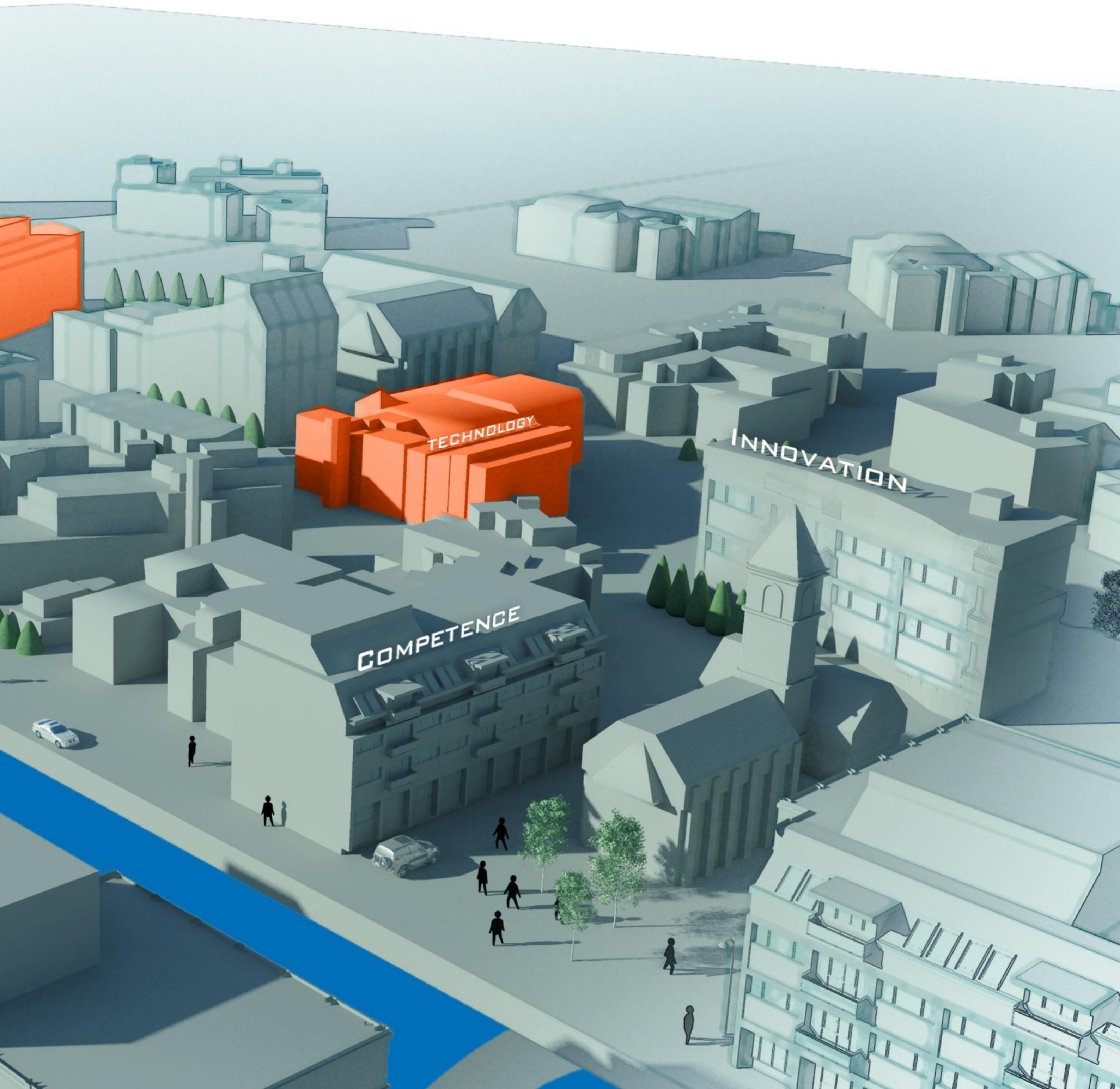
BLOM
IMAGING THE WORLD

REPORT FOR
4th QUARTER 2013



Sale of a subsidiary and major contract

As part of the continued restructuring of the company, Blom have signed an agreement to sell the subsidiary Blom Romania. The sale contributes to a more focused operation and reduced exposure. Blom has concentrated on developing new business areas based on the company's core competence. The company is satisfied that it has signed a two-year contract for the delivery of airborne remote sensor services for ice monitoring in northern waters. This contract award in combination with the conversion of interest-bearing bond debt, provide the company with a good foundation for long-term, profitable growth.

The company reported revenues of NOK 52 million in the 4th quarter, compared with NOK 61 million for the same quarter in 2012. EBITDA for the quarter was NOK 16 million, compared with NOK 13 million for the corresponding quarter in 2012. This corresponds to an EBITDA margin of 30.8 per cent, compared with 22.0 per cent in the 4th quarter of 2012. The operating loss for the quarter was NOK 7 million, compared with an operating profit of NOK 3 million for the same period in 2012. The pre-tax loss was NOK 9 million, compared with a pre-tax loss of NOK 5 million for the corresponding quarter in 2012.

The company’s revenues for 2013 totalled NOK 265 million, compared with NOK 265 million in 2012. EBITDA for 2013 was NOK 32 million, compared with NOK 49 million in 2012. This corresponds to an EBITDA margin of 12.3 per cent for 2013, compared with 18.7 per cent in 2012. The operating loss for 2013 was NOK 55 million, compared with an operating profit of NOK 12 million in 2012. The pre-tax loss was NOK 64 million, compared with NOK 20 million for the corresponding period in 2012.

Individual transactions resulting from extensive restructuring have had a significant impact on the results for the 4th quarters of 2013 and 2012, as well as the full years 2013 and 2012. This applies to substantial costs related to write-downs, as well as revenues related to the sale of businesses and the conversion of bond debt.

Despite the substantial restructuring over the last two years, the company will continue its efforts to adapt its structure, cost base and product portfolio in order to improve the company's earning capacity. The company will continue to implement measures to develop business opportunities in markets where the company's competence can be exposed to a better risk and reward profile.

As at 31 December 2013, the company can present a satisfactory balance sheet after the conversion of bond debt and extensive write-down of company assets, including a full write-down of intangible assets. The company's equity ratio is 29 per cent and the current ratio has also been significantly improved.

A new Board of Directors and shareholder structure with confidence in the company's competence and opportunities is a strong motivation for the company's employees.

Results

IFRS	4th quarter		As at 31/12	
	2013	2012	2013	2012
(Amounts in NOK 1,000)				
Operating revenues	**51,598**	60,742	**264,575**	265,146
EBITDA	**15,913**	13,372	**32,442**	49,484
EBIT	**-6,594**	2,686	**-54,906**	12,028
EBT	**-9,094**	-5,234	**-64,195**	-19,752

The company has implemented an extensive restructuring of the business in 2012 and 2013. This has resulted in the sale and wind-up of subsidiaries, which has reduced the number of employees by more than 50 per cent. In addition, the company's assets have been subjected to substantial depreciation and write-downs, and the company's total assets have been reduced from NOK 590 million to NOK 162 million. The company's bond debt has been converted into equity, and the effect of this is shown in the statement of income under other gains/losses. The final settlement with Pictometry had a positive impact on the results for 2012.

This report has been prepared in accordance with IAS 34 on interim accounts. The interim accounts do not contain all the information that is required in complete annual accounts, and they should be read in conjunction with the consolidated accounts for 2012. The interim accounts have been prepared in accordance with the same principles as the annual financial statements for 2012 with the exception of the implementation of IAS 19 (pensions). Comparable figures have been restated as a result of this change. The result from the businesses sold is presented on a separate line in the statement of comprehensive income. The report has not been audited.

Operations

Operational development

To improve profitability under the prevailing market conditions in parts of Europe in recent years, Blom has chosen to focus more on market niches in which the company has a competitive advantage or geographic regions in which we either see an increasing need for the company's services or can develop new business opportunities.

In Sweden, the company's increased focus on specific customer segments and a changed product mix has resulted in revenue growth and an improvement in earnings. Certain important customer segments in Norway have shown a considerable decline in volume, which has resulted in lower prices. Blom has, nonetheless, maintained its market share. Overall, the market situation in the Nordic region creates a need for innovation and a focused growth strategy in which the company's competence can be exposed to new markets with better growth opportunities.

The efficiency improvement measures implemented in Mid-Europe in 2013 are expected to improve future margins.

In November 2013, an agreement was signed to sell Blom Romania SRL. After the sale is completed, the company will have limited commercial exposure to Eastern Europe.

The challenging macroeconomic conditions in Iberia continue, but the decline has lessened. The implementation of a reduced geographic exposure combined with a more focused product range will establish the foundation for the company's reduced level of activity in this region in 2014.

In spite of the company's underlying operations showing somewhat less weak profitability this year, the company's results are not satisfactory. Blom is focusing therefore on the development of products and services to increase the creation of value for the company's customers.

As a result of these efforts, on 5 February 2014 the company signed a two-year agreement with Viking Supply Ships AS (VSS) for the delivery of airborne sensor services in 2014 and 2015. These services are linked to VSS's operations in northern waters and will be part of a larger ice monitoring programme. The contract is expected to generate annual revenues of NOK 35 to 50 million, with satisfactory margins. For Blom, the contract is an important confirmation of the company's ability to adapt and make use of its competence in new markets. VSS has an option for two additional years under certain conditions.

Finance and accounts

4th QUARTER 2013

Operating revenues from the segments in the 4th quarter:

Operating revenues (NOK 1000)	4th Qtr. 2013	4rd Qtr. 2012
Nordic	**29,967**	33,366
Mid-Europe	**11,864**	10,068
Eastern Europe	**1,824**	3,471
Iberia & Latin America	**7,943**	13,387
Total	**51,598**	**60,742**

As at 31/12/2013

Operating revenues from the segments as at 31 December 2013 were:

Operating revenues (NOK 1000)	31/12/13	31/12/12
Nordic	**167,556**	164,804
Mid-Europe	**52,891**	36,770
Eastern Europe	**9,874**	5,578
Iberia & Latin America	**34,254**	46,326
Other segments / unallocated	**0**	1,600
Total	**264,576**	**265,146**

From continuing operations the company had a positive cash flow from operating activities of NOK 21 million in the 4th quarter.

In the 4th quarter, the company made operational investments of NOK 2 million. The corresponding figure for the year 2013 is NOK 14 million.

As a result of lower interest-bearing debt compared to the same period last year net financial expenses totalled NOK 2.5 million for the quarter. Consulting fees and other expenses related to the restructuring of the company's bond debt have, at the same time, been charged.

The equity ratio is 28.8 per cent as at 31 December 2013, compared with 9.6 per cent as at 31 December 2012. Cash and cash equivalents for continuing operations increased by NOK 19 million to NOK 43 million during the quarter.

Organisation and personnel

The company has a team of employees with a high level of competence. This represents the foundation for the company's growth. As at 31 December 2013, there were a total of 207 employees in the operative companies, down from 253 at the end of 2012. At Blom's production facilities in Indonesia and Eastern Europe, there were a total of 258 employees. The group has a total of 465 employees, which is a reduction of 120 since 31 December 2012.

Shareholder matters

As at 31 December 2013, the company’s share capital was NOK 50,353,245.00, divided into 10,070,649 shares, each with a nominal value of NOK 5.00. The total number of shareholders as at 31 December 2013 was 2,413, and foreign shareholders accounted for 0.26 per cent of the share capital. Blom owns a total of 395,336 of the company's own shares, which represents 3.93 per cent of the total number of outstanding shares.

Conversion of all of the company's outstanding bond debt totalling NOK 97.3 million was approved by the company's Extraordinary General Meeting of 27 September 2013. The new shares were registered on 20 November 2013. A capital reduction and reverse-split of shares was adopted at the same time.

After conversion of the bond loan, reduction of capital and reverse-split of shares on 20 November, the company's share capital was NOK 50,353,245, divided into 10,070,649 shares, each with a nominal value of NOK 5.00.

After conversion of the bond debt, Merckx AS owns 73.4 per cent of the shares in Blom and emerges as the company's principal shareholder. Blom ASA acquired 395,229 of the company's own shares as a result of the conversion of bond debt.

At the company's Extraordinary General Meeting of 29 November 2013, the Board of Directors approved a reduction of the company's capital to ensure greater flexibility in its assessment and selection of various future strategic development options.

The General Meeting approved a reduction of the company's share capital by NOK 40,282,596 from NOK 50,353,245 to NOK 10,070,649 by a reduction of the nominal value of the company's shares from NOK 5.00 to NOK 1.00. After the expiration of the deadline for objections by creditors, the reduction of the capital was carried out on 27 January 2014. The reduction in capital took place in the form of a transfer to other reserves, and thus no disbursements were made in connection with the reduction in capital.

Outlook

In spite of the fact that the company has undergone extensive restructuring over the last two years, the company will continue to focus on further cost cuts, streamlining and development of the business, so that the company can achieve optimal cost structures.

The Board is of the opinion that the sums of implemented and planned measures will enable the company to deliver profitable operations in 2014 and future years. in the opinion of the Board of Directors. The Board of Directors is satisfied with the company's ability to complete a demanding restructuring process at the same time as the company has established itself in new business areas with better visibility and margins.

Oslo, 26 February 2014

Siv Staubo
Board Chairman

Tore Hopen
Board Member

Birgitte Ellingsen
Board Member

Kristian Lundkvist
Board Member

Dirk Blaauw
CEO

Consolidated Statement of Income – Blom Group

4.Qtr.2013	4.Qtr.2012		31/12/13	31/12/12*
51,598	**60,742**	**Operating revenues**	**264,575**	**265,146**
15,216	11,231	Cost of materials	79,213	75,497
33,265	33,084	Salaries and personnel costs	140,809	138,693
22,506	10,686	Depreciation and write-downs	87,348	37,456
11,411	3,055	Other operating and administrative costs	36,318	25,355
-24,207	0	Other gains and losses	-24,207	-23,884
58,192	**58,056**	**Operating expenses**	**319,482**	**253,118**
-6,594	**2,686**	**Operating profit/loss**	**-54,906**	**12,028**
-2,500	**-7,920**	**Net financial items**	**-9,289**	**-31,780**
-9,094	**-5,234**	**Pre-tax profit/loss**	**-64,195**	**-19,752**
3,560	-1,549	Taxes	2,965	-1,513
-5,533	**-6,783**	**Profit/loss from continuing business**	**-61,230**	**-21,265**
4,950	**-31,531**	**Profit/loss from discontinued business**	**1,791**	**-45,362**
-583	**-38,314**	**Profit/loss for the year**	**-59,440**	**-66,627**
		Profit/loss attributable to:		
-583	-38,314	Shareholders	-59,440	-66,627
-583	**-38,314**	**Profit/loss after tax**	**-59,440**	**-66,627**
		Comprehensive profit/loss:		
2,789	570	Currency translation differences	6,041	-808
168	-3,040	Recalculation of pension obligations	168	-1,164
2,374	**-40,784**	**Comprehensive profit/loss**	**-52,231**	**-68,599**
		Comprehensive income attributable to:		
2,374	-40,784	Shareholders	-52,231	-68,599
2,374	**-40,784**	**Comprehensive profit/loss**	**-53,231**	**-68,599**

Earnings per share:		
From continuing business	-45.01	-101.82
From discontinued business	1.32	-217.20
From profit/loss	-43.70	-319.02
Diluted earnings per share:		
From continuing business	-45.01	-101.82
From discontinued business	1.32	-217.20
From profit/loss	-43.70	-319.02

*Comparison figures restated as a result of implementation of the amendments to IAS 19 (pensions)

Balance Sheet – Blom Group

ASSETS

(Amounts in NOK 1000)

	31/12/13	31/12/12*
Intangible assets	**684**	**1,327**
Property, plant and equipment	**20,636**	**98,912**
Fixed asset investments	**1,151**	**180**
Total non-current assets	**22,471**	**100,419**
Work in progress	**30,965**	**45,094**
Trade receivables	36,117	39,162
Other current receivables	15,054	32,409
Total receivables	**51,171**	**71,571**
Cash and cash equivalents	**42,725**	**64,609**
Assets classified as held for sale	**48,072**	**144,382**
Total current assets	**172,933**	**325,655**
TOTAL ASSETS	**195,404**	**426,075**

Balance Sheet – Blom Group

EQUITY AND LIABILITIES

(Amounts in NOK 1000)

	31/12/13	31/12/12*
Called-up and fully paid share capital:		
Share capital	10,071	16,849
Treasury shares	-1,977	-110
Share premium account	97,720	20,458
Other reserves:		
Currency translation differences	-35,759	-41,389
Retained earnings	-14,210	45,062
Total equity	**56,256**	**40,870**
Pension obligations	3,233	5,849
Non-current liabilities	10,506	78,428
Total non-current liabilities	**13,739**	**84,277**
Credit facilities	0	5,657
Other interest-bearing current liabilities	3,864	51,513
Total interest-bearing current liabilities	**3,864**	**57,170**
Trade payables	25,955	51,480
Unpaid government taxes	18,931	18,439
Other current liabilities	43,449	44,780
Total other current liabilities	**88,335**	**114,699**
Liabilities classified as held-for-sale	**33,209**	**129,058**
Total current liabilities	**125,408**	**300,928**
Total liability	**139,147**	**385,205**
TOTAL EQUITY AND LIABILITIES	**195,404**	**426,075**

*Comparison figures restated as a result of implementation of the amendments to IAS 19 (pensions)

Change in equity from 1 January to 31 December

	2013	2012*
Equity as at 31 December	**40,870**	**-196,284**
Profit/loss for the period	-59,440	-66,629
Change in share capital due to conversion / reduction of capital	-8,645	15,576
Change in share premium reserve due to conversion	77,262	290,177
Pension obligations	168	-1,163
Currency translation differences	6,041	-807
Equity	**56,256**	**40,870**

*Comparison figures restated as a result of implementation of the amendments to IAS 19 (pensions)

Cash Flow Statement – Blom Group

4th quarter 2013	4th quarter 2012		Indirect model (Amounts in whole NOK 1000)	As at 31/12 2013	As at 31/12 2012
			CASH FLOW FROM OPERATING ACTIVITIES		
-9,094	-5,234		Pre-tax profit/loss	-64,195	-19,752
22,506	10,687	+	Depreciation and amortisation of property, plant and equipment	87,348	37,456
-5,399	9,090	+/-	Change in trade receivables	-4,009	10,060
26,173	31,830	+/-	Change in inventories and work in progress	-1,532	14,910
-1,445	-14,074	+/-	Change in supplier debt	-3,150	-20,966
-11,667	-19,848	+/-	Change in other accruals and unrealised foreign exchange	-15,647	-42,249
21,075	12,451	A =	**Net cash flow from operating activities – continuing business**	-11,854	-20,541
11,470	-1,616		Net cash flow from operating activities – discontinued business	11,339	36,691
32,545	10,836	A =	**Net cash flow from operating activities – total**	10,153	16,150
			CASH FLOW FROM INVESTMENT ACTIVITIES		
-1,590	-5,602	–	Purchases of property, plant and equipment	-11,053	-28,643
0	339	–	Receipts from sale of shares and other investments	7,487	20,450
-1,590	-5,263		**Net cash flow from investment activities – continuing business**	-3,566	-8,193
-65	-1,112		Net cash flow from investment activities – discontinued business	-153	-6,989
-1,655	-6,375	B =	**Net cash flow from investment activities – total**	-3,719	-15,182
			CASH FLOW FROM FINANCING ACTIVITIES		
0	20,036	+	New debt	0	38,933
-231	-3,297	–	Repayment of debt	-9,604	-12,674
-231	16,739		**Net cash flow from financing activities – continuing business**	-9,604	26,259
0	-1,102		Net cash flow from financing activities – discontinued business	-2,108	-36,767
-231	15,637	C =	**Net cash flow from financing activities – total**	-11,712	-10,508
30,660	20,098		**A+B+C Net change in cash and cash equivalents**	-2,641	-9,540
31,308	47,146	+	Cash and cash equivalents at the start of the period	67,244	76,784
61,967	67,244	=	**Cash and cash equivalents as at 31 December**	61,967	67,244
42,725	54,362		**Cash and cash equivalents – continuing business**	42,725	54,362
19,242	12,882		**Cash and cash equivalents – discontinued business**	19,242	12,882

Segments – Blom Group

(Amounts in NOK 1,000)

Operating revenues	**4.Qrt.2013**	**4.Qrt.2012**	**As at 31/12/13**	**As at 31/12/12**
Nordic	29,967	33,366	167,556	164,804
Mid-Europe	11,864	10,068	52,891	46,838
Eastern Europe	1,824	3,471	9,874	5,578
Iberia & Latin America	7,943	13,837	34,254	46,326
Other segments / unallocated	0	0	0	1,600
Total	**51,598**	**60,742**	**264,575**	**265,146**

EBITDA	**4.Qrt.2013**	**4.Qrt.2012**	**As at 31/12/13**	**As at 31/12/12**
Nordic	3,258	18,913	46,490	44,368
Mid-Europe	-1,644	-419	-463	2,059
Eastern Europe	724	-1,507	3,312	1,163
Iberia & Latin America	-4,693	-7,245	-11,538	-8,746
Other segments / unallocated 1)	18,269	3,631	-5,359	10,640
Total	**15,913**	**13,372**	**32,442**	**49,484**

EBIT	**4.Qrt.2013**	**4.Qrt.2012**	**As at 31/12/13**	**As at 31/12/12**
Nordic	-16,322	12,705	-33,168	21,976
Mid-Europe	-4,078	-3,631	-7,205	-6,311
Eastern Europe	652	-1,514	3,137	1,150
Iberia & Latin America	-4,832	-9,022	-12,092	-16,744
Other segments / unallocated 1)	17,986	4,148	-5,578	11,957
Total	**-6,594**	**2,686**	**-54,906**	**12,028**

Assets 2)	**31/12/2013**	**31/12/2012**	**As at 31/12/13**	**As at 31/12/12**
Nordic	48,061	104,180	48,061	104,180
Mid-Europe	16,864	20,804	16,864	20,804
Eastern Europe	5,107	26,915	5,107	26,915
Iberia & Latin America	18,379	25,343	18,379	25,343
Other segments / unallocated	106,993	248,833	106,993	248,833
Total	**195,404**	**426,075**	**195,404**	**426,075**

Investments	**4.Qrt.2013**	**4.Qrt.2012**	**As at 31/12/13**	**As at 31/12/12**
Nordic	2,042	4,550	12,140	20,485
Mid-Europe	50	0	918	2,942
Eastern Europe	379	0	693	2,055
Iberia & Latin America	5	1,221	154	3,861
Other segments / unallocated	0	384	152	6,405
Total	**2,477**	**6,155**	**14,058**	**35,748**

1) Other segments / unallocated include other gains/losses.

2) Allocated assets include external trade receivables, work in progress, non-current assets and intangible assets with the exception of deferred tax assets. Other / unallocated assets include assets classified as held for sale as at 31 December 2012 and 31 December 2013.

BLOM MAIN OFFICES

Blom ASA
P.O. Box 34 Skøyen
N-0212 Oslo
Norway
Tel.: +47 22 13 19 20
Fax: +47 22 13 19 21
E-mail: blom.no@blomasa.com

Blom Aerofilms Ltd.
Cheddar Business Park
Wedmore Road, BS27 3EB
UK
Tel.: +44 1934 311000
Fax: +44 1334 745825
E-mail: info.uk@blomasa.com

Blom Sistemas Geoespaciales S.L.
C/ Zurbano 46
28010 Madrid, Spain
Tel.: +34 914 150 350
Fax: +34 9 310 49 14
E-mail: info.spain@blomasa.com

Blom Deutschland GmbH
Oskar–Frech–Strasse 15
73614 Schorndorf, Germany
Tel.: +49 7181 98021 0
Fax: +49 7181 98021 29
E-mail: info.de@blomasa.com

Blom Geomatics AS
P.O. Box 34 Skøyen
N-0212 Oslo
Norway
Tel.: +47 23 25 45 00
Fax: +47 23 25 45 01
E-mail: info.no@blomasa.com

Blom Romania S.R.L.
Str. Nicolae Caramfil Street no 87
14146 Bucharest
Sector 1 Romania
Tel.: +40 31 437 01 24
Fax: +40 31 437 01 18
E-mail: office@blominfo.ro

Blom Kartta OY
Pasilanraitio 5
FI-00240 Helsinki
Finland
Tel.: +358 10 322 8940
Fax: +358 10 322 8941
E- mail: info.fi@blomasa.com

Blom Sweden AB
Hammarbacken 6 B
SE-191 49 Sollentuna
Sweden
Tel.: +46 8 578 247 00
Fax: +46 8 578 247 01
E-mail: info.se@blomasa.com