related parties in Note 6.

None of the associated companies or jointly controlled entities has listed share prices. The Group's share of profit from associated companies, after tax, is presented on a separate line before Group operating profit.

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Summarised financial information regarding associated companies and jointly controlled entities, based on 100 per cent:

2015

Figures in NOK 1 000	Total current assets 31.12.2015	Total fixed assets 31.12.2015	Total current liabilities 31.12.2015	Total long-term liabilities 31.12.2015	Total equity 31.12.2015	Operating revenues 2015	Operating expenses 2015	Profit for the year 2015
Tiffon SA	317 875	18 598	38 820	147 936	149 717	96 980	86 085	4 114
Vinunic OY	0	0	0	0	0	0	0	0
Det Danske Spiritus Kompagni A/S*	68 826	20	53 691	0	15 155	160 858	152 639	6 314

2014

Figures in NOK 1 000	Total current assets 31.12.2014	Total fixed assets 31.12.2014	Total current liabilities 31.12.2014	Total long-term liabilities 31.12.2014	Total equity 31.12.2014	Operating revenues 2014	Operating expenses 2014	Profit for the year 2014
Tiffon SA	279 503	18 265	30 089	129 460	138 219	116 946	94 002	13 659
Vinunic OY	1 624	0	300	0	1 324	1 483	0	1 147
Det Danske Spiritus Kompagni A/S*	72 802	129	56 536	0	16 395	147 695	137 023	7 864

2013

Figures in NOK 1 000	Total current assets 31.12.2013	Total fixed assets 31.12.2013	Total current liabilities 31.12.2013	Total long-term liabilities 31.12.2013	Total equity 31.12.2013	Operating revenues 2013	Operating expenses 2013	Profit for the year 2013
Tiffon SA	247 010	17 264	34 204	112 182	117 888	120 186	94 880	16 355
Vinunic OY	1 505	0	303	0	1 202	1 424	0	1 047
Det Danske Spiritus Kompagni A/S*	67 514	21	51 468	0	16 067	120 914	109 463	8 716

01.01.2013

Figures in NOK 1 000	Total current assets 01.01.2013	Total fixed assets 01.01.2013	Total current liabilities 01.01.2013	Total long-term liabilities 01.01.2013	Total equity 01.01.2013
Tiffon SA	220 399	15 403	30 519	100 096	105 187
Vinunic OY	2 514	0	555	0	1 958
Det Danske Spiritus Kompagni A/S*	2 548	42	612	0	1 977

* As a consequence of both ownership and voting rights being divided 50/50 between the owners, the Group is not deemed to have control of DDSK A/S. DDSK A/S is therefore not consolidated in the Group accounts.

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NOTE 3 OTHER INVESTMENTS IN SHARES

Figures in NOK 1 000	Registered office	Ownership interest	Currency	Cost price currency	Cost price NOK	Book value NOK 31.12.15	Book value NOK 31.12.14	Book value NOK 31.12.13	Book value NOK 01.01.13
Atlungstad Brenneri AS	Stange	12.1%	NOK	200	200	200	200	200	200
Norwegian Ice-Water Company AS	Olden	15.7%	NOK	440	440	0	0	0	0
AS Vinunic Estland	Tallinn	12.0%	SEK	125	109	0	0	27	25
Other investments in shares					**749**	**200**	**200**	**227**	**225**

The Atlungstad Brenneri property is a historical distillery at Stange in Hedmark. In 2011, the property was taken over by the company, Atlungstad Brenneri AS, which will run the facility as a museum and national experience centre. The ArcusGruppen Group owns 12 per cent of this company.

Norwegian Ice-Water Company is a former supplier of glacial water for the production of Vikingfjord.

These investments are classified as available for sale in the categorisation of financial assets: see also Note 4.

NOTE 4 MANAGEMENT OF FINANCIAL RISK

Financial risk
The Group has a Board-adopted financial policy in which strategy and guidelines for risk management are defined. Responsibility for the execution of the adopted financial policy lies with Arcus-Gruppen AS, but it is implemented in cooperation with the individual business areas. ArcusGruppen's principal source of income is the core business, and the Group's main strategy in regard to risk is not to speculate, but to limit the financial risk that the core business creates.

The most important financial risks to which the Group is exposed are associated with credit risk, interest-rate risk, liquidity risk and foreign currency risk.

For hedging purposes associated with interest-rate and currency risk, the Group to a certain degree uses financial derivatives. The Group does not fulfil the accounting requirements for hedge accounting and therefore does not treat these as hedging for accounting purposes. The accounting treatment of financial derivatives is described under Accounting policies.

Credit risk
Credit risk must be assessed before establishing a customer relationship by examining financial statements and other relevant and available information. Credit periods and credit limits must then be determined. Once a customer relationship is established, credit risk and credit limits are continuously assessed in relation to the client's financial performance and payment history.

Outstanding amounts are continuously monitored in cooperation between the finance department and the marketing departments of the individual businesses.

A significant share of the Group's revenues is associated with the state monopolies in the Nordic region where there is not considered to be any credit risk. The Group's credit risk is otherwise spread over a large number of small customers within the HORECA market, as well as a small number of distributors outside the home markets.

The Group has entered into a factoring agreement with SEB for the sale of accounts receivable against Vinmonopolet, with a ceiling of NOK 250 million. The ceiling was fully utilised as at 31.12.2015.

Overview of bad debts and age analysis of accounts receivable

Figures in NOK 1 000	31.12.15	31.12.14	31.12.13	01.01.13
Nominal accounts receivable	1 005 000	1 025 880	1 094 079	892 948

The provision for bad debt on accounts receivable as at 31.12.2015 was TNOK 1,672 (2014: 2,310, 2013: 2,478 and 2012: 2,191). Losses on accounts receivable are classified as other operating expenses in the statement of income.

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The change in provision for losses is as follows:

Figures in NOK 1 000	2015	2014	2013	01.01.13
Opening balance	-2 310	-2 478	-2 191	-2 839
Provision for losses for the year	-459	-30	-772	-18
Confirmed losses for the year	347	198	465	652
Received on previously written-off receivables during the period	0	0	20	0
Reversal of previous provisions	750	0	0	14
Closing balance	**-1 672**	**-2 310**	**-2 478**	**-2 191**

As at 31 December, the Group had the following accounts receivable fallen due but not paid

Figures in NOK 1 000	Total	Not due	0-60 days	61-365 days	More than 1 year
31.12.15	1 005 000	994 661	12 625	-2 286	0
31.12.14	1 025 880	980 693	44 870	317	0
31.12.13	1 094 079	1 032 980	59 703	1 396	0
01.01.13	892 948	824 257	37 942	30 348	401

Interest rate risk

The Group is exposed to interest-rate risk via financing activities (debt financing and financial leasing liabilities) and investments (bank deposits). At the end of 2015, the Group's long-term liabilities were associated with credit facilities at SEB and financial leasing at Nordea Finans. Group policy is to hedge up to 50 per cent of the base rate on long-term loans. As at 31 December 2015, the hedging ratio was 42 per cent. The margin on credit facilities at SEB is related to the ratio of net interest-bearing debt in relation to EBITDA, while the margin at Nordea Finance is fixed.

Figures in NOK 1 000	Currency	Interest profile	Due date	2015	2014	2013	01.01.2013
Short-term interest-bearing debt							
1st year's instalment on long-term loans to financial institutions	NOK	Partly secured	2016	73 723	65 814	41 387	60 000
1st year's instalment on long-term loans to financial institutions	SEK	Partly secured	2016	83 126	68 214	43 613	0
Short-term liabilities related to financial leasing	NOK	Variable	2016	15 373	15 373	10 034	12 726
Long-term interest-bearing debt							
Long-term loan to financial institutions	NOK	Partly secured	2018	455 435	439 158	464 972	395 000
Long-term loan to financial institutions	SEK	Partly secured	2018	397 867	404 647	466 845	0
Long-term liabilities related to financial leasing	NOK	Variable	2017	200 181	215 452	235 243	239 610

Sensitivity analysis 2015

Figures in NOK 1 000	Increase/reduction in basis points	Effect on pre-tax profit
Loans in NOK	50	-4 015
Loans in NOK	-50	4 015

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Liquidity risk

Liquidity risk is the risk that the Group will not be in a position to service its financial liabilities as they fall due. ArcusGruppen must have sufficient liquidity at all times to meet its obligations. At the same time, the aim is to minimise the Group's surplus liquidity. The Group will work continuously to develop its financial independence, through close monitoring of income development and capital binding, and through continuous assessment of alternative sources of finance. Unused credit facilities are described in Note 17.

As far as possible, the Group requires flexibility in the liquid assets linked to daily operations. This is achieved through a Group cash pool system with a credit facility, as at 31 December 2015, is administrated by Arcus-Gruppen Holding AS.

When funds are needed for investment purposes, the Group relies on its own liquidity as far as possible. However, for larger investments it uses external financing from financial institutions. In the first half of 2015, ArcusGruppen set up additional debt financing from SEB, its main bank, for the acquisition and relocation of production from Denmark to Norway, while financial covenants were renegotiated. As at the close of the financial year, current requirements concerning financial covenants have been complied with.

The Group also has agreements on financial leasing for major investments in production equipment.

The following table presents an overview of the maturity structure for the Group's financial liabilities, based on non-discounted contractual payments. In instances where the counterparty can demand earlier redemption, the sum is recorded in the earliest period in which the payment can be demanded by the counterparty.

2015	Remaining period		
	0-1 year	1-5 years	More than 5 years
Debt to financial institutions – mortgage loans	156 849	853 302	0
Debt to financial institutions – leasing *	15 373	200 181	0
Liabilities at fair value	48 735	70 264	0
Other provisions	490	650	0
Trade payables	551 457	0	0
Current liabilities **	1 135 869	0	0
Total	**1 908 773**	**1 124 397**	**0**

2014	Remaining period		
	0-1 year	1-5 years	More than 5 years
Debt to financial institutions – mortgage loans	134 028	843 805	0
Debt to financial institutions – leasing *	15 373	215 452	0
Liabilities at fair value	37 113	161 262	0
Other provisions	579	1 097	0
Trade payables	570 931	0	0
Current liabilities **	1 075 878	0	0
Total	**1 833 902**	**1 221 616**	**0**

2013	Remaining period		
	0-1 year	1-5 years	More than 5 years
Debt to financial institutions – mortgage loans	85 000	931 817	0
Debt to financial institutions – leasing *	10 034	235 243	0
Liabilities at fair value	0	226 000	0
Other provisions	870	1 603	0
Trade payables	499 262	0	0
Current liabilities **	1 100 964	0	0
Total	**1 696 130**	**1 394 663**	**0**

01.01.2013	Remaining period		
	0-1 year	1-5 years	More than 5 years
Debt to financial institutions – mortgage loans	60 000	395 000	0
Debt to financial institutions – leasing *	12 726	239 610	0
Liabilities at fair value	0	210 884	0
Other provisions	1 318	2 879	0
Trade payables	456 849	0	0
Current liabilities **	1 080 671	0	0
Total	**1 611 564**	**848 373**	**0**

* Read more about the maturity profile of financial leases in Note 14 concerning Leasing agreements.
** Current liabilities include collected alcohol taxes, which are reflected by an equivalent amount in trade receivables.

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Currency risk

The Group is exposed to currency risk as it has operations in several different countries. The Group's currency exposure can mainly be divided into two groups: cash flow risk and translation risk. The principal objective is to limit the effect of exchange rate fluctuations on the Group's cash flow in NOK. Changes in purchase costs from suppliers in functional currency due to currency changes are continuously offset by changes of sales prices to customers and through renegotiation of purchase prices from suppliers. The most significant currencies are EUR, USD, SEK and DKK. The risk horizon, i.e., the time it takes to compensate for negative exchange rate fluctuations, is to a great extent controlled by price-adjustment opportunities in the state monopolies in the Nordic region. In Norway this takes place every four months and in Sweden every six months. As a rule, currency is purchased in the spot market, but also to some extent in the forward market, to continuously offset net positions in monetary items.

Part of the Group's long-term borrowing is undertaken in SEK as a natural hedge against cash flow in the form of dividends in SEK.

For reporting purposes, receivables and debt, as well as monetary items in foreign currency, are translated at the closing rate for the reporting period.

The Group's presentation currency is NOK. The Group is therefore further exposed to currency risk when translating foreign subsidiaries from their functional currency to the Group's presentation currency. This translation risk is not hedged. As at 31 December 2015, the net translation difference associated with the majority's equity was positive at NOK 270.5 million, corresponding to a positive change in 2015 of NOK 59.1 million (positive by NOK 211.4 million at the end of 2014).

The table below shows the Group's purchase of non-functional foreign exchange during 2015.

Figures in 1 000 (in the currency concerned)	Purchase of currency 2015			
	Spot	Forward	Total	Proportion hedged via forward contracts
EUR	89 985	23 827	**113 812**	20.9%
USD	10 958	445	**11 403**	3.9%
AUD	950	0	**950**	0.0%
GBP	380	186	**566**	32.9%
DKK	31 470	0	**31 470**	0.0%
SEK	54 000	0	**54 000**	0.0%

Figures in 1 000 (in the currency concerned)	Purchase of currency, 2014			
	Spot	Forward	Total	Proportion hedged via forward contracts
EUR	74 730	37 344	**112 074**	33.3%
USD	4 757	2 505	**7 262**	34.5%
AUD	285	820	**1 105**	74.2%
GBP	827	278	**1 105**	25.2%
DKK	9 623	10 931	**20 554**	53.2%
SEK	110 735	1 980	**112 715**	1.8%

Figures in 1 000 (in the currency concerned)	Purchase of currency, 2013			
	Spot	Forward	Total	Proportion hedged via forward contracts
EUR	61 493	64 295	**125 788**	51.1%
USD	3 427	4 905	**8 332**	58.9%
AUD	551	1 445	**1 996**	72.4%
GBP	70	340	**410**	82.9%
DKK	1 800	9 050	**10 850**	83.4%
SEK	1 900	1 490	**3 390**	44.0%

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At the end of the year, the Group had the following forward contracts (hedging of cash flows) that hedged financial position statement items and orders already entered into (firm commitments), which were recognised at fair value with value changes via profit or loss:

31.12.2015

Forward contracts *Figures in NOK 1 000*	**Currency**	**Currency amount**	**Value in NOK - end of period**	**Forward value in NOK**	**Fair value in NOK**	**Due date**
Purchase contracts	EUR	3 800	36 539	35 391	1 148	2016
Purchase contracts	GBP	40	522	637	-115	2016
Purchase contracts	USD	75	660	517	143	2016
Total					1 176	

31.12.2014

Forward contracts *Figures in NOK 1 000*	**Currency**	**Currency amount**	**Value in NOK - end of period**	**Forward value in NOK**	**Fair value in NOK**	**Due date**
Purchase contracts	EUR	5 527	49 913	45 614	4 298	2015
Purchase contracts	GBP	25	289	261	28	2015
Purchase contracts	USD	30	223	191	32	2015
Total					4 358	

31.12.2013

Forward contracts *Figures in NOK 1 000*	**Currency**	**Currency amount**	**Value in NOK - end of period**	**Forward value in NOK**	**Fair value in NOK**	**Due date**
Purchase contracts	EUR	11 130	94 206	93 247	959	2014
Purchase contracts	USD	1 200	7 347	7 315	32	2014
Purchase contracts	AUD	295	1 600	1 670	-70	2014
Purchase contracts	GBP	90	905	882	23	2014
Purchase contracts	SEK	250	237	236	1	2014
Purchase contracts	DKK	6 800	7 643	7 483	160	2014
Total					1 105	

All forward contracts are recognised at fair value as of the close of the financial year.

Sensitivity to exchange rate fluctuation:
The following table shows the Group's sensitivity to changes in the most important exchange rates, if all other variables remain constant.

The effect on the Group's profit before tax is calculated as changes in the fair value of monetary assets and liabilities as at 31 December 2015 in foreign currency (non-functional currency). This includes hedging derivatives recognised at fair value with value changes via profit or loss.

The effect on other comprehensive income (OCI) is calculated as the effect of the translation differences associated with subsidiaries in foreign currency as at 31 December 2015.

Figures in NOK 1 000	**Change in exchange rate**	**Effect on pre-tax profit**	**Total effect on OCI before tax**
EUR	5%	-2 155	3 349
EUR	-5%	2 155	-3 349
SEK	5%	-2 774	41 191
SEK	-5%	2 774	-41 191
DKK	5%	1 017	41 173
DKK	-5%	-1 017	-41 173

The Group's exposure to other currencies is insignificant as at 31 December 2015.

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Categorisation of financial assets and liabilities:

Assets

Figures in NOK 1 000	Financial instruments at fair value with value changes through profit or loss	Loans and receivables	Assets available for sale	Total book value of financial assets 31.12.	Prepaid costs	Total in the statement of financial position 31.12.
Assets						
Other investments in shares	0	0	200	200	0	200
Other long-term receivables	0	471		471	0	471
Trade receivables	0	1 003 328	0	1 003 328	0	1 003 328
Other receivables	1 153	75 265	0	76 418	15 255	91 673
Cash and cash equivalents	0	190 419	0	190 419	0	190 419
Total financial assets 31.12.2015	1 153	1 269 483	200	1 270 836	15 255	1 286 091
Other investments in shares	0	0	200	200	0	200
Other long-term receivables	0	166	0	166	0	166
Trade receivables	0	1 023 570	0	1 023 570	0	1 023 570
Other receivables	4 358	68 651	0	73 009	44 054	117 063
Cash and cash equivalents	0	175 125	0	175 125	0	175 125
Total financial assets 31.12.2014	4 358	1 267 512	200	1 272 070	44 054	1 316 124
Other investments in shares	0	0	227	227	0	227
Other long-term receivables	0	166	0	166	0	166
Trade receivables	0	1 091 598	0	1 091 598	0	1 091 598
Other receivables	1 105	98 944	0	100 049	20 732	120 781
Cash and cash equivalents	0	148 388	0	148 388	0	148 388
Total financial assets 31.12.2013	1 105	1 339 096	227	1 340 428	20 732	1 361 160
Other investments in shares	0	0	225	225	0	225
Other long-term receivables	0	262	0	262	0	262
Trade receivables	0	890 756	0	890 756	0	890 756
Other receivables	0	100 441	0	100 441	33 759	134 200
Cash and cash equivalents	0	363 876	0	363 876	0	363 876
Total financial assets 01.01.2013	0	1 355 335	225	1 355 560	33 759	1 389 319

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Liabilities

Figures in NOK 1 000	Financial instruments at fair value with value changes via profit or loss	Financial liability	Total book value of financial liabilities 31.12.	Provision for accrued expenses and statutory liabilities	Total in the statement of financial position 31.12.
Liabilities					
Debt to financial institutions	0	1 205 708	1 205 708	0	1 205 708
Liabilities at fair value	118 999	0	118 999	0	118 999
Other long-term liabilities	0	271	271	0	271
Suppliers	0	551 457	551 457	0	551 457
Other current liabilities	18 145	10 211	28 356	203 797	232 153
Total financial liabilities 31.12.2015	**137 144**	**1 767 647**	**1 904 791**	**203 797**	**2 108 588**
Debt to financial institutions	0	1 180 509	1 180 509	0	1 180 509
Liabilities at fair value	198 375	0	198 375	0	198 375
Other long-term liabilities	0	269	269	0	269
Suppliers	0	570 931	570 931	0	570 931
Other current liabilities	21 354	9 954	31 308	198 666	229 974
Total financial liabilities 31.12.2014	**219 729**	**1 761 663**	**1 981 392**	**198 666**	**2 180 058**
Debt to financial institutions	0	1 227 111	1 227 111	0	1 227 111
Liabilities at fair value	226 000	0	226 000	0	226 000
Other long-term liabilities	0	267	267	0	267
Suppliers	0	499 262	499 262	0	499 262
Other current liabilities	6 237	14 337	20 574	170 567	191 141
Total financial liabilities 31.12.2013	**232 237**	**1 740 977**	**1 973 214**	**170 567**	**2 143 781**
Debt to financial institutions	0	707 336	707 336	0	707 336
Liabilities at fair value	210 884	0	210 884	0	210 884
Other long-term liabilities	0	260	260	0	260
Suppliers	0	456 849	456 849	0	456 849
Other current liabilities	24 428	17 588	42 016	205 664	247 680
Total financial liabilities 01.01.2013	**235 312**	**1 182 033**	**1 417 345**	**205 664**	**1 623 009**

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Fair value hierarchy

The Group uses the following hierarchy to determine and report the fair value of financial instruments:
Level 1: Listed (unadjusted) prices in active markets.
Level 2: Direct or indirect inputs other than listed prices included in Level 1, that are observable for the asset or the liability.
Level 3: Techniques for calculation of fair value based on other than observable market data.

As at December 2015, ArcusGruppen had the following financial liabilities at fair value in the statement of financial position:

31.12.2015	Level 1	Level 2	Level 3	Book value 31.12.2015
Currency derivatives	0	1 153	0	1 153
Total assets	**0**	**1 153**	**0**	**1 153**

	Level 1	Level 2	Level 3	Book value 31.12.2015
Liabilities at fair value	0	0	118 999	118 999
Interest derivatives	0	18 145	0	18 145
Total liabilities	**0**	**18 145**	**118 999**	**137 144**

31.12.2014	Level 1	Level 2	Level 3	Book value 31.12.2014
Currency derivatives	0	4 358	0	4 358
Total assets	**0**	**4 358**	**0**	**4 358**

	Level 1	Level 2	Level 3	Book value 31.12.2014
Liabilities at fair value	0	0	198 375	198 375
Interest derivatives	0	21 354	0	21 354
Total liabilities	**0**	**21 354**	**198 375**	**219 729**

31.12.2013	Level 1	Level 2	Level 3	Book value 31.12.2013
Currency derivatives	0	1 105	0	1 105
Total assets	**0**	**1 105**	**0**	**1 105**

	Level 1	Level 2	Level 3	Book value 31.12.2013
Liabilities at fair value	0	0	226 000	226 000
Interest derivatives	0	6237	0	6 237
Total liabilities	**0**	**6 237**	**226 000**	**232 237**

01.01.2013	Level 1	Level 2	Level 3	Book value 01.01.2013
Currency derivatives	0	0	0	0
Total assets	**0**	**0**	**0**	**0**

	Level 1	Level 2	Level 3	Book value 01.01.2013
Liabilities at fair value	0	0	210 884	210 884
Interest derivatives	0	22 047	0	22 047
Currency derivatives	0	2 381	0	2 381
Total liabilities	**0**	**24 428**	**210 884**	**235 312**

There have been no reclassifications between Level 1 and Level 2 during the period. Neither have there been any transfers out of Level 3 during the period.

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Reconciliation of liabilities (Level 3):

	Book value 31.12.2014	Used/ exercised 2015	Provision made/ issued 2015	Value changes 2015	Recognised interest 2015	Book value 31.12.2015
Liabilities at fair value	198 375	-64 670	2 000	-17 624	918	118 999
Total	**198 375**	**-64 670**	**2 000**	**-17 624**	**918**	**118 999**

	Book value 31.12.2013	Used/ exercised 2014	Provision made/ issued 2014	Value changes 2014	Recognised interest 2014	Book value 31.12.2014
Liabilities at fair value	226 000	-23 310	4 000	-10 779	2 464	198 375
Total	**226 000**	**-23 310**	**4 000**	**-10 779**	**2 464**	**198 375**

	Book value 01.01.2013	Used/ exercised 2013	Provision made/ issued 2013	Value changes 2013	Recognised interest 2013	Book value 31.12.2013
Liabilities at fair value	210 884	0	4 482	7 948	2 686	226 000
Total	**210 884**	**0**	**4 482**	**7 948**	**2 686**	**226 000**

Further information on liabilities measured at fair value via profit or loss is provided in Note 20.

Capital management

The Group is owned by a private equity firm, with acquisitions financed by external debt, and where excess liquidity is expected to be used to repay the debt. Financing needs related to acquisitions and other investments are expected to be met through additional equity injections and/or debt.

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NOTE 5 SEGMENT INFORMATION

2015 *Figures in NOK 1 000*	Spirits	Wine	Distribution	Other	Eliminations/ reclassifications	Group
Sales revenues – external	709 827	1 403 250	252 165	0	0	2 365 242
Sales revenues between the segments	4 274	25 228	-29 502	0	0	0
Other operating revenues – external	51 379	36 171	17 846	1	0	105 397
Other operating revenues between the segments	89 318	1 938	9 541	178 921	-279 718	0
Net profit on sale of fixed assets	223	0	0	0	0	223
Total income	**855 021**	**1 466 588**	**250 050**	**178 922**	**-279 718**	**2 470 862**
Cost of sales	-412 769	-1 071 461	0	0	89 594	-1 394 637
Salaries and other personnel costs	-111 898	-84 017	-129 328	-55 058	0	-380 301
Depreciation and amortisation	-24 421	-1 273	-13 754	-6 966	-4 709	-51 123
Write-downs	-2 399	-21	0	-1 960	0	-4 380
Other operating expenses	-221 897	-113 597	-136 435	-144 322	190 124	-426 128
Share of profit from AC and JCE	4 557	0	0	0	0	4 557
Operating profit before other income and expenses	**86 193**	**196 218**	**-29 467**	**-29 384**	**-4 709**	**218 850**
Other income and expenses	-797	-367	-3 448	-11 895	0	-16 507
Operating profit	**85 396**	**195 851**	**-32 915**	**-41 279**	**-4 709**	**202 343**
Interest income	318	318	2 780	6 443	0	9 859
Interest income between the segments	2 407	0	4 096	3 705	-10 208	0
Other financial income	-631	1 383	2 044	11 365	7 349	21 510
Interest costs	-5 102	-2 632	-2 276	-66 696	-1 099	-77 805
Interest costs between the segments	-2 675	-1 034	0	-6 680	10 389	0
Other financial costs	-7 896	-936	-5 170	-51 289	11 101	-54 190
Net financial result	**-13 579**	**-2 900**	**1 474**	**-103 152**	**17 531**	**-100 626**
PROFIT BEFORE TAX	71 817	192 951	-31 441	-144 431	12 822	101 717

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2014 *Figures in NOK 1 000*	**Spirits**	**Wine**	**Distribution**	**Other**	**Eliminations/ reclassifications**	**Group**
Sales revenues – external	709 424	1 229 042	269 951	0	0	2 208 417
Sales revenues between the segments	3 319	22 463	-25 782	0	0	0
Other operating revenues – external	77 121	28 002	18 525	0	0	123 648
Other operating revenues between the segments	113 362	1 767	8 751	179 130	-303 010	0
Net profit on sale of fixed assets	0	0	51	0	292	343
Total income	**903 226**	**1 281 274**	**271 496**	**179 130**	**-302 719**	**2 332 408**
Cost of sales	-435 796	-931 046	0	0	113 439	-1 253 402
Salaries and other personnel costs	-109 554	-65 847	-144 761	-56 995	0	-377 157
Depreciation	-25 750	-963	-14 292	-5 941	-4 540	-51 487
Write-downs	0	0	0	0	0	0
Other operating expenses	-224 498	-105 478	-161 340	-142 898	189 571	-444 643
Share of profit from AC and JCE	8 575	498	0	0	0	9 074
Operating profit before other income and expenses	**116 204**	**178 438**	**-48 897**	**-26 704**	**-4 248**	**214 793**
Other income and expenses	12 394	881	-2 614	-4 791	0	5 870
Operating profit	**128 598**	**179 319**	**-51 511**	**-31 495**	**-4 248**	**220 663**
Interest income	1 740	899	2 142	11 285	0	16 066
Interest income between the segments	2 996	0	0	6 289	-9 285	0
Other financial income	-1 201	0	329	15 703	-511	14 320
Interest costs	-9 318	-1 035	-3 279	-73 120	-2 575	-89 327
Interest costs between the segments	-477	-168	1 114	-9 754	9 285	0
Other financial costs	-2 874	-2 146	-936	-33 941	-14 788	-54 684
Net financial profit	**-9 133**	**-2 450**	**-630**	**-83 538**	**-17 874**	**-113 625**
PROFIT BEFORE TAX	119 465	176 869	-52 141	-115 033	-22 122	107 038

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2013 *Figures in NOK 1 000*	**Spirits**	**Wine**	**Distribution**	**Other**	**Eliminations/ reclassifications**	**Group**
Sales revenues – external	747 316	1 132 622	276 950	11 963	-2 207	2 166 644
Sales revenues between the segments	2 473	17 528	-20 001	0	0	0
Other operating revenues – external	53 041	25 505	20 149	4	2 862	101 561
Other operating revenues between the segments	84 669	1 491	9 619	166 448	-262 227	0
Net profit on sale of fixed assets	0	0	0	0	0	0
Total income	**887 499**	**1 177 146**	**286 717**	**178 415**	**-261 572**	**2 268 205**
Cost of sales	-394 418	-816 278	0	0	77 123	-1 133 573
Salaries and other personnel costs	-116 820	-66 878	-166 038	-60 602	0	-410 338
Depreciation and amortisation	-27 335	-1 100	-13 125	-5 046	-4 540	-51 146
Write-downs	0	0	0	0	0	0
Other operating expenses	-219 880	-99 157	-183 772	-141 279	177 026	-467 062
Share of profit from AC and JCE	9 919	814	0	0	0	10 733
Operating profit before other income and expenses	**138 965**	**194 547**	**-76 218**	**-28 512**	**-11 963**	**216 819**
Other income and expenses	-2 498	-2 832	-5 825	2 212	0	-8 943
Operating profit	**136 467**	**191 715**	**-82 043**	**-26 300**	**-11 963**	**207 876**
Interest income	3 472	1 255	3 028	1 340	0	9 095
Interest income between the segments	1 760	0	823	12 929	-15 512	0
Other financial income	591	203	0	6 768	15 125	22 687
Interest costs	-5 550	-267	-2 865	-78 800	-2 686	-90 168
Interest costs between the segments	0	-336	0	-15 176	15 512	0
Other financial costs	-6 037	-3 642	-2 191	-111 920	7 359	-116 431
Net financial profit	**-5 764**	**-2 787**	**-1 205**	**-184 859**	**19 798**	**-174 817**
PROFIT BEFORE TAX	130 703	188 928	-83 248	-211 159	7 835	33 059

The Group does not present the segments' assets or liabilities as this is not part of the Group's internal reporting either.

For information regarding pricing associated with sales between the segments, see Note 6.

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Sales revenues by geographical market:	2015	2014	2013
Norway	955 519	1 002 592	991 081
Sweden	946 403	890 978	836 901
Finland	166 386	29 751	27 734
Denmark	99 043	100 310	113 714
Germany	77 641	69 431	60 993
USA	17 271	9 862	26 937
DFTR	93 210	103 670	109 284
Other international	9 768	1 823	0
Total net sales revenues	**2 365 242**	**2 208 417**	**2 166 644**

Significant customer relationships
The Group has significant customer relationships with Vinmonopolet in Norway and Systembolaget in Sweden, which each represent more than 10 per cent of the Group's total operating revenues.

Total net sales from Vinmonopolet was approximately NOK 694 million in 2015, of which NOK 293 million in Spirits and NOK 401 million in Wine. In 2014 the corresponding total was approximately NOK 681million, of which NOK 298 million in Spirits and NOK 383 million in Wine. In 2013 the corresponding total was approximately NOK 672 million, of which NOK 318 million in Spirits and NOK 354 million in Wine.

Total net sales from Systembolaget was approximately NOK 874 million in 2015, of which NOK 90 million in Spirits and NOK 784 million in Wine. In 2014 the corresponding total was approximately NOK 810 million, of which NOK 70 million in Spirits and NOK 740 million in Wine. In 2013 the corresponding total was approximately NOK 744 million, of which NOK 51 million in Spirits and NOK 693 million in Wine.

Other operating revenues
Other operating revenues consists primarily of revenues other than the primary source of income. For the Spirits segment this consists mainly of contract bottling, and for the Wine segment glass sales, while for the Distribution segment this consists mainly of other activity-based income, including pallet location hire, export handling, controlled handling and quarter pallet production.

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NOTE 6 TRANSACTIONS WITH RELATED PARTIES

In addition to subsidiaries and associated companies, the Group's related parties are defined as the owners, all members of the Board of Directors and Group executive management, as well as companies in which any of these parties have either controlling interests, Board appointments or managerial positions.

The Group's transactions with related parties:

Purchase of goods and services:

Figures in NOK 1 000	Relationship	Delivery	2015	2014	2013
Hoff SA	Owner (10%)	Raw materials	25 173	17 283	22 360
Tiffon SA	Associated company (34%)	Finished goods	65 729	63 825	75 670
Det Danske Spiritus Kompagni A/S	Jointly controlled entity (50%)	Leased offices, licences	2 727	679	322
Total purchase of goods and services			**93 629**	**81 787**	**98 352**

Sales of goods and services:

Figures in NOK 1 000	Relationship	Delivery	2015	2014	2013
Tiffon SA	Associated company (34%)	Market support	4 071	1 151	3 140
Det Danske Spiritus Kompagni A/S	Jointly controlled entity (50%)	Sales of finished goods	137 725	119 690	110 368
Total sales of goods and services			**141 796**	**120 841**	**113 508**

Receivables from related parties as at 31.12.:

Figures in NOK 1 000	Relationship	Nature of receivable	2015	2014	2013
Tiffon SA	Associated company (34%)	Current receivables	0	0	1 258
Det Danske Spiritus Kompagni A/S	Jointly controlled entity (50%)	Current receivables	18 869	20 462	21 694
Total receivables from related parties as at 31.12.:			**18 869**	**20 462**	**22 952**

Liabilities to related parties as at 31.12.:

Figures in NOK 1 000	Relationship	Nature of liability	2015	2014	2013
Hoff SA	Owner (10%)	Current liabilities	4 396	2 153	1 425
Tiffon SA	Associated company (34%)	Current liabilities	16 756	1 162	14 495
Det Danske Spiritus Kompagni A/S	Jointly controlled entity (50%)	Current liabilities	120	117	0
Total liabilities to related parties as at 31.12.:			**21 272**	**3 432**	**15 920**

All transactions with related parties are on market terms.

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Transactions between Group companies:
Agreements have been reached between the companies in the Group on the cost distribution for internal services and joint procurement. This applies chiefly to rent, maintenance and property service functions, as well as shared functions such as finance, IT, payroll, etc. The services are recognised in the various companies' accounts as other income and other operating expenses, respectively.

All buying and selling of goods and services between the companies takes place on market terms and is eliminated in the consolidated financial statements.

NOTE 7 OTHER OPERATING EXPENSES

Figures in NOK 1 000	2015	2014	2013
Sales and advertising costs	-145 111	-163 568	-153 731
Logistics costs	-52 397	-60 815	-64 085
Rent	-82 763	-82 998	-78 457
Maintenance costs	-31 248	-37 975	-54 015
Other costs associated with premises	-24 703	-22 958	-26 847
Office materials and administrative costs	-7 733	-8 394	-8 365
Travel expenses	-16 637	-17 007	-15 107
Insurance	-3 328	-3 143	-3 798
Consultants and external outsourcing of services	-61 241	-55 223	-65 707
Other costs	-15 691	-3 998	-3 658
Total other operating expenses	**-440 852**	**-456 080**	**-473 770**
Of which non-recurring items and restructuring costs, which are included in Other income and expenses in the financial statements	14 724	11 437	6 708
Total other operating expenses as presented in the statement of income	**-426 128**	**-444 643**	**-467 062**

Other income and expenses:
Other income and expenses comprises significant positive and negative non-recurring items and restructuring costs. The main purpose of this item is to show these significant non-recurring and non-periodic items, so that the development and comparability of the ordinary items presented in the statement of income are more relevant for the activities.

Figures in NOK 1 000	2015	2014	2013
Personnel policy and other organisational measures[1]	-18 713	-14 428	-7 918
Other non-recurring items[2]	2 206	20 298	-1 025
Total other income and expenses	**-16 507**	**5 870**	**-8 943**

1) **Personnel policy and other organisational measures:** In 2015, an organisational and staffing adjustment was required in order to meet restructuring needs, including new work processes and improved profitability. During this change process, the Group offered a range of personnel policy measures to its employees in order to fulfil the new framework conditions without compulsory downsizing. In 2014, the personnel policy and organisational measures were mainly related to provisions for reorganisational activities associated with moving production in Aalborg to Gjelleråsen, which took place in 2015.
2) **Other non-recurring items:** In 2015, other non-recurring items consisted of both positive and negative items. Positive items were related to the profit on the sale of fixed assets following the closure of the factory in Aalborg, as well the sale of holiday cabins by the parent company. Negative items were related to external assistance and provisions required when environmental contamination was discovered on the site at Haslevangen which ArcusGruppen sold in 2007. Whether or not ArcusGruppen will have to cover any of the cost of the above is uncertain.
Other non-recurring items in 2014 related primarily to positive estimate effects resulting from the introduction of new full costing calculations, costs related to the discontinuation of the Vikingfjord distribution agreement in the USA, and costs associated with the withdrawal of Fireball products from the Norwegian and Swedish markets in the autumn of 2014.
In 2013, other non-recurring costs were mainly related to the non-recurring items associated with the acquisition of De Danske Spritfabrikker.

NOTE 8 SALARIES AND OTHER PERSONNEL COSTS

Figures in NOK 1 000	2015	2014	2013
Salaries including holiday pay	-271 214	-265 478	-265 479
Social security costs	-59 480	-62 046	-60 549
Pension costs including social security costs	-29 654	-31 427	-28 179
Other personnel costs	-38 666	-32 634	-64 049
Total salaries and other personnel costs	**-399 014**	**-391 585**	**-418 256**
Of which non-recurring items and restructuring costs, which are included under Other income and expenses in the statement of income (see Note 7)	18 713	14 428	7 918
Total salary and personnel cost as presented in the statement of income	**-380 301**	**-377 157**	**-410 338**
Average FTEs employed during the year	408	442	448

Remuneration to senior executives	CEO	Other senior executives	Board of Directors
Salaries	6 160	18 695	0
Pension costs	819	1 478	
Other remuneration	80	2 385	

Remuneration to the Group CEO includes payments to both the current and the former Group CEO. The current Group CEO took up his position in mid-August 2015, and remuneration to the Group CEO thus includes payments for the corresponding period. Remuneration to the current Group CEO also includes a bonus provision of NOK 1.0 million which will be paid in 2016.

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In addition to his salary, the Group CEO has a bonus agreement which, under certain conditions, will release payment of up to five months' salary. No payment was made under this agreement in 2015. The Group CEO is also entitled to a one-off bonus for 2015 which will release a payout of NOK 1 million in 2016. In addition to an ordinary occupational pension with Storebrand, which entails 5 per cent pension contributions for salaries of 1-7G and 8 per cent for salaries of 7-12G, the Group CEO has a supplementary pension agreement that gives pension earnings of 15 per cent of salaries above 12G. This pension entitlement is capitalised annually in the consolidated statement of financial position and the return is based on the return from the Storebrand Balansert pension fund.

On resignation, the Group CEO is subject to a six months' notice period. In the event of termination by the Group, the Group CEO is entitled to a 12 months' notice period.

No loans or surety are provided for the Group CEO or members of the Board of Directors.

The other members of the Group's executive management participate in the bonus scheme and have personal agreements which, under certain conditions, may release payments with an upper limit of four months' salary.

A market-based synthetic share and option scheme for executive management and Board members is described in Note 20.

Determination of salaries and other remuneration to senior executives
The main principle of the Group's executive remuneration policy is that executive pay should be competitive, motivational and comprehensible. Remuneration is made in the form of salary, bonus, pension, severance pay and other benefits that are customary for positions of this kind.

The terms and conditions for the Group CEO are set by the Board of Directors. For other members of Group management, the terms and conditions are set by the Group CEO.

Auditors' remuneration
The auditors' fees are specified below. The fees cover the Group auditor, EY, as well as other auditors of Group subsidiaries.

Figures in NOK 1 000	2015	2014	2013
Statutory audit	2 431	2 519	2 264
Other financial audit	92	101	353
Other certification services	48	88	33
Tax advisory services	667	488	485
Non-audit services	0	215	1 842
Total remuneration to the auditors	**3 238**	**3 411**	**4 977**

All amounts are exclusive of VAT.

Total audit fees for the Group include fees to parties other than the Group auditor of TNOK 1,290 for 2015, TNOK 1,722 for 2014 and TNOK 911 for 2013.

NOTE 9 PENSION COSTS, ASSETS AND OBLIGATIONS

Defined benefit pension plan
Up until 31 December 2008, ArcusGruppen and its subsidiaries had a group defined benefit plan for their employees in Statens Pensjonskasse (the Norwegian Public Service Pension Fund – SPK) and Storebrand. The SPK pension plan also included a contractual early retirement plan (AFP) with financing from the commencement of employment. From 31 December 2008, the ArcusGruppen Board of Directors terminated the SPK group pension plan for the entire Group in order to switch to defined contribution plans.

With the transition to the new pension plan, all those who were ill or disabled remained in the respective defined benefit plans. Statens Pensjonskasse has confirmed that ArcusGruppen no longer has any legal obligations associated with the remaining pension recipients who are linked to the SPK defined benefit plan, but is only obliged to pay annual premium contributions specified by SPK, according to the same principle as for defined contribution plans. The Group therefore takes the current invoices from SPK to expenses in the same way as for the defined contribution plan. Within the pension obligation as at 31 December 2015, a provision of NOK 3.8 million is linked to five individuals in the Storebrand defined benefit plan. This is the only pension obligation secured with assets.

In addition, two individuals, who are no longer employed by the company, have a defined benefit plan for salaries above 12 G (National Insurance base amount). This plan has been recognised with obligations totalling NOK 4.2 million at the end of 2015.

On the transition to the defined contribution plan in 2009, there were individual employees who had previously been with SPK who would disadvantaged in the event of early retirement at 65-67 years of age. To compensate for this, it was agreed that a gift pension would be paid to all employees who were with SPK before the transition. As at 31 December 2015 this gift pension is linked to 257 employees in the Norwegian operations, while the total obligation has been recognised at NOK 13.4 million.

The Group CEO has an unfunded pension arrangement in which the pension entitlement earned is 15 per cent of the salary above 12G. At the end of 2015, this obligation was recognised at NOK 0.1 million. The former Group CEO has an unfunded pension arrangement in which the pension entitlement earned is based on the same earning principles as are currently applicable to the Swedish pension plan for "collectively agreed pension plans through the ITP plan". As at 31 December 2015, this obligation was recognised at NOK 40 million.

Contractual early retirement plan pension (AFP)
On 1 January 2011, a new contractual early retirement plan (AFP) pension act was introduced in Norway, in which the Norwegian companies within the Group participate. At the same time, the old plan was terminated. The old AFP plan was a joint Norwegian Confederation of Trade Unions (LO)/Confederation of Norwegian Enterprise (NHO) plan which meant that all employees could choose to take early retirement as from the age of 62. On the discontinuation of the old AFP plan, it became apparent that there was substantial underfunding of the plan. The member companies have to redress this underfunding by continuing to pay

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premiums for five years after the discontinuation of the plan, with the last premium payment in 2015. At the end of 2015, the Group no longer had any provisions for this underfunding.

As a replacement for the old AFP plan, from 1 January 2011, a new AFP plan was established. Unlike the old scheme, the new AFP plan is not an early retirement plan but a scheme that provides a lifelong supplement to the ordinary pension. Employees can choose to take out the new AFP pension as from the age of 62, also while continuing to work, and add additional earnings by working up to the age of 67. This new AFP plan is a defined benefit multi-enterprise pension scheme, and is financed through premiums that are set as a percentage of salary. So far no reliable measurement and allocation of obligations and assets is available for the plan. In accounting terms, the plan is treated as a defined-contribution pension plan in which premium payments are charged as current costs and no provisions are made in the financial statements. In 2015, the current premium payments were set at 2.40 per cent of total salary-payments between 1 G and 7.1 G to the Group's employees, while in 2014 this figure was 2.2 per cent. For 2016, it has been decided to increase the premium payments to 2.50 per cent. There is no accumulation of funds in the plan and it is expected that the premium level will increase over the coming years.

There are some seniority requirements associated with the new AFP plan with regard to accumulated length of employment in the scheme. This means that on reaching the age of 62, the individual employee must have been employed for seven of the previous nine years in order to meet the seniority requirements to be able to draw an AFP pension under the new scheme. For ArcusGruppen there were 17 individuals who did not fulfil this seniority requirement on the introduction of the new AFP plan. In 2011, ArcusGruppen applied for these individuals to have their accumulated period of employment in the old AFP plan in SPK included before transition to the LO/NHO (Norwegian Confederation of Trade Unions/ Confederation of Norwegian Enterprise) plan from 1 January 2009. Fellesordningen (Joint Pension Plan) gave its consent to this in return for ArcusGruppen paying the entire excess above and beyond the state supplement of 1/3 of the AFP pension. As at 31 December 2015, this relates to a residual obligation for seven people and the obligation is recognised at NOK 5.3 million.

Defined contribution pension
ArcusGruppen's ordinary pension plan for all other Norwegian employees is a defined contribution pension plan with Storebrand. The contribution rate is 5 per cent of salary in the bracket from 1 to 6 times the National Insurance basic amount (G), and 8 per cent of salary in the bracket from 6 to 12 times the National Insurance basic amount (G). In addition, there is a private disability plan with a 66 per cent benefit level, without free policy accumulation. The child and dependent supplement to ArcusGruppen's group life plan is a replacement for the previous spouse and child pension.

The costs associated with the defined contribution pension are related to the current premium invoices from the insurance company with which ArcusGruppen has signed a defined contribution pension agreement. The current defined contribution pensions and disability pensions for employees in the defined contribution plan are adjusted annually on the basis of the pension fund's surplus. Employees in the defined contribution plan who have become disabled are entitled to have their disability obligations regulated by the same adjustment as the basic amount (G) each year and the capitalised obligation related to this was NOK 4.9 million at the end of 2015.

The Norwegian Act on defined contribution schemes and rules governing disability pensions has been amended, making it necessary for the Group's pension schemes to be adapted to the new regulations in the course of 2016. As a result of the tariff revision of 2014, a joint committee was appointed to examine, among other issues, the contribution rates and to make any necessary adjustments. The committee submitted its report in December 2015 and its conclusions formed the basis for the amendments that were adopted in April 2016. These amendments resulted in a 5 per cent contribution rate for salaries in the 0-7.1G interval and an 11 per cent rate for salaries in the 7.1-12G interval, to take effect from 1 June 2016.

Other matters
The Group applies a discount rate equivalent to the covered bond interest rate to its pension commitments. This is in line with the recommendations of the Norwegian Accounting Standards Board. The pension assumptions made by the Group are consistent with the recommendations of the Accounting Standards Board from September 2015.

Summary of cash flows related to pension plans

Figures in NOK 1 000	2015	2014	2013
Premium payments, old AFP plan recognised in the statement of financial position	438	533	998
Premium payments, Storebrand defined benefit plan recognised in the statement of financial position	604	435	600
Payments from operations, gift pension at 65-67 years of age	105	304	0
Premium payments, new AFP plan not recognised in the statement of financial position	4 191	3 626	3 353
Company share, AFP obligation linked to insufficient seniority in the new plan recognised in the statement of financial position	0	0	461
Premium payments, remaining in SPK	156	163	214
Premium payments, defined contribution pension	24 136	22 047	21 141
Total	**29 630**	**27 108**	**26 767**

All figures include social security costs.

Premium payments associated with the ordinary defined contribution pension and the new AFP pension are the largest disbursement items associated with pensions. The basis for the premium payments to the defined contribution plan is calculated according to the actual salaries and will reflect the salary development within the company.

Premium payments to the new AFP plan are also calculated on the basis of actual salaries, in addition to how the premium rate is expected to increase in the years ahead. In 2015, the premium rate was 2.40 per cent and this will increase to 2.50 per cent in 2016.

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Figures in NOK 1 000

Pension costs	**2015**	**2014**	**2013**	**01.01.13**
Present value of pension earnings for the year	1 419	3 068	1 267	1 745
Interest cost of pension obligations	1 421	1 570	1 515	1 060
Return on pension assets	-265	-373	-422	-496
Administration costs	166	140	0	0
Recognised estimation loss/(profit)	0	0	0	-5 915
Accrued social security contributions	393	698	348	323
Extraordinary provisions	0	0	0	424
Effect of curtailment or settlement	0	0	0	-553
Net pension costs after social security contributions	**3 134**	**5 103**	**2 708**	**-3 412**
Defined contribution pension plan				
Recognised contributions excluding social security contributions	26 520	26 324	25 471	18 854

Net pension obligations:	**2015**	**2014**	**2013**	**01.01.13**
Estimated accrued obligations, funded pension plans	13 918	14 924	14 483	12 993
Estimated value of pension assets	-10 070	-8 824	-9 076	-10 811
Net estimated pension obligations (-)/assets (+), funded pension plans	**3 848**	**6 100**	**5 407**	**2 182**
Estimated accrued obligations, non-funded pension plans	32 054	34 344	30 423	27 206
Net estimated pension obligations (-)/assets (+)	**35 902**	**40 444**	**35 830**	**29 388**
Non-recognised estimate changes and deviations	-	-	-	105
Net pension assets/(obligations) recognised in the statement of financial position	**35 902**	**40 444**	**35 830**	**29 493**
Changes in obligations:				
Net pension obligations 01.01	40 444	35 830	29 493	38 143
Pension costs, continued operations	3 134	5 103	2 708	-3 412
Premium payments including SSC	-1 274	-1 272	-2 074	-5 238
Estimate deviations recognised directly in equity (IAS19R)	-6 402	783	5 703	0
Net pension obligations 31.12.	**35 902**	**40 444**	**35 830**	**29 493**
Summary of pension assets:				
Shares and other equity instruments	10 070	8 824	9 076	10 811
Total pension assets 31.12.	**10 070**	**8 824**	**9 076**	**10 811**

Financial assumptions:				
Discount rate	2.50%	3.00%	4.10%	3.90%
Expected salary adjustment	2.50%	3.00%	3.50%	3.25%
Expected pension increase	1.50%	2.25%	2.75%	2.50%
Expected adjustment of the National Insurance basic amount (G)	2.25%	3.00%	3.50%	3.25%
Expected return on pension assets	2.50%	3.00%	4.10%	3.90%
Actuarial and demographic assumptions				
Withdrawal rate at 62 years	50%	50%	50%	50%
Withdrawal rate at 67 years	50%	50%	50%	50%
Mortality	K2013	K2013	K2013	K2005
Disability	K1963	K1963	K1963	K1963
Voluntary retirement (under 50 years)	5%	5%	5%	5%
Voluntary retirement (under 50 years)	0%	0%	0%	0%

The actuarial assumptions are based on commonly used assumptions within the insurance industry with regard to demographic factors.

The Group's pension plans satisfy the statutory requirements concerning mandatory occupational pension schemes.

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Sensitivity analysis of net pension obligations:
The table below shows the effects of changes in pension obligations, deferred tax assets and equity in the event of a change in the most important economic assumptions by one percentage point up or down. The calculations are otherwise carried out in the same way as the actuarial calculations and are based on all other economic and demographic assumptions remaining unchanged.

Sensitivity 2015	Discount rate		Salary growth		Adjustment of NI basic amount (G)	
Change in percentage points	**1%**	**-1%**	**1%**	**-1%**	**1%**	**-1%**
Change in pension obligations	-3 980	4 731	7 681	-6 358	-3 279	3 314
Change in deferred tax assets	-995	1 183	1 920	-1 590	-820	828
Change in equity	2 985	-3 549	-5 761	4 769	2 459	-2 485
Percentage change in obligations	**-11.1%**	**13.2%**	**21.4%**	**-17.7%**	**-9.1%**	**9.2%**

Sensitivity 2014	Discount rate		Salary growth		Adjustment of NI basic amount (G)	
Change in percentage points	**1%**	**-1%**	**1%**	**-1%**	**1%**	**-1%**
Change in pension obligations	-4 141	5 099	3 816	-3 125	-2 390	2 458
Change in deferred tax assets	-1 118	1 377	1 030	-844	-645	664
Change in equity	3 023	-3 722	-2 786	2 281	1 745	-1 795
Percentage change in obligations	**-10.2%**	**12.6%**	**9.4%**	**-7.7%**	**-5.9%**	**6.1%**

NOTE 10 FINANCIAL INCOME AND COSTS

Figures in NOK 1 000	2015	2014	2013
Financial income			
External interest income	9 859	16 066	9 095
Total interest income	**9 859**	**16 066**	**9 095**
Value adjustment of liabilities at fair value	10 120	11 082	3 380
Value adjustment of interest rate swap agreements at fair value	3 792	0	15 810
Value adjustment of forward foreign exchange contracts at fair value	0	3 238	3 497
Value adjustment of incentive programme	7 504	0	0
Other financial income	94	0	0
Total other financial income	**21 510**	**14 320**	**22 687**
Total financial income	**31 369**	**30 386**	**31 782**
Financial costs			
Interest costs to financial institutions	-76 887	-86 863	-84 184
Interest costs to shareholders	0	0	-3 298
Interest costs on liabilities at fair value	-918	-2 464	-2 686
Total interest costs	**-77 805**	**-89 327**	**-90 168**
Value adjustment of interest rate swap agreements at fair value	0	-15 117	0
Value adjustment of foreign exchange forward contracts at fair value	-3 181	0	0
Value adjustment of incentive programme	0	-302	-11 327
Net agio loss	-22 826	-23 501	-64 678
Other financial costs	-28 183	-15 764	-40 426
Total other financial costs	**-54 190**	**-54 684**	**-116 431**
Total financial costs	**-131 995**	**-144 011**	**-206 599**
Net financial profit/loss	**-100 626**	**-113 625**	**-174 817**

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NOTE 11 TAX

Tax for the year is calculated as follows:

Figures in NOK 1 000	**2015**	**2014**	**2013**
Tax payable	-55 641	-66 408	-75 752
Change in deferred tax	36 872	46 876	85 333
Insufficient provision in previous years	1 440	2 014	0
Tax	**-17 329**	**-17 518**	**9 581**

Tax breakdown by country:	**2015**	**2014**	**2013**
Tax - Norway	10 062	22 793	44 282
Tax - Sweden	-27 091	-26 622	-28 942
Tax - Denmark	2 946	-11 963	-4 460
Tax - Finland	-2 020	-698	-901
Tax - Germany	-1 226	-1 028	-398
Total tax	**-17 329**	**-17 518**	**9 581**

Reconciliation from nominal to actual tax rates:	**2015**	**2014**	**2013**
Pre-tax profit	101 717	107 038	33 059
Expected income tax at the nominal tax rate in the respective tax regimes	-27 464	-28 900	-9 257
Tax effect of the following items:			
Non-deductible costs	-4 776	-2 052	-1 681
Non-taxable income	5 916	2 395	11 959
Insufficient provision in previous years	579	2 096	0
Change in non-capitalised tax assets	0	47	0
Change in tax rate	-1 263	-287	-5 167
Differences in tax rates	8 339	6 900	9 948
Profit share, associated companies	1 230	2 213	2 685
Other	110	70	1 094
Tax	**-17 329**	**-17 518**	**9 581**
Effective tax rate	**17%**	**16%**	**-1%**

Tax on items in OCI

Tax on items in OCI are entirely due to changes in deferred tax associated with pension obligations in Norway.

Tax payable by country in the statement of financial position	**2015**	**2014**	**2013**	**01.01.13**
Tax liability to Norway	6 672	7 085	7 588	17 530
Tax liability to Sweden	-7 658	-2 484	7 323	6 643
Tax liability to Denmark	13 410	11 347	36 603	0
Tax liability to Finland	397	-27	692	22
Tax liability to Germany	683	388	-1 652	0
Total tax liabilities payable	**13 504**	**16 309**	**50 554**	**24 195**

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Specification of tax effect of temporary differences and deficit carried forward:

	2015		2014		2013		01.01.2013	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Tangible fixed assets	3 953	-954	6 383	-1 102	5 455	-1 200	4 771	93
Intangible fixed assets	-51 079	98 939	-56 437	105 817	-57 663	98 060	-61 069	0
Financial assets	-2 612	0	20 644	0	8 358	0	7 738	0
Inventories	-8 327	-278	-7 509	0	1 541	158	1 814	23
Trade receivables	1 796	0	2 000	0	2 121	0	2 189	0
Pension obligations	8 631	0	10 718	0	9 530	0	8 058	0
Provisions	14 506	-1 145	17 831	-2 007	22 027	0	22 439	0
Profit and loss account	-1 276	0	-182	0	-230	0	-398	8 449
Deficit carried forward	196 778	0	155 035	0	129 595	0	80 952	0
Total deferred tax, gross	**162 370**	**96 562**	**148 483**	**102 708**	**120 734**	**97 018**	**66 494**	**8 565**
Unrecognised deferred tax assets	0	0	0	0	0	0	0	0
Net deferred tax in the statement of financial position	**162 370**	**96 562**	**148 483**	**102 708**	**120 734**	**97 018**	**66 494**	**8 565**

At the end of the year, the Group had NOK 196.8 million in capitalised deferred tax assets associated with the deficit carried forward. Based on the Group's strategic plans and current long-term plans for companies in the tax group, the Board of Directors and executive management expect that the deferred tax assets can be utilised.

Deferred tax positions are calculated on the basis of local tax rates in the respective countries on the reporting date. At the end of 2015, the rates were 25 per cent in Norway, 22 per cent in Sweden, 23.5 per cent in Denmark and 20 per cent in Finland.

At the end of 2015, deferred tax assets were associated with net negative temporary differences for the tax regime in Norway, while deferred tax liabilities were linked to net positive temporary differences for the tax regimes in Denmark and Sweden.

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NOTE 12 TANGIBLE FIXED ASSETS

Figures in NOK 1 000	Land, buildings and other real estate	Machinery and equipment	Fixtures and fittings, tools, office equipment, etc.	Assets under construction	Total tangible fixed assets
Acquisition cost as at 01.01.2013	**1 626**	**530 254**	**110 348**	**5 708**	**647 936**
Addition of property, plant and equipment	0	6 004	9 037	4 672	19 713
Addition of property, plant and equipment via financial leases	0	7 314	0	0	7 314
Acquisition of activities	121 933	76 858	1 958	0	200 749
Reclassifications	0	4 473	-4 678	-10 180	-10 385
Disposal at cost (sale of tangible fixed assets)	-105 739	-36 360	-51 572		-193 671
Translation differences	7 965	11 750	824	14	20 553
Acquisition cost as at 01.01.2014	**25 785**	**600 293**	**65 917**	**214**	**692 209**
Addition of property, plant and equipment	0	1 376	6 794	17 250	25 420
Transferred from facilities under construction	0	0	213	-213	0
Reclassifications	0	-3 829	0	3 829	0
Disposal at cost (sale of tangible fixed assets)	0	-3 441	-160	0	-3 601
Disposal at cost (sale of business)	0	0	-150	0	-150
Translation differences	1 911	4 609	289	0	6 809
Acquisition cost as at 01.01.2015	**27 696**	**599 008**	**72 903**	**21 080**	**720 687**
Addition of property, plant and equipment	0	6 861	527	58 331	65 719
Transferred from facilities under construction	0	1 973	0	-1 973	0
Acquisition of activities	0	0	720	0	720
Reclassifications	0	-43 135	15 100	-10 021	-38 056
Disposal at cost (sale of tangible fixed assets)	-27 415	-63 320	-2 965	0	-93 700
Disposal at cost (sale of business)	0	0	-13	0	-13
Translation differences	-281	-395	92	0	-584
Acquisition cost 31.12.2015	**0**	**500 992**	**86 364**	**67 417**	**654 773**

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Figures in NOK 1 000	Land, buildings and other real estate	Machinery and equipment	Fixtures and fittings, tools, office equipment, etc.	Assets under construction	Total tangible fixed assets
Accumulated depreciation 01.01.2013	**0**	**-172 271**	**-71 446**	**0**	**-243 717**
Acquisition of activities	-38 179	-73 302	-1 773	0	-113 254
Ordinary depreciation	-523	-36 540	-6 563	0	-43 626
Write-downs	0	0	0	0	0
Disposal, accumulated depreciation (sale of tangible fixed assets)	29 587	36 360	51 572	0	117 519
Reclassifications	0	0	1 746	0	1 746
Translation differences	-3 561	-11 357	-719	0	-15 637
Accumulated depreciation 01.01.2014	**-12 676**	**-257 110**	**-27 183**	**0**	**-296 969**
Ordinary depreciation	-561	-34 005	-8 437	0	-43 003
Disposal, accumulated depreciation (sale of tangible fixed assets)	0	3 441	160	0	3 601
Disposal, accumulated depreciation (sale of business)	0	0	131	0	131
Reclassifications	-7 248	7 598	-350	0	0
Translation differences	-1 642	-4 154	-241	0	-6 037
Accumulated depreciation 01.01.2015	**-22 127**	**-284 230**	**-35 920**	**0**	**-342 277**
Acquisition of activities	0	0	-360	0	-360
Ordinary depreciation	-301	-29 371	-6 553	0	-36 225
Write-downs	-2 399	0	-181	0	-2 580
Disposal, accumulated depreciation (sale of tangible fixed assets)	24 589	61 825	2 936	0	89 350
Reclassifications	0	34 960	-20 645	0	14 315
Translation differences	238	699	-41	0	896
Accumulated depreciation 31.12.2015	**0**	**-216 117**	**-60 764**	**0**	**-276 881**
Book value as at 31.12.2015	**0**	**284 875**	**25 600**	**67 417**	**377 892**
Of which book value of capitalised leases	0	209 467	0	0	209 467
Ordinary depreciation for the year – capitalised leases	0	-16 386	0	0	-16 386
Book value of capitalised interest costs	0	3 982	0	0	3 982
Annual leasing fee for non-capitalised tangible fixed assets	80 058	4 398	243	0	84 699

Both the parent company and Group use straight-line depreciation for all property, plant and equipment.
The economic life of property, plant and equipment is estimated as follows:

* Machines, vehicles and plant	3-15 years
* Office machinery and inventory	4-10 years
* Land, buildings and other real estate	0 years

No indications of impairment or a need to adjust the useful lives of assets were identified during the period.

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NOTE 13 INTANGIBLE ASSETS

Figures in NOK 1 000	Goodwill	Brands	Software	Total
Acquisition costs 01.01.2013	**601 333**	**251 927**	**45 571**	**898 831**
Addition of intangible assets	0	0	3 708	3 708
Acquisition of business	300 529	415 071	0	715 600
Disposal at cost	0	-74 063	0	-74 063
Reclassification	0	0	10 385	10 385
Translation differences	53 332	51 233	0	104 565
Acquisition cost 01.01.2014	**955 194**	**644 168**	**59 664**	**1 659 026**
Addition of intangible assets	0	0	5 252	5 252
Translation differences	28 454	31 026	0	59 480
Acquisition cost 01.01.2015	**983 648**	**675 194**	**64 916**	**1 723 758**
Addition of intangible assets	0	4 212	8 997	13 209
Acquisition of business	24 692	0	0	24 692
Reclassification	0	0	38 056	38 056
Translation differences	33 842	26 851	0	60 693
Acquisition cost 31.12.2015	**1 042 182**	**706 257**	**111 969**	**1 860 408**
Accumulated depreciation 01.01.2013	**0**	**-25 035**	**-44 681**	**-69 716**
Ordinary depreciation	0	0	-2 519	-2 519
Amortisation	0	-4 980	0	-4 980
Reclassification	0	0	-1 746	-1 746
Accumulated depreciation 01.01.2014	**0**	**-30 015**	**-48 946**	**-78 961**
Ordinary depreciation	0	0	-3 506	-3 506
Amortisation	0	-4 980	0	-4 980
Accumulated depreciation 01.01.2015	**0**	**-34 995**	**-52 452**	**-87 447**
Ordinary depreciation	0	0	-9 360	-9 360
Amortisation	0	-5 536	0	-5 536
Write-downs	0	0	-1 800	-1 800
Reclassification	0	0	-14 315	-14 315
Translation differences	0	-37	0	-37
Accumulated depreciation 31.12.2015	**0**	**-40 568**	**-77 927**	**-118 495**
Book value 31.12.2015	**1 042 182**	**665 689**	**34 042**	**1 741 913**
Of which capitalised value of assets with indefinite useful lives	1 042 182	626 743	0	1 668 925
Economic life of intangible assets with identifiable useful lives		10-19 years	3-10 years	
Depreciation plan		Straight line	Straight line	

Impairment testing

Goodwill is allocated to the Group's cash-generating units and is tested for impairment annually, or more often if there are indicators that the values may have been subject to impairment. Testing for impairment involves determining the recoverable amount for the cash-generating unit The recoverable amount is determined by discounting expected cash flows, based on the cash-generating unit's Board-approved business plans. The cash-generating unit is the lowest level at which it is possible to monitor operations which include the relevant goodwill. At the end of 2015, cash-generating units relating to impairment testing of goodwill are defined both at the company and business area levels. The same is carried out for brands with indefinite useful lives. The cash-generating unit for impairment testing of brands is the brand itself.

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The table below shows the Group's intangible assets with indefinite useful lives (goodwill and brands) by cash-generating unit.

Figures in NOK 1 000	Currency	Segment	Goodwill	Brands	Total
Cash-generating unit					
Norwegian brands	NOK	Spirits	0	211 782	211 782
Danish brands	DKK	Spirits	0	449 721	449 721
Swedish brands	SEK	Spirits	0	4 186	4 186
Spirits segment	DKK	Spirits	396 338	0	396 338
Spirits segment	NOK	Spirits	380 410	0	380 410
Vingruppen i Norden AB (subgroup)	SEK	Wine	100 286	0	100 286
Social Wines Oy	EUR	Wine	27 230	0	27 230
Excellars AS	NOK	Wine	137 918	0	137 918
Total			**1 042 182**	**665 689**	**1 707 872**

In Norway, the most important strategic brands are Vikingfjord Vodka, Braastad Cognac, Løiten Linie, Lysholm Linie and Gammel Opland, the last three being aquavits. In Denmark, the most important strategic brands are Aalborg Akvavit and Gammel Dansk, which is a bitter. In Sweden, the most important strategic brand is Snälleröds.

Recoverable amount in an impairment test of goodwill:
The recoverable amount for the cash-generating units is calculated on the basis of the present value estimate of the expected cash flows before tax. The cash flows used as the basis for the impairment test are based on assumptions about future sales volume, sales prices, purchase prices for input factors, salary development and other direct costs set out in Board-approved budgets and long-term plans. The terminal value is based on the cash flow in the last forecast year (2020). The terminal value does not include assumptions about real growth but does include assumptions regarding reinvestments corresponding to expected depreciation of the entities' fixed assets.

In the impairment test related to goodwill from the acquisition in Denmark in 2013, the cash-generating unit was considered to be Arcus Denmark A/S at the time of acquisition. From 2014, this was changed to the entire Spirits segment since, as from 2015, the business in Denmark was integrated with other spirits operations in the Group.

Recoverable amount in an impairment test of brands:
The recoverable amount for the brands is calculated on the basis of a relief from royalty method before taxes, where the brand's annual royalty is estimated as future revenues of the brand multiplied by a long-term expected profit level for the relevant brands.

Cash flow estimates used are discounted using a discount rate. The discount rate used for the future cash flows is based on the Group's weighted average cost of capital (WACC). The discount rate used for both brands and goodwill is 8.3 per cent before tax, and reflects estimated risk and capital costs for the Group, based on a capital structure considered representative for the activities in which the ArcusGruppen Holding Group is engaged.

Based on impairment tests carried out, write-downs were not made in 2015.

Sensitivity
A downward adjustment of the estimated cash flows by 20 per cent or an increase in the discount rate of 2 per cent would not have resulted in write-downs.

NOTE 14 LEASING AGREEMENTS

Operational leasing
As at 31 December 2015, the Group had the following leasing agreements which are defined and recognised as operational leasing agreements. As at 31 December 2015, there were no significant terms and conditions covering subletting, acquisition, escalation or restrictions in the operational leasing agreements.

Figures in nominal NOK 1 000	Annual leasing cost	Due date within 1 year	Due date 2-5 years	Due date after more than 5 years	Total
Leased premises	80 058	79 791	317 582	1 297 752	1 695 125
Vehicles	4 398	3 379	2 518	0	5 897
Machines and office equipment	243	233	0	0	233
Total	**84 699**	**83 403**	**320 100**	**1 297 752**	**1 701 255**

This overview includes the agreement concluded with Gjelleråsen Eiendom AS on the leasing of production, distribution and administration buildings at Gjelleråsen for a term of 25 years starting on 1 January 2012. The annual rent under this agreement is TNOK 76,338.

Financial leasing
As at 31 December 2015, the Group entered into four contracts to lease equipment used at Gjelleråsen. All of the above agreements took effect on 1 June 2012 and have a duration of 15 years. This equipment was recognised in the ArcusGruppen's statement of financial position as at 31 December 2015.

Figures in nominal NOK 1 000	Annual leasing cost	Due date within 1 year	Due date 2-5 years	Due date after more than 5 years	Total
Machinery and equipment	15 373	15 373	200 181	0	215 554
Total	**15 373**	**15 373**	**200 181**	**0**	**215 554**

The contract partner for the financial leasing agreements is Nordea, and the agreements are subject to variable interest rates. The average interest rate charged in 2015 was 3.25 per cent.

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Even though, in principle, the leasing agreements have been entered into with a 15-year repayment and interest profile (annuity), the terms of the agreements are for a shorter period of time. Remaining capitalised lease liabilities will fall due in the course of the last 12 months of the agreement period. The Group and Nordea are in continuous dialogue concerning an extension of the agreements to a total maturity profile of 15 years. All changes to the agreements must be formally handled by the landlord.

The present value of future lease payments is NOK 211.5 million as at 31 December 2015, based on a discount rate equivalent to the effective interest rate on the financing in 2015.

Arcus-Gruppen AS has pledged a 100 per cent surety guarantee for all liabilities that the subsidiaries have undertaken or may undertake in connection with the signed leasing agreements. All tangible fixed assets are included in the pledged assets as security for the ArcusGruppen Holding Group's long-term bank financing; see Note 23.

NOTE 15 OTHER RECEIVABLES

Figures in NOK 1 000	2015	2014	2013	01.01.13
Long-term receivables				
Other long-term receivables	471	166	166	262
Total other long-term receivables	**471**	**166**	**166**	**262**

The Group has no receivables with a term of more than five years.

Figures in NOK 1 000	2015	2014	2013	01.01.13
Current receivables				
Prepaid costs	15 254	44 054	20 733	33 759
Fair value of forward contracts	1 153	4 358	1 105	0
Other current receivables	9 976	10 393	3 333	4 862
Total other current receivables	**26 383**	**58 805**	**25 171**	**38 621**

Figures in NOK 1 000	2015	2014	2013	01.01.13
Prepayments to suppliers				
Nominal prepayments to suppliers	71 500	64 071	101 675	101 598
Provisions for losses	-6 210	-5 813	-6 065	-6 019
Total prepayments to suppliers	**65 290**	**58 258**	**95 610**	**95 579**

Through its distribution business, Vectura purchases goods on behalf of agents and importers. Depending on the type of agreement entered into by the agent or importer, there will be instances where Vectura buys in goods on behalf of the agent or importer and where the agent or importer bears most of the risk associated with this inventory. This type of financing of inventory for individual partners is stated at nominal value less provision for expected losses, and is presented as prepayments to suppliers.

NOTE 16 INVENTORIES

Figures in NOK 1 000	2015	2014	2013	01.01.13
Raw materials	26 342	21 704	21 007	15 390
Goods in progress	98 557	87 935	69 478	55 924
Finished goods/goods for resale	284 824	311 779	242 676	191 855
Obsolescence provision	(21 506)	(24 272)	(14 092)	(14 448)
Total inventories	**388 217**	**397 146**	**319 069**	**248 721**

Cost of inventories in the statement of income comprises input costs for finished goods/goods for resale and production value at cost price for goods produced in-house. The total cost of inventories was NOK 1,395 million in 2015 (2014: NOK 1,253 million).

Increases in the book value of inventories from 2013 to 2014 are affected by an estimate change in 2014 relating to the allocation of fixed costs in the full costing calculations of production.

The Group has inventories pledged as security for liabilities; see Note 23 pledges and guarantees.

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NOTE 17 CASH AND CASH EQUIVALENTS

Figures in NOK 1 000	2015	2014	2013	01.01.13
Cash and cash equivalents in the Group's cash pool system	28 759	26 443	-9 123	171 822
Other bank deposits	161 660	148 682	157 505	191 916
Cash holdings	0	0	6	138
Total cash and cash equivalents	**190 419**	**175 125**	**148 388**	**363 876**
Credit facilities	402 093	416 303	422 249	497 640
Available liquidity	**592 512**	**591 428**	**570 637**	**861 516**

Figures in NOK 1 000	2015	2014	2013	01.01.13
Restricted bank deposits	3 005	1 971	1 220	2 122
Total restricted bank deposits	**3 005**	**1 971**	**1 220**	**2 122**

The Group has a Group cash pool system at Skandinaviska Enskilda Banken (SEB), which includes the majority of its subsidiaries; At the end of 2015, this Group cash pool system was managed by the parent company, Arcus-Gruppen Holding AS.

The joint overdraft limit in the Group cash pool system is TNOK 400,000. As at 31 December 2015, total deposits in the cash pool system amounted to TNOK 28,759 (2014: TNOK 26,443). The parent company, Arcus-Gruppen Holding AS, has pledged surety on behalf of all of its subsidiaries, linked at all times to outstanding drawings on this scheme.

In addition, the subsidiary group Vingruppen i Norden AB has a separate overdraft arrangement with a maximum credit facility of TNOK 2,093 at the end of 2015. This facility had not been utilised at the end of 2015.

The Group's exposure to interest rate risk is stated in Note 4.

Summary of bank guarantees as at 31 December:

Figures in NOK 1 000	2015	2014	2013	01.01.13
Bank guarantees for tax deduction funds	40 205	37 435	33 680	23 900
Bank guarantees for customs and duty credit facilities	15 685	14 281	6 616	13 357
Other bank guarantees	0	0	0	1 217
Total bank guarantees	**55 890**	**51 716**	**40 296**	**38 474**

NOTE 18 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital comprises:

Figures in NOK 1 000	Number of shares	Nominal value	Book value (NOK 1 000)
Shares	1 000 000	1	1 000
Total	**1 000 000**	**1**	**1 000**

Shareholder	Head office	Number of shares	Ownership and voting rights
Ratos AB	Stockholm, Sweden	833 938	83.4 %
Hoff SA	Gjøvik, Norway	98 910	9.9 %
Current and former Board and executive management		67 152	6.7 %
		1 000 000	100 %

Dividends and Group contributions

The Board of Directors has not proposed any distribution of dividends for 2015 (2014: no distribution).

Earnings per share

Basic earnings per share

Basic earnings per share are based on the profit for the year attributed to the shareholders in the parent company and a weighted average of the number of outstanding ordinary shares for the year, reduced for ordinary shares bought by the company and held as own shares.

	2015	2014	2013
Profit for the year to the owners of the parent company	64 083	62 508	14 985
Number of outstanding shares	1 000 000	1 000 000	1 000 000
Earnings per share (basic) in NOK	**64.1**	**62.5**	**15.0**

There are no instruments that would provide a basis for dilution of the average number of shares.

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NOTE 19 DEBT TO FINANCIAL INSTITUTIONS

Figures in NOK 1 000	Type of financing	Currency	Interest profile	Loan amount in foreign currency 31.12.2015	Loan amount in NOK 31.12.2015	Loan amount in NOK 31.12.2014	Loan amount in NOK 31.12.2013	Loan amount in NOK 01.01.2013
Nordea	Mortgage loan	NOK	variable	0	0	0	0	65 000
Nordea	Mortgage loan	NOK	fixed	0	0	0	0	390 000
SEB	Mortgage loan	NOK	variable	327 310	327 310	269 098	248 680	0
SEB	Mortgage loan	NOK	fixed	201 848	201 848	235 875	257 679	0
SEB	Mortgage loan	SEK	variable	248 559	260 167	236 431	252 576	0
SEB	Mortgage loan	SEK	fixed	210 973	220 826	236 430	254 999	0
Nordea	Financial leasing liability	NOK	variable	215 554	215 554	230 825	245 277	252 336
Total debt to financial institutions					**1 225 705**	**1 208 659**	**1 259 211**	**707 336**
Capitalised front-end fees					-19 997	-28 150	-32 100	0
Book value of debt to financial institutions					**1 205 708**	**1 180 509**	**1 227 111**	**707 336**

Term structure	Type of financing	Currency	Maturity 2016	Maturity 2017	Maturity 2018	Maturity 2019 or later	Total
SEB	Mortgage loan	NOK	73 723	325 435	130 000	0	529 158
SEB	Mortgage loan	SEK	83 126	358 526	39 341	0	480 993
Nordea**	Financial leasing liability	NOK	15 373	200 181	0	0	215 554
Total debt to financial institutions*			**172 222**	**884 142**	**169 341**	**0**	**1 225 705**

* Maturity in 2016 is presented as current liabilities in the statement of financial position.
** See Note 14 concerning leasing agreements for information on the term structure of annual leasing amounts.

The agreement on a mortgage loan facility contains covenants that the Group monitors continuously and reports on to the Bank on a quarterly basis.

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NOTE 20 LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Earmarked liabilities, measured at fair value through profit or loss, are related to the two factors:
1) Options for the purchase of non-controlling interests
- 1a) Estimated liability associated with the deferred purchase consideration for 28.19 per cent of the shares in the subsidiary Vingruppen i Norden AB in 2011. This was paid to the non-controlling shareholders in April 2014.
- 1b) Estimated liability to buy out non-controlling shareholders (0.63 per cent) in the subsidiary Vingruppen i Norden AB, based on the management's best estimate of the expected due date, as well as additional compensation for the 8.71 per cent stake that the majority acquired in March 2015.
- 1c) Estimated liability to buy out non-controlling shareholders (49 per cent) in the subsidiary Excellars AS, based on the management's best estimate of the expected due date.

2) Issue of synthetic shares and options in a share programme for selected executives in the Group.

Options for the purchase of non-controlling interests:
The liabilities related to options for the purchase of non-controlling interests are estimated on the basis of the pricing mechanisms applied to the purchase agreement (1a) and the shareholder agreements (1b and 1c), discounted to the close of the financial year. The most important parameter in the pricing mechanisms is the development of the share values, measured as earnings before interest and tax (EBIT) up until the estimated due date. As a basis for EBIT, the Group's budgets and long-term plans up until the expected due date have been used. The discount rate used is NIBOR with duration matched to the expected due date (0.68 per cent as at 31 December 2015).

The value changes during 2015 are associated with the changed discount rate, amended budgets and currency development, as well as the estimated due date.

Share programme for senior executives:
With regard to the liabilities related to issued synthetic shares and options, these are associated with a share programme for senior executives and Board members of ArcusGruppen. A total of 23,971 synthetic shares and 102,792 synthetic options associated with the parent company, Arcus-Gruppen Holding AS, have been issued. Of these, 5,972 synthetic options were issued in 2015 and none were derecognised. At the end of 2015, six employees in the executive management group had agreements concerning this share programme at Arcus-Gruppen Holding AS. The Group CEO has 5,970 synthetic options in this programme. The former Group CEO, who stepped down in 2015, still has 2,470 synthetic shares and 22,230 synthetic options in the programme.

In addition, there are 10,860 synthetic options in the subsidiary Vingruppen AS. This represents a reduction of 10,860 options, as 10,860 options in Vingruppen AS were converted to 52 synthetic shares in the subsidiary Vinordia AS in 2015. The conversion was made at par value.

At the beginning of the year, there were also 56,090 synthetic options relating to the subsidiary Symposium Wines AS. As the general manager of this subsidiary resigned in 2015, these options were exercised at par value.

The synthetic shares and options were issued at the estimated fair value on the issue date. The valuation on the issue date is calculated on the basis of a cash flow model in which cash flows are discounted to fair value using a discount rate corresponding to the Group's weighted average cost of capital (WACC), adjusted for a liquidity premium, but where the final value is also assessed against the pricing of comparable companies. The development in value in reporting periods between issue and settlement is calculated according to the same principles.

On settlement, the synthetic shares will result in a payment equivalent to the fair value of the actual shares in the parent company, multiplied by the number of synthetic shares. On settlement, the fair value of the shares will be observable as these will be linked to an actual transaction price.

The synthetic options are valued according to Black & Scholes and on settlement will result in a payment equivalent to any value per share beyond the exercise price, multiplied by the number of synthetic options.

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Reconciliation of earmarked liabilities, measured at fair value via profit or loss:

Figures in 1 000 (stated currency)	Minority share options	Share pro-gramme	Liability at fair value through profit or loss
Currency			
Nominal value of liability in SEK on initial recognition	76 900	0	76 900
Nominal value of liability in NOK on initial recognition	83 900	17 180	101 080
Nominal value of liability in SEK as at 31 December	18 500	0	18 500
Nominal value of liability in NOK as at 31 December	49 400	51 162	100 562

Figures in NOK 1 000			Totalt
Book value of liability 01.01.2013	**171 831**	**39 053**	**210 884**
Fair value on initial recognition 2013	0	4 482	4 482
Paid during the period 2013	0	0	0
Changes in value during the period 2013	-3 380	11 328	7 948
Interest during the period 2013	2 686	0	2 686
Recognised value of liability 31.12.2013	**171 137**	**54 863**	**226 000**
Fair value on initial recognition 2014	0	4 000	4 000
Paid during the period 2014	-23 310	0	-23 310
Changes in value during the period 2014	-11 082	303	-10 779
Interest during the period 2014	2 464	0	2 464
Recognised value of liability 31.12.2014	**139 209**	**59 166**	**198 375**
Fair value on initial recognition 2015	0	2 000	2 000
Paid during the period 2015	-62 170	-2 500	-64 670
Changes in value during the period 2015	-10 120	-7 504	-17 624
Interest during the period 2015	918	0	918
Recognised value of liability 31.12.2015	**67 837**	**51 162**	**118 999**
Of which due within 12 months, presented as current liabilities	48 735	0	48 735
Of which due after 12 months or later, presented as long-term liabilities	19 102	51 162	70 264

NOTE 21 OTHER PROVISIONS FOR LIABILITIES

Severance pay (long-term)
Provisions for liabilities are associated with severance pay on termination of employment. The plan covered initially 70 employees of the Group who have received severance packages in connection with the restructuring of the companies. The obligations are paid monthly up to 2019 and are presented under other long-term provisions for liabilities. The provision is calculated by discounting future payments including social security contributions at a discount rate which depends on the length of the obligation. As at 31 December 2015, the provision was associated with nine remaining individuals.

Severance pay (short-term)
It has been necessary for the Group to make organisational and staffing adjustments in order to meet new requirements, including new work processes and improved profitability. During this change process, the Group offered a range of personnel policy initiatives to its employees, in order to fulfil the new framework conditions without compulsory downsizing. As at 31 December 2015, the liability associated with this was recognised at NOK 3.9 million.

All of the current liabilities are recognised in the statement of financial position under other current liabilities.

Long-term liabilities

2015 *Figures in NOK 1 000*	Recognised as at 31.12.2014	Reversed provision 2015	Recognised provision 2015	Recognised as at 31.12.2015
Severance pay	1 676	-536	0	1 140
Long-term provisions	**1 676**	**-536**	**0**	**1 140**

2014 *Figures in NOK 1 000*	Recognised as at 31.12.2013	Reversed provision 2014	Recognised provision 2014	Recognised as at 31.12.2014
Severance pay	2 473	-797	0	1 676
Long-term provisions	**2 473**	**-797**	**0**	**1 676**

2013 *Figures in NOK 1 000*	Recognised as at 31.12.2013	Reversed provision 2013	Recognised provision 2013	Recognised as at 31.12.2013
Severance pay	4 197	-1 724	0	2 473
Long-term provisions	**4 197**	**-1 724**	**0**	**2 473**

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Current liabilities

2015

Figures in NOK 1 000	Recognised as at 31.12.2014	Reversed provision 2015	Recognised provision 2015	Recognised as at 31.12.2015
Severance pay	6 948	-9 140	9 272	7 080
Other provisions	0	0	10 000	10 000
Other current liabilities	**6 948**	**-9 140**	**9 272**	**7 080**

2014

Figures in NOK 1 000	Recognised as at 31.12.2013	Reversed provision 2014	Recognised provision 2014	Recognised as at 31.12.2014
Severance pay	13 231	-10 809	4 526	6 948
Other current liabilities	**13 231**	**-10 809**	**4 526**	**6 948**

2013

Figures in NOK 1 000	Recognised as at 31.12.2013	Reversed provision 2013	Recognised provision 2013	Recognised as at 31.12.2013
Severance pay	25 091	-11 860	0	13 231
Other provisions	22 949	-26 149	3 200	0
Other current liabilities	**48 040**	**-38 009**	**3 200**	**13 231**

NOTE 22 CURRENT LIABILITIES

Figures in NOK 1 000	2015	2014	2013	01.01.13
Unpaid public duties				
Special duties, alcohol	557 739	537 411	547 426	507 336
Value added tax	300 965	266 639	288 817	276 397
Other public duties	20 395	25 546	23 028	25 063
Total unpaid public duties	**879 099**	**829 596**	**859 271**	**808 796**

Figures in NOK 1 000	2015	2014	2013	01.01.13
Other current liabilities				
Short-term non-interest-bearing debt	26 811	9 946	14 290	10 508
Prepayments from customers	0	8	55	67
Dividend to non-controlling interests	6 370	0	0	0
Provisions, see Note 22	17 080	6 948	13 231	48 040
Fair value, interest rate swap	18 145	21 354	6 237	22 047
Fair value, foreign exchange forward contracts	0	0	0	2 381
Accrued interest costs	0	0	0	7 013
Other accrued costs	163 747	191 718	157 328	157 624
Total other current liabilities	**232 153**	**229 974**	**191 141**	**247 680**

All current liabilities fall due within 12 months.

NOTE 23 PLEDGES AND GUARANTEES

The Group has a Group cash pool system at Skandinaviska Enskilda Banken (SEB), which includes the subsidiaries with the exception of the companies in the wine business in Sweden and Finland. At the end of 2015, this Group cash pool system was managed by the parent company, Arcus-Gruppen Holding AS. The parent company, Arcus-Gruppen Holding AS, has pledged surety on behalf of all of its subsidiaries, which at any time is linked to outstanding drawing on this scheme.

The Group also has a long-term loan with SEB, see Note 19. In relation to this loan all of the shares in the subsidiaries Arcus-Gruppen AS, Arcus Denmark A/S and Arcus Deutschland GmbH are pledged as collateral for the loan. In addition, collateral associated with selected subsidiaries has been pledged for operating equipment, inventories and factoring. The table below states the book value of the pledged assets covered by the collateral:

Figures in NOK 1 000	2015	2014	2013
Pledged assets			
Pledges in shares	1 908 855	1 765 384	695 674
Tangible fixed assets	152 644	117 757	118 432
Trade receivables	794 670	852 737	951 217
Inventories	185 082	193 351	133 508
Total	**3 041 251**	**2 929 229**	**1 898 831**

Surety guarantee
One of the Group's subsidiaries, Arcus-Gruppen AS, has pledged a surety guarantee for leased assets (financial leasing) with Nordea Finans. At the end of 2015, the surety guarantee amounted to TNOK 215,554 for the Group's own leased assets. See also Note 14 on leasing agreements.

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NOTE 24 MAJOR INDIVIDUAL TRANSACTIONS

Acquisition of Social Wines in Finland

At the end of the first quarter of 2015, Vingruppen i Norden AB entered into an agreement to acquire Social Wines Oy and Wineworld Finland Oy, in Finland, for SEK 37.0 million. This is Fondberg's former wine operation in Finland, and is a strategic acquisition to strengthen the Group's position in the wine segment in Finland. The acquisition was implemented for accounting purposes in the Group's financial reporting as from 1 April 2015.

Observable assets and liabilities of the acquired activity as at 1 April 2015

Figures in NOK 1 000	Recognised value of acquired business	Observable excess values	Fair value of acquired business
Goodwill	3 673	0	3 673
Tangible fixed assets	78	0	78
Inventories	13 761	0	13 761
Receivables	31 857	0	31 857
Cash and cash equivalents	1 723	0	1 723
Debt to financial institutions	-3 099	0	-3 099
Other current liabilities	-25 607	0	-25 607
Tax payable	-7 181	0	-7 181
Fair value, observable net assets	**15 205**	**0**	**15 205**
Acquisition value			34 704
Goodwill			**19 499**

On acquisition, goodwill is the part of the net excess value that is not identifiable. Estimated goodwill is capitalised in the consolidated statement of financial position based on the expectation that synergies with the Group's existing operations will provide opportunities for increased earnings in the future. See also Note 13 and the section on important accounting estimates and intangible assets under the Group's accounting policies. At the end of 2015, the acquisition analysis is final.

Net cash outflow related to the acquisition:

Figures in NOK 1 000	2015
Acquisition value	34 704
- Cash and cash equivalents in the acquired business	-1 723
Net cash outflow on acquisition	**32 981**

In addition to the above acquisition, the Group established three new subsidiaries in 2015, with an investment on establishment of TNOK 1,600.

Impact of acquired activities on the profit for the year:

Figures in NOK 1 000	2015 (ownership period)	2015 whole year
Net sales	101 066	124 539
Other operating revenues	3 798	4 266
Total operating revenues	**104 864**	**128 805**
Cost of sales	-85 767	-105 294
Salaries and other personnel costs	-7 846	-10 407
Depreciation	-371	-739
Other operating expenses	-5 042	-6 525
Total operating expenses	**-99 026**	**-122 965**
Operating profit	**5 838**	**5 840**

Sale of a subsidiary and an associated company in 2015

At the end of the third quarter of 2015, Vingruppen i Norden AB entered into an agreement to sell its subsidiary, Opentable AB, for TNOK 4,800 and, at the end of the final quarter of 2015, Vingruppen i Norden AB also sold its associated company, Vinunic Oy, for TNOK 3,484. The total profit associated with these sales is included at TNOK 5,365 under "Other income and expenses" in the statement of income, while the sales proceeds achieved are presented as "Net cash effect from sale of business" in the statement of cash flows.

Acquisition of The Danish Distillers (De Danske Spritfabrikker) 2013

In July 2012, ArcusGruppens parent company, Arcus-Gruppen Holding AS, signed an agreement to acquire The Danish Distillers (De Danske Spritfabrikker) through 100 per cent of the shares in Pernod Ricard Denmark A/S and Pernod Ricard Deutschland GmbH. Through this acquisition, the parent company achieved ownership of the rights to the following: aquavit brands: Aalborg, Brøndums and Malteserkreutz, Gammel Dansk, which is a bitter, and the production facility in Aalborg. The acquisition had a total value of approximately NOK 792 million and was completed as at 4 January 2013. The acquisition was not stated in the consolidated statement of financial position as at 31 December 2012. On 4 January 2013, Pernod Ricard Danmark A/S changed its name to Arcus Denmark A/S and Pernod Ricard Deutschland GmbH changed its name to Arcus Deutschland GmbH.

At the time of the acquisition it was already clear that the property in Aalborg would not be part of ArcusGruppen's operations. For this reason, over the course of a few months in 2013, the property was sold on to a newly-established real estate company in Aalborg. As part of this agreement, ArcusGruppen gained the right to lease the property up until 30 June 2015, when the production in Denmark was closed down.

Following the acquisition, the competition authorities in Denmark refused to approve ArcusGruppen's ownership of the Brøndums brand, so that this was sold during the summer of 2013.

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Arcus-Gruppen Holding AS retained formal ownership for Arcus Denmark A/S up until the Brøndums brand and the property in Aalborg were sold. With effect from 1 October 2013, the shares were formally transferred from Arcus-Gruppen Holding AS to Arcus-Gruppen AS, and this reorganisation was implemented on the basis of the same price assessments as were originally applied to the acquisition.

Observable assets and liabilities of the acquired business as at 4 January 2013

Figures in NOK 1 000	Recognised value of acquired business	Observable excess values	Fair value of acquired business
Brands	0	414 315	414 315
Tangible assets	86 671	824	87 495
Inventories	26 843	8 978	35 821
Receivables	1 985	0	1 985
Cash and cash equivalents	111 030	0	111 030
Deferred tax liability	-2 607	-96 201	-98 808
Unpaid public duties	-20 998	0	-20 998
Other current liabilities	-16 449	-7 044	-23 493
Tax payable	-7 943	0	-7 943
Fair value, observable net assets	**178 532**	**312 804**	**491 536**
Acquisition value			791 865
Goodwill			**300 529**

On acquisition, goodwill is the part of the net excess value that is not identifiable. Estimated goodwill is capitalised in the consolidated statement of financial position based on the expectation that synergies with the Group's existing operations will provide opportunities for increased earnings in the future. See also Note 13 and the section on important accounting estimates and intangible assets under the Group's accounting policies. At the end of 2013, the acquisition analysis was final.

Net cash outflow related to the acquisition:

Figures in NOK 1 000	2013
Acquisition value	-791 865
- Cash and cash equivalents in the acquired business	111 030
Net cash outflow on acquisition	-680 835
- acquisition costs	-2 144
Net cash outflow including recognised acquisition costs	**-682 979**

Acquisition costs of NOK 2.1 million in 2013 are included under "Other income and expenses" in the statement of income.

Impact of the acquired business on the profit for the year:

Figures in NOK 1 000	2013 (ownership period)	2013 (whole year)
Operating revenues	201 339	201 339
Total operating revenues	**201 339**	**201 339**
Cost of sales	-118 138	-118 138
Salary and personnel costs	-11 566	-11 566
Depreciation	-3 273	-3 273
Other operating expenses	-26 235	-26 235
Total operating expenses	**-159 212**	**-159 212**
Other income and expenses	23 965	23 965
Operating profit	**66 092**	**66 092**

NOTE 25 EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

Acquisition of non-controlling interests
During the first half of 2016, ArcusGruppen acquired additional interests in the subsidiaries Excellars AS (39.1 per cent), The Wineagency Sweden AB (10 per cent) and Wineworld Sweden AB (10 per cent).

Other
Beyond the aforementioned circumstances, no significant events occurred between the close of the financial year and the date on which ArcusGruppen's consolidated financial statements and parent company financial statements were approved for publication. This applies to events that would have provided knowledge of factors present at the close of the financial year, or events concerning matters that have arisen since the close of the financial year. The consolidated financial statements were approved for publication by resolution of the Board of Directors on 21 June 2016.

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Statement of income 01.01. - 31.12.

Figures in NOK 1 000	Note	2015	2014
OPERATING INCOME AND EXPENSES			
Payroll costs	1	-7 207	302
Other operating expenses		1 758	1 229
Total operating expenses		**-5 449**	**1 531**
Operating profit		**5 449**	**-1 531**
FINANCIAL INCOME AND EXPENSES			
Profit on sale of shares in subsidiaries		0	9 969
Interest income from Group companies		3 705	6 289
Other interest income		3 763	9 308
Other financial income		12 749	17 120
Interest costs to Group companies		0	-2 734
Other interest costs		-70 483	-71 905
Other financial costs		-60 308	-44 506
Net financial profit/loss		**-110 574**	**-76 458**
PROFIT BEFORE TAX		-105 125	-77 988
Tax	2	-19 835	-23 748
RESULT FOR THE YEAR		-85 290	-54 240
Transferred from/to other equity		-85 290	-54 240
Total transfers		**-85 290**	**-54 240**

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Statement of financial position as at 31 December

Figures in NOK 1 000	Note	2015	2014
ASSETS			
Fixed assets			
Intangible assets			
Deferred tax assets	2	106 856	87 021
Total intangible assets		**106 856**	**87 021**
Financial assets			
Investment in subsidiary	3	1 438 317	1 886 621
Loans to Group companies		65 000	40 000
Total financial assets		**1 503 317**	**1 926 621**
Total fixed assets		**1 610 173**	**2 013 642**
Current assets			
Receivables			
Current receivables from Group companies		1 125	0
Other receivables		32	2 020
Total receivables		**1 157**	**2 020**
Cash and cash equivalents	9	27 760	26 443
Total current assets		**28 917**	**28 463**
TOTAL ASSETS		1 639 090	2 042 105

Figures in NOK 1 000	Note	2015	2014
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital	4, 5	1 000	1 000
Share premium	5	794	794
Total paid-in equity		**1 794**	**1 794**
Retained earnings			
Other equity	5	321 721	407 010
Total retained earnings		**321 721**	**407 010**
Total equity		**323 515**	**408 804**
Liabilities			
Provisions			
Other provisions	6	48 457	55 164
Total provisions		**48 457**	**55 164**
Other long-term liabilities			
Debt to financial institutions	7	435 438	815 655
Total other long-term liabilities		**435 438**	**815 655**
Current liabilities			
Debt to financial institutions	7	73 723	134 028
Trade payables		374	32
Trade payables to Group companies	8	56	50
Other current liabilities		50	50
Other current liabilities payable to Group companies	8	1 468	7 255
Intragroup balance in Group cash pool system	9	756 009	621 067
Total current liabilities		**831 680**	**762 482**
Total liabilities		**1 315 575**	**1 633 301**
TOTAL EQUITY AND LIABILITIES		1 639 090	2 042 105

Nittedal, 21 June 2016

Mikael Norlander Chairman of the Board	Leif Johansson	Eilif Due	Daniel Repfennig
Marius Juul Møller	Kjell Arne Greni	Erik Hagen	Kenneth Hamnes, Group CEO

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Accounting policies

The annual accounts have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting policies.

The company was founded on 5 November 2004. The purpose of the company is to own and manage shares and other company holdings, and to handle any other related matter.

CONSOLIDATED ACCOUNTS

Arcus-Gruppen Holding AS owns 100 per cent of the shares in Arcus-Gruppen AS and Vectura AS. The activities are consolidated in the consolidated financial statements of Ratos AB. The consolidated financial statements are available on request from Ratos AB, Stockholm.

GENERAL RULE FOR VALUATION AND CLASSIFICATION OF ASSETS AND LIABILITIES

Assets intended for continuing ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due for payment within one year are classified as current assets. The classification of current and long-term liabilities is based on similar criteria.

Fixed assets are valued at acquisition cost, but written down to fair value if the impairment is not expected to be temporary. Fixed assets with a limited economic life are depreciated according to a reasonable depreciation plan.

Current assets are valued at the lower of cost or fair value. Current and long-term liabilities are capitalised at the nominal amounts received at the time of establishment. Borrowing costs are capitalised together with the loan and amortised over the term of the loan. The first year's instalment is reclassified as a current liability.

Certain items are valued according to different principles, as explained below.

SHARES IN SUBSIDIARIES

Shares in subsidiaries are valued using the cost method. The transaction costs are added to the purchase price of shares in subsidiaries. Shares are written down to fair value if this is lower than the recognised value.

Dividends received and other distributions are recognised in the statement of income in the same year as they are allocated in the subsidiary. If dividends/other distributions exceed the share of retained profit after the acquisition, the surplus represents repayment of invested capital and the distributions are deducted from the value of the investment in the statement of financial position.

RECEIVABLES

Trade receivables and other receivables are stated at nominal value after deduction of provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of each receivable.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, bank deposits and other means of payment with a due date less than three months from the acquisition date.

BORROWING

Financial liabilities through borrowing are recognised at the amount received net of transaction costs. Transaction costs (front-end fees) are capitalised in the statement of financial position and depreciated over the term of the loan.

Borrowing in currencies other than the functional currency is translated at the exchange rate at the close of the financial year.

SYNTHETIC SHARES AND OPTIONS

The company has signed an agreement regarding synthetic shares and options with key persons in the company's subsidiaries and sub-subsidiaries. The fair value of these synthetic instruments is recognised at estimated fair value in the statement of financial position at the close of the financial year. The effect on earnings of payments associated with these synthetic instruments is presented in the statement of income as payroll costs. Changes in the estimated fair value of the obligations associated with the synthetic instruments at the close of the financial year are presented in the statement of income as a value changes under payroll costs.

Provision is made for deferred tax on the part of the obligation that exceeds the prices paid for the synthetic instruments.

TAXES

Tax expenses are matched with profit/loss before tax. Tax costs comprise tax payable (tax on the year's directly taxable income) and changes in net deferred tax. Tax costs are allocated to ordinary profit/loss and profit/loss from extraordinary items in accordance with the taxation basis. Deferred tax and deferred tax assets are presented net in the statement of financial position.

Tax assets are only capitalised if it can be shown to be probable that they can be utilised via future taxable income.

All figures in the financial statements are presented in NOK 1,000 unless otherwise indicated.

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NOTE 1 PAYROLL COSTS

As there are no employees in the company, pension arrangements in accordance with statutory requirements on mandatory occupational pension schemes are not applicable. The company does not pay any Board fees.

Auditors' fees	2015	2014
Statutory audit	167	167
Total auditors' fees	**167**	**167**

Figures quoted are in TNOK and exclusive of VAT.

The current Group CEO took up his position in mid-August 2015, and he receives remuneration from the subsidiary Arcus-Gruppen AS.

In addition to his salary, the Group CEO has a bonus agreement which, under certain conditions, will release payment of up to five months' salary. This agreement did not release any payment in 2015. The Group CEO is also entitled to a one-off bonus for 2015 which will release a payout of NOK 1 million in 2016. In addition to an ordinary occupational pension with Storebrand which makes 5 per cent pension contributions for salaries of 1-7G and 8 per cent for salaries of 7-12G, the Group CEO has a supplementary pension agreement that provides pension earnings of 15 per cent on salaries above 12G. This pension entitlement is capitalised annually in the consolidated statement of financial position, whereby the return is based on the return in the Storebrand Balansert pension fund.

If the Group CEO resigns, he has a six months' notice period. In the event of termination by the Group, the Group CEO is entitled to a 12 months' notice period.

No loans or surety are provided for the Group CEO or members of the Board of Directors.

Other executives within the Group participate in the bonus scheme and have personal agreements which, under certain conditions, may release payments with an upper limit of four months' salary.

NOTE 2 TAX

Tax for the year is calculated as follows:	2015	2014
Change in deferred tax	-19 835	-23 748
Tax	**-19 835**	**-23 748**
Reconciliation from nominal to actual tax rates:		
Profit before tax	-105 125	-77 988
Expected income tax at a nominal tax rate of 27 per cent (28 per cent in 2013)	-28 384	-21 057
Tax effect of the following items:		
Non-deductible costs	0	0
Non-taxable income	0	-2 691
Change due to a change in tax rate	8 549	0
Insufficient/excess provision in previous years	0	0
Tax	**-19 835**	**-23 748**
Effective tax rate	18.9%	30.5%

Specification of temporary differences and deficit carried forward:

	2015		2014	
	Asset	Liability	Asset	Liability
Long-term debt	0	19 997	29 903	0
Liabilities	34 277	0	41 485	0
Deficit to carry forward	413 145	0	250 913	0
Total	**447 422**	**19 997**	**322 301**	**0**
Basis for deferred tax asset/liability	427 425		322 301	
Net deferred tax asset in the statement of financial position*	**106 856**		**87 021**	

At the end of the year, the company had NOK 103.3 million in capitalised deferred tax assets associated with the deficit to be carried forward. Based on the Group's strategic plans and current long-term plans for companies in the tax group, the Board of Directors and executive management expect that the deferred tax assets can be utilised.

At the end of 2015, deferred tax was calculated at 25 per cent as a result of government tax changes as from 2016. At the end of 2014, deferred tax was calculated at 27 per cent.

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NOTE 3 SUBSIDIARIES

Subsidiaries of Arcus-Gruppen Holding AS

	Date of acquisition	Registered office	Voting and ownership	Currency	Nominal share capital
Arcus-Gruppen AS	10.10.05	Nittedal	100%	NOK	276 000
Vectura AS	30.09.13	Nittedal	100%	NOK	14 000

Company	Cost price (NOK)	Recognised value 31.12	Equity according to last annual financial state-ments (NOK)	Profit for the year 2015 (NOK)
Arcus-Gruppen AS	1 886 607	1 362 217	1 802 809	589 237
Vectura AS	76 100	76 100	19 840	-18 269
Total subsidiaries	**1 962 707**	**1 438 317**	**1 822 649**	**570 968**

During the restructuring of the Group in December 2015, a dividend of TNOK 448,304 was issued by the subsidiary Arcus-Gruppen AS to Arcus-Gruppen Holding AS, which is reported in its entirety against the recognised value of the shares in Arcus-Gruppen AS.

NOTE 4 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital comprises:	Number of shares	Nominal value per share	Capitalised (NOK 1,000)
Shares	1 000 000	1	1 000
Total	**1 000 000**	**1**	**1 000**

Shareholders as at 31.12.2015	Shares	Ownership interest	Voting share
Ratos AB	833 938	83.4%	83.4%
Hoff SA	98 910	9.9%	9.9%
Current and former Board and executive management	67 152	6.7%	6.7%

NOTE 5 EQUITY

	Share capital	Share premium	Other equity	Total
Equity as at 01.01	1 000	794	407 010	408 804
Profit for the year	0	0	-85 290	-85 290
Other changes	0	0	1	1
Equity as at 31.12	**1 000**	**794**	**321 721**	**323 515**

NOTE 6 PROVISIONS FOR LIABILITIES

At the end of 2015, six employees in the executive management group had agreements concerning a share programme at Arcus-Gruppen Holding AS. The Group CEO has 5,970 synthetic options in this programme. The former Group CEO, who stepped down in 2015, still has 2,470 synthetic shares and 22,230 synthetic options in this programme. The development in the value of the synthetic shares and options follows the same development in value as the actual shares in the parent company. On settlement, the synthetic shares will result in a payment equivalent to the fair value of the actual shares in the parent company, multiplied by the number of synthetic shares. The synthetic options are valued on the basis of Black & Scholes and on settlement will result in a payment equivalent to any value per share beyond the exercise price, multiplied by the number of synthetic options.

A member of the Group executive management has furthermore entered into an agreement concerning a share option programme in Vingruppen AS. These synthetic options are valued according to the same principle as the synthetic options at Arcus-Gruppen Holding AS. See additional information about the incentive programme in Note 20 to the consolidated financial statements.

No dividends were paid on these synthetic shares in 2015. The costs are presented as payroll costs. The total personnel costs of NOK -7.2 million in 2015 consisted entirely of changes in value related to the incentive programme at fair value via the statement of income. The corresponding change in value was NOK million 0.3 in 2014. In the consolidated financial statements, this change in value is presented under financial items.

As at 31 December 2015, the synthetic instruments at Arcus-Gruppen Holding AS had a total value of TNOK 48,457. The changes in 2015 are shown in the table below. Reference is also made to Note 20 to the consolidated financial statements.

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Figures in NOK 1 000	Synthetic shares	Synthetic options	Total provisions for liabilities
Book value of liability, 1.1.	32 008	23 156	55 164
Issue of new shares and options during the period	0	500	500
Changes in value during the period	-1 048	-6 159	-7 207
Recognised value of liability, 31.12	**30 960**	**17 497**	**48 457**

NOTE 7 LOANS, PLEDGES AND GUARANTEES ETC.

Debt to financial institutions				2015	2014
Figures in NOK 1 000	Currency	Interest profile	Loan amount in foreign currency	Loan amount in NOK	Loan amount in NOK
SEB	NOK	variable	327 310	327 310	269 098
SEB	NOK	fixed	201 848	201 848	235 874
SEB	SEK	variable	-	0	236 431
SEB	SEK	fixed	-	0	236 430
Total debt to credit institutions				**529 158**	**977 833**
Capitalised borrowing costs				-19 997	-28 150
Recognised value, 31.12				**509 161**	**949 683**

Maturity structure	Maturity 2016	Maturity 2017-2019	Maturity after 2019	Total
SEB	73 723	455 435	0	529 158
Total debt to financial institutions	**73 723**	**455 435**	**0**	**529 158**

Coinciding with the refinancing of the Group in 2015, Arcus-Gruppen Holding AS received dividend of TNOK 448,304 from its subsidiary Arcus-Gruppen AS. This dividend was settled by Arcus-Gruppen AS when it took over outstanding debt to SEB denominated in SEK.

The company has no long-term debt with terms exceeding five years.

The agreement on mortgage loan facilities contains two covenants that the Group monitors continuously and reports on to the Bank on a quarterly basis.

Arcus-Gruppen Holding has a mortgage loan at Skandinaviska Enskilda Banken (SEB) that will mature in 2017/2018. In relation to this loan, all shares in the subsidiaries Arcus-Gruppen AS, Arcus Denmark A/S and Arcus Deutschland GmbH are pledged as collateral for the loan. In addition, collateral associated with selected subsidiaries has been pledged for operating equipment, inventories and factoring.

Book value of pledged assets

Figures in NOK 1 000	2015	2014
Pledges in shares	1 908 855	1 765 384
Total	**1 908 855**	**1 765 384**

ArcusGruppen Holding shares in subsidiaries have been pledged as collateral for the long-term loan with SEB.

Accounts receivable, inventories and operating equipment at subsidiaries have also been pledged as collateral for the loans. The total book value of pledged assets in other Group companies is:

Figures in NOK 1 000	2015	2014
Tangible fixed assets	152 644	117 757
Trade receivables	794 670	852 737
Inventories	185 082	193 351
Total	**1 132 396**	**1 163 845**

NOTE 8 INTRAGROUP RECEIVABLES AND LIABILITIES

Receivables	2015	2014
Long-term loan to Arcus AS	65 000	40 000
Other current receivables from Group companies	1 125	0
Total	**66 125**	**40 000**

Liabilities	2015	2014
Accounts payable to Group companies	50	50
Other current liabilities payable to Group companies	1 468	7 255
Intragroup balance in Group cash pool system	756 009	621 067
Total	**757 527**	**628 372**

The company has no consolidated assets or liabilities that will fall due more than five years after the close of the financial year.

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NOTE 9 CASH AND CASH EQUIVALENTS

The company has no restricted bank deposits.

The company manages the Group cash pool system for the Group, and the companies included in this are Arcus-Gruppen AS, Vinordia AS, Symposium Wines AS, Arcus Wine Brands AS, Heyday Wines AS, Vinuniq AS, Arcus Denmark A/S, Arcus Sweden AB, Arcus Finland Oy, Vectura AS, De Lysholmske Brenneri- og Destillasjonsfabrikker ANS, Oplandske Spritfabrik ANS, Siemers & Cos Destillasjon ANS and Løiten Brænderis Destillation ANS.

Net deposits or drawings by the subsidiaries are presented as intragroup balances with Arcus-Gruppen Holding AS. The joint overdraft limit in the Group cash pool scheme is TNOK 400,000. At year-end, the Group had total deposits of TNOK 27,760 in the scheme, which are presented as bank deposits at Arcus-Gruppen Holding AS, compared with TNOK 26,443 at the end of 2014.

As at 31 December 2015, Arcus-Gruppen Holding AS has drawings of TNOK 728,249 in the Group cash pool system compared with drawings of TNOK 594,623 at the end of 2014.

NOTE 10 EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

Provision of parent company guarantees

On the presentation of the company accounts for its subsidiary Vectura AS, Arcus-Gruppen Holding AS issued a parent-company guarantee of NOK 15 million for the subsidiary's continued operations. The guarantee is subject to a time limit and expires on 1 January 2017.

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AUDITOR'S REPORT

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Building a better working world

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To the Annual Shareholders' Meeting of
Arcus-Gruppen Holding AS

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Arcus-Gruppen Holding AS, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2015, the statements of income and cash flows for the year then ended, a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2015, 2014 and 2013, the statements of comprehensive income, cash flows and changes in equity for the same years, as well as a summary of significant accounting policies and other explanatory information

The Board of Directors' and Group CEO's responsibility for the financial statements

The Board of Directors and Group CEO are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Group CEO determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion regarding the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Arcus-Gruppen Holding AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the consolidated financial statements of Arcus-Gruppen Holding AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2015, 2014 and 2013 and its financial performance and cash flows for the same years in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Group CEO have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 29 June 2016
ERNST & YOUNG AS

Jan Wellum Svensen
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

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