

Service Excellence,
Quality-Focused Processes
and Employees – Our Key Asset

Interim Report

October-December 2014

KEY FIGURES Q4 AND FY 2014

All figures in NOK 1 000	2014	2013	2014	2013
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Revenue	97 318	72 209	326 145	262 216
Growth (y-o-y)	34,8 %	22,0 %	24,4 %	15,8 %
Operating profit	6 892	10 101	14 861	24 616
Operating profit margin	7,1 %	14,0 %	4,6 %	9,4 %
Operating profit excl. one-off costs*	11 746	10 101	31 663	24 616
Operating profit margin excl. one-off costs	12,1 %	14,0 %	9,7 %	9,4 %
Ordinary Profit before tax	5 512	10 988	12 023	23 534
Profit for the period	3 880	7 931	8 633	17 089
Earnings per share**	0,17	2,26	0,40	4,68
Net cash from operating activities	15 941	4 651	37 723	23 388
Headcount end of the period	441	388	441	388
* IPO related costs	-	-	11 948	-
* Accelerated depreciation costs	4 854	-	4 854	-
** Weighted number of shares for the period	19 031 313	3 371 595	18 034 936	3 371 595

Increase in number of shares from end of 2013 to end of 2014 by 1) a share split in the ratio 1:5 due to a share capital increase and 2) issue of new shares.

HIGHLIGHTS Q4 2014

- Revenue grew 34.8% compared to Q4 2013 – increasing to NOK 97.3 million and year-to-date NOK 326.1 million, representing 24.4% growth for the fiscal year compared to 2013.
- Operating profit (EBIT) reached 12.1% before one-off cost.
- Swedish Global Fortune 500-company selected Zalaris as Nordic HR and Payroll Outsourcing Partner for approximately 20.000 employees.
- Zalaris' SAP Payroll solution went live in Latvia, yet another successful dimension to our expanding regional operations - generating positive market response.
- Board of Directors recommends dividend of NOK 0.75 per share corresponding to 50% of EBT before one-off costs, in line with dividend policy.



2014 – Advancing Customer Satisfaction and Profitable Growth

“We completed Q4 2014 with strong overall operating performance, concluding yet another solid fiscal year in line with expectations. Our leadership in delivering outsourced HR services in the Nordic market was reaffirmed with a Swedish Fortune 500 company selecting Zalaris as their partner to deliver harmonized cross-border services to approximately 20'000 employees in the region.”

Hans-Petter Møllerud, CEO



Insights from the CEO

Zalaris completed its first fiscal year as a publicly traded company with solid performance and results in line with our expectations. We grew year-over-year Q4 revenue by 34.8% to NOK 97.3 million, resulting in an annual revenue growth of 24.4% amounting to NOK 326.1 million.

EBIT (before one-off costs) was 12.1% for the quarter compared to 14.0% for the same period last year. For the year as a whole, EBIT (before one-off and IPO related costs) increased to 9.7% from 9.4% in 2013.

Recurring revenue from our Outsourcing business unit continued to be the main source of revenue growth. Corresponding Q4 sales accelerated 20% from Q3. Key drivers included the full-quarter effect of our agreement with oil-and-gas industry leader Statoil, which operates in 36 countries across the world. This combined with seasonal variations due to year-end initiatives and a high level of additional revenue with our Outsourcing customers.

We continued to advance Cloud services business, which is relatively small today yet with a promising outlook and a solid pipeline of opportunities.

Strengthening our leadership position with Swedish Fortune 500 win

We further reinforced our Nordic market leadership position by becoming the preferred supplier of outsourced payroll and transactional HR services for a Swedish Fortune 500 company employing 20'000 people in the region. The agreement will positively impact recurring revenue from April 2015 forward, with full effect by Q1 2016.

Advancing customer satisfaction

As Zalaris continues to grow in myriad ways, we keep customer satisfaction in focus. This commitment is reflected in our end-to-end program to enhance Zalaris service offerings and delivery. In Q4, these efforts included the introduction of a Net Promoter Score concept to regularly gather additional comprehensive customer feedback about our operations. As a result, customer-facing and internal units receive more timely actionable input that delivery teams can ultimately apply to all client relationships.

Enhancing India-based operations to boost offshore development capabilities

We made the decision in Q4 to strengthen our offshoring capability by establishing our own Chennai, India-based service center as a fully owned subsidiary, Zalaris HR Services India Ltd. To support this move, we are in the process of creating our own physical infrastructure that our service team in the country, currently managed by a third-party partner, will transfer to by the middle of 2015 -- with the intent of quadrupling our Indian operations next year.

An encouraging climate for strong growth

Companies are looking for ways to reduce costs and increase the value of their human capital. Analysts also predict steady movement to outsourcing models as a complement to shared-services-based concepts. These trends combined with our recent large new customer wins foster substantial interest in Zalaris' products and services. We look forward to capitalizing and thank our entire team for a great 2014!

Hans-Petter Møllerud, CEO



Revenue and Profit/Loss

Revenue

Total revenue for the last quarter of 2014 was NOK 97.3 million, an increase of 34.8% compared to the same period in 2013. The increase of NOK 13.7 million, or 16.4% compared to Q3 2014, is due to higher revenue in Zalaris' core HR outsourcing business unit as well as in the consulting space.

The overall revenue increase in Q4 primarily relates to seasonal acceleration associated with year-end recurring outsourcing business and a high level of change orders from existing customers. In addition, Q4 was the first quarter with full revenue effect of a new large customer.

Consulting revenue reached 4.3 million NOK in Q4 2014. This 102% increase compared to Q3 2014 correlates to higher sales of consulting hours partly delivered by external consultants.

Our Cloud Services business in Q4 mainly consisted of recurring system maintenance and support fees. Corresponding revenue in the prior quarter spiked due to yearly license fees incurred in the period.

Profit/loss

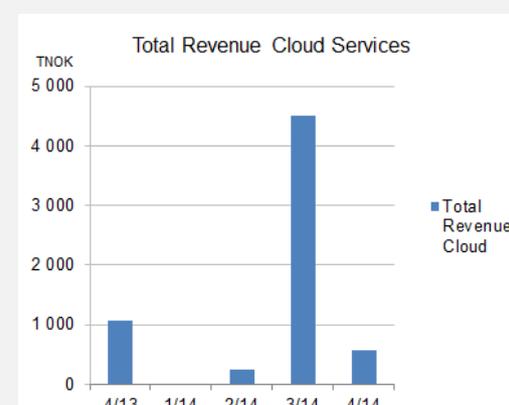
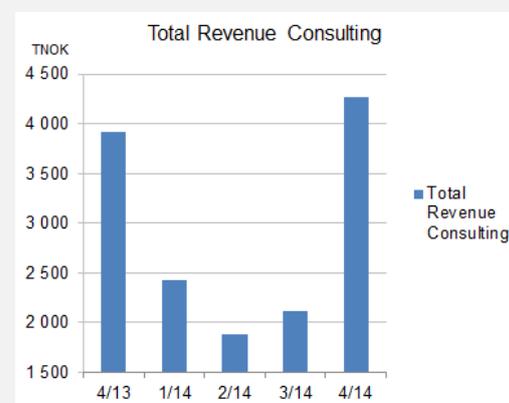
Group operating profit before one-off costs amounted to NOK 11.7 million in the fourth quarter, equivalent to an operating margin of 12.1%, up from 9.9% in Q3 2014.

The quarter included an accelerated depreciation cost, with no cash effect, of NOK 4.9 million related to capitalized licenses used in delivering our services.

For the fourth quarter, the net financial items amounted to NOK -1.4 million which is higher than expected due to a disagio of a fixed liability payment in Euros. The profit after tax for Q4 2014 is NOK 3.9 million. For the fourth quarter of 2013, the net financial items were NOK 0.9 million and profit after tax of NOK 7.9 million

Operating profit before one-off costs for the year amounted to NOK 31.7 million or 9.7%. This is an increase of 0.3% margin from 2013 and in line with our expectations for the year.

Net financial items for the year totaled NOK -2.8 million, which was negatively impacted by a weak Norwegian currency in the last months of the year. The after-tax profit for the year amounted to NOK 8.6 million. For the 2013 fiscal year, the net financial items were NOK -1.1 million and profit after tax of NOK 17.1 million.





Revenue per region

Business unit – HR Outsourcing

95% of total revenue in the fourth quarter of 2014 was generated in the Group's HR Outsourcing business unit. This is a 3% increase compared to the same period in 2013.

In Q4 2014, 98% of Zalaris' outsourcing business came from the Nordic region distributed as follows: Norway 44%, Sweden 19%, Denmark 22% and Finland 13%.

Revenue for the quarter increased 11% in Norway compared to Q3 2014. This partly resulted from full-revenue effect of a new large outsourcing customer with start-up during Q3. Other factors included increases in the levels of invoicing, change orders as well as project revenue recognition.

Sweden and 'Baltics & Poland' registered increases in revenue of 18% and 87%, respectively. These growth rates resulted from starting delivery to new customers, plus higher revenue from additional invoicing and change orders in Q4 2014 compared to Q3 2014.

Q4 revenue in Denmark rose 48% compared to Q3 2014 as a result of higher sales from an operations project as well as an uptick in change orders.

Revenue in Finland for the period also rose 14% compared to Q3 2014. This is mainly attributable to increases in revenue levels from additional invoicing and change orders.

Business unit - Consulting

Consulting revenue in Q4 2014 improved 102% compared to Q3 of this fiscal year.

The contribution to total external revenue from the Consulting business unit was 4% in the fourth quarter of 2014, amounting to NOK 4.3 million. This is a slight increase from the same period last year in which the contribution to total external revenue amounted to NOK 3.9 million. 84% of all consulting revenue in Q4 comes from the Norwegian Consulting unit.

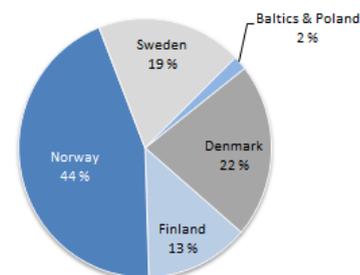
All Nordic countries, except Finland, had an increase in consulting revenue in Q4 2014 compared to Q4 2013. During Q4 2014, the Norwegian Consulting unit used more external consultants to deliver services, generating higher external consulting revenue compared to the same period in the previous year.

Compared to Q3 2014, Norway's revenue increased 119% in Q4. Sweden and Finland revenues grew 56% and 57%, respectively, mainly due to increased utilization of hours on consulting customer activities.

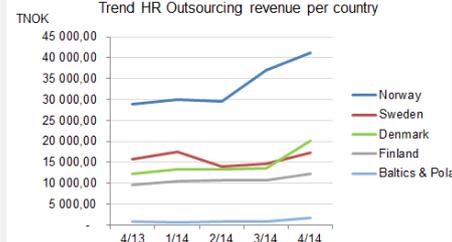
Business unit – Cloud Services

The contribution to total external revenue from our Cloud services unit was 1% for Q4 2014.

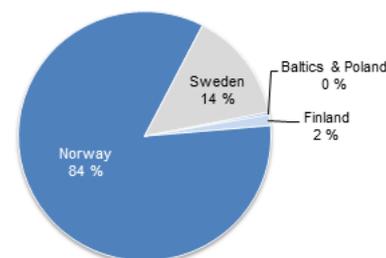
HR Outsourcing revenue per country Q4 2014



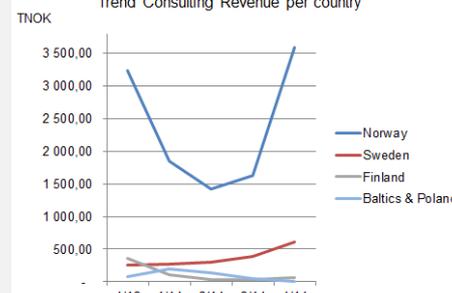
Trend HR Outsourcing revenue per country



Consulting revenue per country Q4 2014



Trend Consulting Revenue per country





Employees

The Group's headcount increased 14% in 2014 to 441 employees, compared to 388 at the end of Q4 2013. These figures include employees engaged by Zalaris' provider of offshore services, which amounted to 30 employees at the end of 2014. The number of FTEs (Full Time Equivalents) at the end of Q4 2014 was 411 compared to 338 FTEs at the end of fiscal 2013. This increase was mainly in the HR Outsourcing unit due to new contracts where employees were transferred to Zalaris.

The number of employees was stable for all units in Q4 2014 compared to Q3 2014.

Cash flow and investments

Q4 cash flow from operating activities amounted to NOK 15.9 million (NOK 4.7 million Q4 2013). This number includes a cash flow related to customer implementation projects from new outsourcing contracts of NOK -4.8 million (NOK -7.0 million Q4 2013).

The level of investments was NOK 8.7 million during the quarter. The investments mainly consisted of system licenses as well as internally developed software, including the deployment of our SAP Payroll solution in Latvia.

The operating business generated a positive cash flow of NOK 37.7 million for FY 2014, including financed customer implementation projects of NOK 23.3 million. In FY 2013, the cash flow from operating activities amounted to NOK 23.4 million, including financed customer implementation projects amounting to NOK 23.2 million.

Total investments for the year amounted to NOK 14.4 million (NOK 8.4 million in 2013).

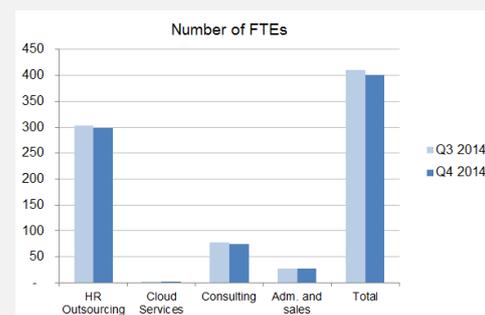
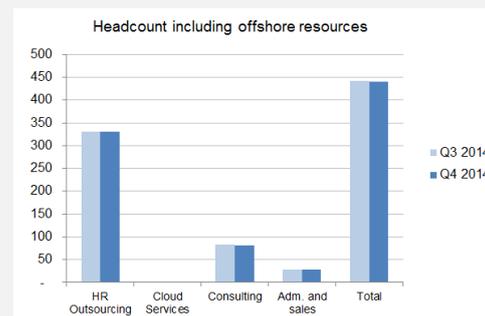
Cash and cash equivalents amounted to NOK 75.2 million at the end of the year (NOK 10.8 million at the end of fiscal 2013). The Group has an unused credit facility of NOK 15.0 million.

Equity

At the end of the fourth quarter, equity was NOK 93.0 million, which corresponds to an equity ratio of 45.0%. At the end of Q4 in 2013, the equity was NOK 40.3 million, equivalent to 33.6%.

Dividend

The Board of Directors propose a dividend payment of NOK 0.75 per share equaling 50% of earnings before tax adjusted for one-off costs.





Outlook

Recent wins and market conditions, focusing on cost savings and efficient use of human capital, are contributing to a continued positive pipeline. We are pursuing growth with the goal of maintaining our historical growth rate. The increased focus of business development and sales has started to materialize in additional opportunities with existing and new customers. We continue to strengthen our portfolio to cover the full range of payroll and reward services.

We will continue our dual focus in maintaining satisfied customers and cost reduction. Establishing our own Indian operated service center will be an important contributor in achieving these goals.

However, we reiterate that the key to our success to date is our long-term-view building stronger customer relationships generating net promoters. Thus, we will continue to invest in process and service improvements as well as personnel development initiatives to advance our values of Service excellence, Quality-focused processes and Employees as our key asset.

Oslo, February 25, 2015
Board of Directors



Lars Laier Henriksen
(chairman)



Narve Reiten



Liselotte Hågertz Engstam



Tina Steinsvik Sund



Jan M. Koivurinta

*This interim report was not reviewed by
The Company's auditors*



Interim consolidated condensed financial statements

Consolidated statement of profit or loss

(NOK 1000)	Notes	2014 Oct-Dec <i>unaudited</i>	2013 Oct-Dec <i>unaudited</i>	2014 Jan-Dec <i>unaudited</i>	2013 Jan-Dec <i>unaudited</i>
Revenue	2	97 318	72 209	326 145	262 216
Operating expenses					
License costs		2 557	2 966	13 030	12 881
Personell expenses	3	54 245	37 220	184 920	139 178
Other operating expenses		21 656	17 965	72 111	60 601
Depreciations		168	245	733	811
Amortisation intangible assets	4	1 877	1 513	6 652	7 148
Amortisation implementation costs customer projects	5	5 071	2 199	17 037	16 981
IPO related costs		-		11 948	-
Accelerated depreciation costs		4 854		4 854	-
Total operating expenses		90 426	62 108	311 284	237 600
Operating profit		6 892	10 101	14 861	24 616
Financial items					
Financial income		318	2 987	708	3 708
Financial expense		-1 699	-2 100	-3 547	-4 790
Net financial items		-1 381	887	-2 838	-1 082
Ordinary profit before tax		5 512	10 988	12 023	23 534
Income tax expense					
Tax expense on ordinary profit		1 632	3 057	3 390	6 445
Total tax expense		1 632	3 057	3 390	6 445
Profit for the period		3 880	7 931	8 633	17 089
<i>Profit attributable to:</i>					
- Owners of the parent		3 228	7 619	7 152	15 776
- Non-controlling interests		652	311	1 481	1 313
<i>Earnings per share:</i>					
- Basic and diluted		0,02 %	0,23 %	0,04 %	0,47 %
- NOK		0,17	2,26	0,40	4,68

Consolidated statement of comprehensive income

(NOK 1000)	Notes	2014 Oct-Dec <i>unaudited</i>	2013 Oct-Dec <i>unaudited</i>	2014 Jan-Dec <i>unaudited</i>	2013 Jan-Dec <i>unaudited</i>
Profit for the period		3 880	7 931	8 633	17 089
Other comprehensive income					
Items that will be reclassified to profit and loss in subsequent periods					
Currency translation differences		1 492	-152	-207	-1 188
Total other comprehensive income		1 492	-152	-207	-1 188
Total comprehensive income		5 372	7 778	8 426	15 901
<i>Total comprehensive income attributable to:</i>					
- Owners of the parent		4 720	7 467	6 590	14 279
- Non-controlling interests		652	311	1 837	1 622



Consolidated statement of financial position

(NOK 1000)	Notes	2014 31. Dec	2013 31. Dec
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax asset		5 289	5 513
Other intangible assets	4	29 637	22 685
		34 926	28 198
Fixed assets			
Office equipment		225	380
Property, plant and equipment		2 089	1 788
Total fixed assets		2 314	2 168
Total non-current assets		37 240	30 366
Current assets			
Trade accounts receivable		64 443	54 934
Customer projects	5	25 421	18 836
Other short-term receivables		4 350	4 880
Cash and cash equivalents		75 175	10 802
Total current assets		169 388	89 451
TOTAL ASSETS		206 629	119 817
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital		1 912	339
Own shares - nominal value		-6	-6
Share premium		67 498	18 442
Total paid-in capital		69 404	18 774
Retained earnings		19 832	18 122
Equity attributable to equity holders of the parent		89 236	36 896
Non-controlling interests		3 730	3 421
Total equity		92 966	40 317
Non-current liabilities			
Deferred tax		1 538	1 306
Interest-bearing loans and borrowings		2 471	3 136
Employee defined benefit liabilities		28	44
Total long-term debt		4 037	4 486
Current liabilities			
Trade accounts payable		12 508	11 932
Interest-bearing loan from shareholders		0	0
Income tax payable		4 053	3 274
Public duties payable		24 600	18 884
Other short-term debt		68 465	40 924
Total short-term debt		109 626	75 013
Total liabilities		113 663	79 500
TOTAL EQUITY AND LIABILITIES		206 629	119 817



Consolidated statement of cash flows

<i>(NOK 1000)</i>	Notes	2014 Oct-Dec <i>unaudited</i>	2013 Oct-Dec <i>unaudited</i>	2014 Jan-Dec	2013 Jan-Dec
Operating profit		6 892	10 101	14 861	24 616
Depreciation		211	239	776	811
Amortisation intangible assets		1 878	1 404	6 654	7 148
Amortisation implementation costs customer projects		5 071	2 199	17 037	16 981
Customer projects		-4 804	-6 961	-23 250	-23 237
Taxes paid		-2 712	299	-2 532	-3 341
Changes in accounts receivable and accounts payable		8 492	4 684	-8 933	-11 283
Changes in other short term debt and disposals		913	-7 313	33 110	11 693
Net cash flow from operating activities		15 941	4 651	37 723	23 388
Cash flows from investing activities					
Purchase of fixed and intangible assets		-8 647	-1 245	-14 411	-8 351
Net cash flow from investing activities		-8 647	-1 245	-14 411	-8 351
Cash flows from financing activities					
Net financial items		-1 381	887	-2 838	-1 082
Purchase of own shares		-72	-	-72	-
Proceeds from issue of new borrowings		2 240	-	2 240	-
Repayments of borrowings		-562	-7 387	-2 906	-9 882
Changes in factoring debt		-	-	-	-113
Dividend payments to non-controlling interest		-1 172	-1 362	-1 172	-1 362
Proceeds from issue of new shares		-	-	49 274	-
IPO Costs of equity		-	-	-3 464	-
Net cash flow from financing activities		-947	-7 862	41 062	-12 440
Net changes in cash and cash equivalents		6 347	-4 456	64 373	2 597
Cash and cash equivalents at the beginning of the period		68 828	15 257	10 802	8 204
Cash and cash equivalents at the end of the period		75 175	10 801	75 175	10 801



Consolidated statement of changes in equity

	Share capital	Own shares	Share premium	Total paid-in equity	Cumulative translation differences	Other equity	Non-controlling interests	Total equity
<i>(in NOK 1000)</i>								
Equity at 01.01.2013	339	-0	18 441	18 780	774	2 646	3 470	25 670
Profit of the year						15 776	1 313	17 089
Other comprehensive income					-1 188			-1 188
Other changes								-
Transaction costs related to IPO								-
Purchase/sale of own shares (net)		-6	1	-5		113		108
Dividend							-1 362	-1 362
Equity at 31.12.2013	339	-6	18 442	18 774	-415	18 536	3 421	40 317
Equity at 01.01.2014	339	-6	18 442	18 774	-415	18 536	3 421	40 317
Profit of the year	-	-	-	-	-	7 152	1 481	8 633
Other comprehensive income	-	-	-218	-218	11	-	-	-207
Other changes	-	-	-	-	-	-416	-	-416
Transaction costs related to IPO	-	-	-	-	-	-1 092	-	-1 092
Issue of new shares	1 573	-	49 274	50 847	-	-3 946	-	46 902
Purchase/sale of own shares (net)	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-1 172	-1 172
Equity at 31.12.2014	1 912	-6	67 498	69 404	-404	20 235	3 730	92 965



Notes to the interim consolidated condensed financial statements

Note 1 - General information and basis for preparation

General information

Zalaris ASA is a public limited company incorporated in Norway. The Group's main office is located in Hovfaret 4, Oslo, Norway. The Group delivers full-service outsourced personnel and payroll services.

Zalaris' interim financial statements for the fourth quarter of 2014 were authorised for issue by the board of directors on 25.02.2015

Basis for preparation

These interim consolidated condensed financial statements are prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The condensed interim financial statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the annual financial statements. The interim condensed consolidated financial statements for the twelve months ended 31 December have not been audited or reviewed by the auditors.

A description of the significant accounting policies is included in the Zalaris' annual financial statements for 2013, and applies to these interim consolidated condensed financial statements. New and amended standards applicable for the period starting 1 January 2014 did not have any effect for the company.

Going concern

With reference to the Norwegian Accounting Act § 3-3, the Board confirms its belief that conditions exist for continuing operations and that these interim consolidated condensed financial statements have been prepared in accordance with the going concern principle.



Note 2 - Segment information

The company has three operating segments, which are HR Outsourcing, Cloudservices and Consulting.

HR Outsourcing offers a full range of payroll and HR outsourcing services including payroll, time and attendance and travel expenses. Cloudservices provides hosted HR-related solutions with flexible licensing. Consulting delivers turnkey projects based on Zalaris template or implementation of customer- specific functionality. They also assist customers with cost-effective maintenance and support of customers own on-premise solution.

Information is organised by business area and geography. The reporting format is based on the Group's management and internal reporting structure. Items that are not allocated are mainly intercompany sales, interest-bearing loans and other associated expenses and assets related to administration of the Group. The Group key management is the chief decision maker in the Group. The investing activities comprise total expenses in the period for the acquisition of assets that have an expected useful life of more than one year.

2014

(NOK 1.000)	HR				Total
	Outsourcing	Cloudservices	Consulting	Unallocated	
Revenue	308 843	6 617	10 685		326 145
Operating expenses	279 703	5 263	9 516		294 483
Operating profit	29 140	1 354	1 168		31 663
Net financial items				-2 838	-2 838
IPO related costs				-11 948	-11 948
Accelerated depreciation costs				-4 854	-4 854
Income tax				-3 390	-3 390
Segment profit	29 140	1 354	1 168	-23 030	8 633
Cash flow from investing activities				-14 411	-14 411

2013

(NOK 1.000)	HR				Total
	Outsourcing	Cloudservices	Consulting	Unallocated	
Revenue	242 624	4 039	15 554		262 216
Operating expenses	221 715	3 168	12 718		237 600
Operating profit	20 910	871	2 836		24 617
Net financial items				-1 083	-1 083
Income tax				-6 445	-6 445
Segment profit	20 910	871	2 836	-7 527	17 089
Cash flow from investing activities		-		-8 965	-8 965

Geographic information

The Group's operations are carried in several countries, and information regarding revenue based on geography is provided below. Information is based on location of the entity generating the revenue, which to a large extent correspond to the geographical location of the customers.

Information about geographical allocation of revenue

Revenue from external customers attributable to:

(NOK 1000)	as % of total	2014		2013		2014		2013	
		Oct-Dec	as % of total	Oct-Dec	as % of total	Jan-Dec	as % of total	Jan-Dec	
Norway	47 %	45 332	46 %	33 442	46 %	151 480	47 %	122 648	
Sweden	18 %	17 834	22 %	16 049	20 %	64 923	22 %	58 949	
Denmark	21 %	20 189	17 %	12 252	19 %	60 598	17 %	44 508	
Finland	13 %	12 320	14 %	10 000	14 %	44 610	13 %	34 415	
Other	2 %	1 643	1 %	465	1 %	4 534	1 %	1 696	
Total	100 %	97 318	100 %	72 208	100 %	326 145	100 %	262 216	

Information about major customers

(NOK 1000)	as % of total	2014		2013		2014		2013	
		Oct-Dec	as % of total	Oct-Dec	as % of total	Jan-Dec	as % of total	Jan-Dec	
5 largest customer	49 %	47 674	45 %	32 690	47 %	153 930	42 %	110 733	
10 largest customer	65 %	63 169	66 %	47 443	65 %	212 002	60 %	158 140	
20 largest customer	79 %	76 901	83 %	60 247	80 %	260 308	76 %	199 551	



Note 3 - Personell expenses

(NOK 1000)	2014	2013	2014	2013
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Salary	48 514	38 353	171 482	132 459
Bonus	1 633	224	6 317	4 364
Social security tax	6 555	4 894	23 224	17 452
Pension costs	4 439	3 911	15 794	12 899
Other expenses	1 756	2 219	5 892	6 532
Capitalised development expenses	-3 066	-887	-5 963	-3 066
Capitalised implementation costs customer projects	-5 587	-11 493	-31 827	-31 461
Total salary expenses	54 245	37 220	184 920	139 178
Average number of employees:	413	359	388	328
Average number of FTEs:	377	328	359	294

Note 4 - Other intangible assets

(NOK 1000)	Licenses and software	Internally developed software	Internally developed software under construction	Total
	Book value 01.01.2013	8 004	11 498	2 714
Additions of the period	1 898	2 288	5 642	9 828
Disposals and currency effects in the period	403	-325	-2 288	-2 210
This periods ordinary amortisation	-2 452	-4 696	-	-7 148
Book value 31.12.2013	7 852	8 765	6 068	22 686
Book value 01.01.2014	7 852	8 765	6 068	22 686
Additions of the period	4 591	10 689	8 994	24 275
Disposals and currency effects in the period	21	-1	-10 689	-10 669
This periods ordinary amortisation	-2 628	-4 026	-	-6 654
Book value 31.12.2014	9 837	15 427	4 373	29 638
Useful life	5-10 years	5 years		
Depreciation method	linear	linear		



Note 5 - Customer projects

	2014	2013
(NOK 1000)	Dec	Dec
Deferred costs related to customer projects	69 936	53 584
Deferred revenue related to customer projects	-44 515	-34 749
Net customer implementation costs	25 421	18 836

Costs related to delivering outsourcing contracts are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts (transition and/or transformation costs) may be deferred when they are specific to a given contract, relate to future activity on the contract and/ or will generate future economic benefits, and are recoverable. These costs are allocated to work-in-progress (customer projects) and any prepaid revenues by the client is recorded as a deduction from the costs incurred in the balance for customer projects. The deferred costs are expensed evenly over the period the outsourcing services are provided and included in the line item "Amortization implementation cost customer projects".

Note 6 - Transactions with related parties

There have been no material transactions with related parties during the reporting period 1st of October to 31th of December. Please refer to the annual financial statements for further information.

Note 7 - Events after the balance sheet date

There have been no events after the balance sheet date significantly affecting the Group's financial position.



The quarter in pictures



Zalaris conducted a successful security test with IT systems back at full power only 32 minutes after a constructed crisis scenario.



We went live with a customer on a new SAP Payroll solution in Latvia, which we built from scratch.



Zalaris participated in the global movement Movember, with the team Zalaris' Mo Bros, and raised more than 5'000 NOK.



Our Indian team visited Oslo, Porsgrunn and Stavanger, enabling excellent process documentation for one of our new major customers.



A Finnish novel was released in Latvian due to the translations of Zalaris employee Emilija Petraskevica.



Zalaris raised about 100'000 NOK to the health charity AKTIV against cancer. This was raised exclusively through registered physical activity from our employees in Norway.

For questions, please contact

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Financial information

Annual report 2014	April 23, 2015
Interim report January - March 2015	April 29, 2015
Interim report April – June 2015	August 20, 2015
Interim report July – September 2015	October 28, 2015

All financial information is published at Zalaris' website www.zalaris.com investor relations.

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