


Annual performance

A series of ten horizontal bars of varying colors (yellow, green, cyan, purple, orange, brown) stacked vertically on the right side of the blue header bar.

2013

ONE Nemko • IT • Telecom

Audio • Video • [International approval](#)

Household appliances • Maritime • Oil & gas

Healthcare equipment • [Testing](#) • Global • Local

[Certification](#) • Regulatory • IECCE • Conformity

Electro technical products • Inspection • Caring

Third party • CB • [Pre compliance](#) • Integrity

Competent • Improving • International

one world - our approval

One world – our approval

Companies around the world trust Nemko to assess their products, systems, installations and personnel for conformity with relevant standards and regulations.

Since 1933, we have ensured that our customers comply with requirements anywhere in the world. Our services include pre-compliance, international approval, product and system certifications as well as product testing.

Through our offices, laboratories and extensive partner network in Asia, North America, Europe, Middle East and Africa we are able to serve our customers in a reliable, efficient and open manner.

We provide local presence coupled with global knowledge. One world – our approval.

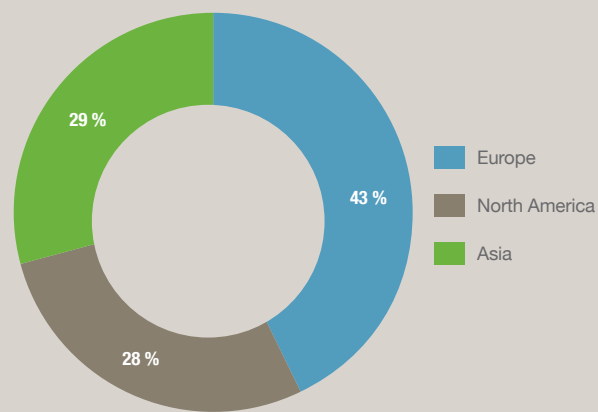
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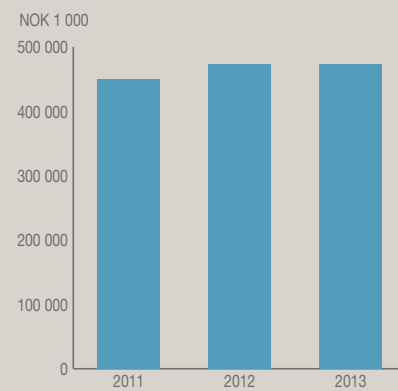
Nemko in figures

Revenue per region

Total 2013: 473 262

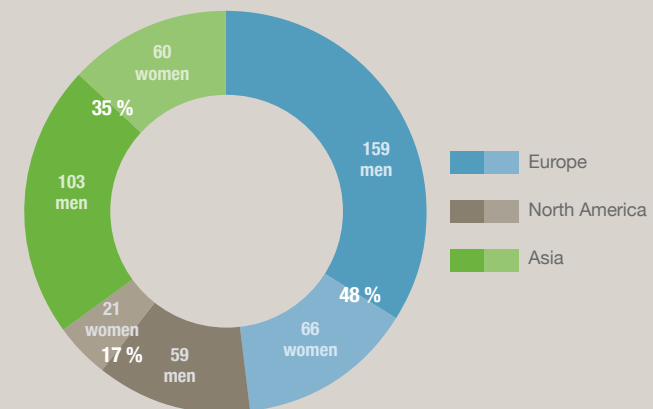


Revenues



Number of employees per region

Total 2013: 468



In 2013, Nemko completed

22 000

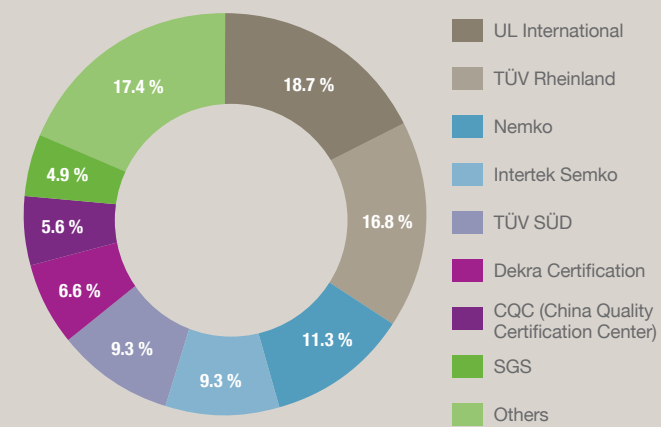
projects for

5 500

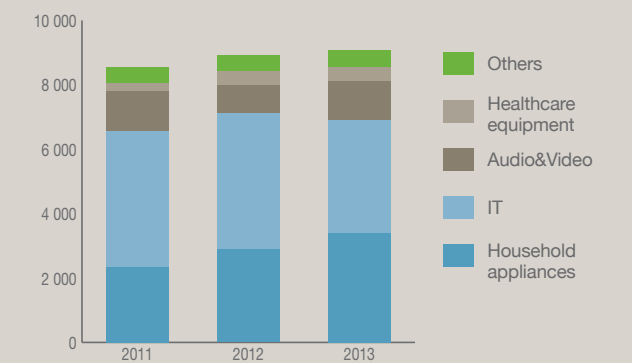
customers globally.

CB certificates issued globally 2013

Total: 80 335



Nemko CB ranking per product category



Positioned for the future

We started 2013 with high goals and the ambition to further develop Nemko as a strong and independent global player. I am proud to report that we have a solid customer base, that we are well positioned in the global CB scheme as well as with our International Approval services and that we have regained our foothold in Norway – our biggest Nemko unit.

2013 started with the development of a new group strategy for the upcoming five-year period. In parallel we introduced a new logo and a new company profile. We are very proud of our new visual expression; reinforcing Nemko's position in the global testing, inspection and certification industry.

In the second half of the year, a number of measures were agreed upon in order to improve our performance within the group. We set up a unified profitability programme with planned actions to end our losses and reposition the company for 2014. Consequently, all regions have undergone an extensive consolidation process resulting in a more streamlined organisation.

The ONE Nemko philosophy underpins our main focus – we shall deliver as promised. Our services are global, our business is local and we shall continuously strive to strengthen our local presence, our local market knowledge as well as our customer relations.

The more synergies we can take out of our global organisation, the better we can deliver both for our customers as well as for our colleagues globally.

8 out of 10 customers say that they are satisfied with Nemko's deliverables. In addition, our annual customer satisfaction survey confirms that our customers are loyal, choosing Nemko again and again. I would also like to thank all the customers who gave us valuable and concrete feedback about what we need to do in order to improve.

Nemko's values are integrity, competent, caring, improving. Our values, together with our leadership principles and ethical guidelines, unite us and guide us in our ambition to reach our targets. It is a joint effort, appreciating and challenging all of our employees, being good together and serving the customers in a way that makes them always want to return.

I thank all employees, our customers and our partners for contributing in making 2013 an extraordinary year for Nemko.



Grete Aspelund
President & CEO



Grete Aspelund
President & CEO

Highlights 2013

- We have celebrated our **80th anniversary** with the launch of a **new logo** and the **ONE Nemko** initiative, capturing our values and how we intend to grow our business to serve our customers better.
- **Grete Aspelund** is appointed President & CEO of Nemko.
- To reinforce our **local presence**, we have organised our operations in three strengthened regional units: Europe, North America and Asia.
- Feedback from our annual customer survey shows that 8 out of 10 **customers are satisfied** with Nemko's services.
- Nemko maintains its **strong position with CB** – a multilateral agreement for international certification of electrical and electronic products; where a single certification grants access to markets worldwide
 - Number 3 in the total global CB ranking
 - Number 1 in the HOUS category (household appliances)
 - Number 2 in the audio/video category
 - Number 3 in the IT equipment category
- Nemko expands into **Montreal** with a new state-of-the art testing facility to serve our Quebec customers.
- The first Nemko **Green Marks** were certified for five products from Samsung Electronics; a mark awarded to products that fulfil a range of strict eco-design requirements, ethical requirements for manufactures and production control for factories.
- A new registration system in India and certification conditions in Brazil has led **Nemko Direct** to India and Brazil, assisting our customers with their market access.
- Based on market demand, Nemko is now offering **ISO 50001** - energy management systems.
- Introduction of the new **cNEMKOus mark**; the Nemko electrical safety service for North America.

Our vision

Nemko shall be a leading global player and achieve profitable growth by being a customer and knowledge driven company, providing customers in prioritized market segments with international approval for their products.

Mission statement

Nemko contributes to a safer world by sharing knowledge and safeguarding products, the environment, people and systems. Nemko creates value for the customer by providing fast and reliable international approval.

Our values safeguard the way we work

Integrity • Competent • Caring • Improving

Group management

The Nemko group is headquartered in Oslo, Norway, with subsidiaries in Canada, China, Denmark, Germany, Hong Kong, Italy, Japan, Korea, Sweden, Taiwan and USA.



Grete Aspelund
President & CEO
Region Europe



Yong Beom Choi
Region Asia



Grant Schmidbauer
Region North America



Svein Ola Ulven
CFO



Rune Slaggard
HR, IT, QM & Organisational
Development



Hannes Skisaker
Global Sales & Business
Development

Our promise

Through our unique combination of local presence, international networks and bi-lateral agreements we obtain regulatory access for our customers products in each and every market globally.

We live in an age of ever-shorter time-to-market requirements and a constant pressure in keeping costs down. Globalisation requires products to be sold in more and more countries worldwide. Delays in obtaining access

to new markets around the world will be costly and result in lost sales.

Rules and regulations are changing rapidly, making it time consuming to be up-to-date. Interpretation of new regulations and approvals is often difficult and takes time.

Nemko has local expertise and global knowledge.

ONE WORLD • OUR APPROVAL

Global trends as we see them

Certification standards will be increasingly harmonised within the developed economic regions; while emerging markets contribute to an increase in national standards.

Consolidation within electronic manufacturing industry drives change in buying patterns; as B2B industrial clients become fewer, more complex and retailers become more dominant in setting consumer product requirements.

Globalisation and economic growth in emerging markets drives an increasing need for multiple market access services; leaving a room for differentiation by offering value adding services.

Bundling of product features drives an increase in technological convergence within electro technical products; making testing increasingly complex.

Consolidation trends within the conformity assessment industry will continue; with leading players expanding scope through acquisitions.

Testing within electro technical industry to become increasingly standardised at a more advanced level; setting high requirements to capabilities and operational efficiency.

Our services

Pre-compliance: assessment of the design of a product according to applicable standards

International approval: assessment of a product and/or manufacturer qualification according to country-specific import regulations and sales requirements

Product and system certification: certification according to various schemes

Product testing: assessment of a product according to a standard

Industries we serve



IT, audio & video



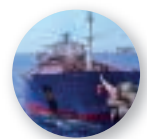
Telecom



Household appliances



Healthcare equipment



Maritime, oil & gas



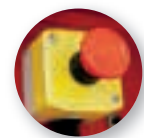
Lighting equipment



Defence industry



Electrical installation material



Fire & security



Building inspection



Machinery



Management system certification

Recognitions and accreditation status

European notified body status
(identification numbers 0470 and 0436)

Directive for	Directive ref. no.
• Low voltage equipment	2006 / 95 / EC
• EMC	2004 / 108 / EC
• Medical equipment	93 / 42 / EEC
• Electrical equipment for explosive atmospheres	94 / 9 / EEC
• Radio and telecom terminal equipment	99 / 5 / EC
• Acoustic noise	2000 / 14 / EC
• Marine equipment	96/98/EC+98/85/EC
• Construction products directive	89 / 106 / EEC

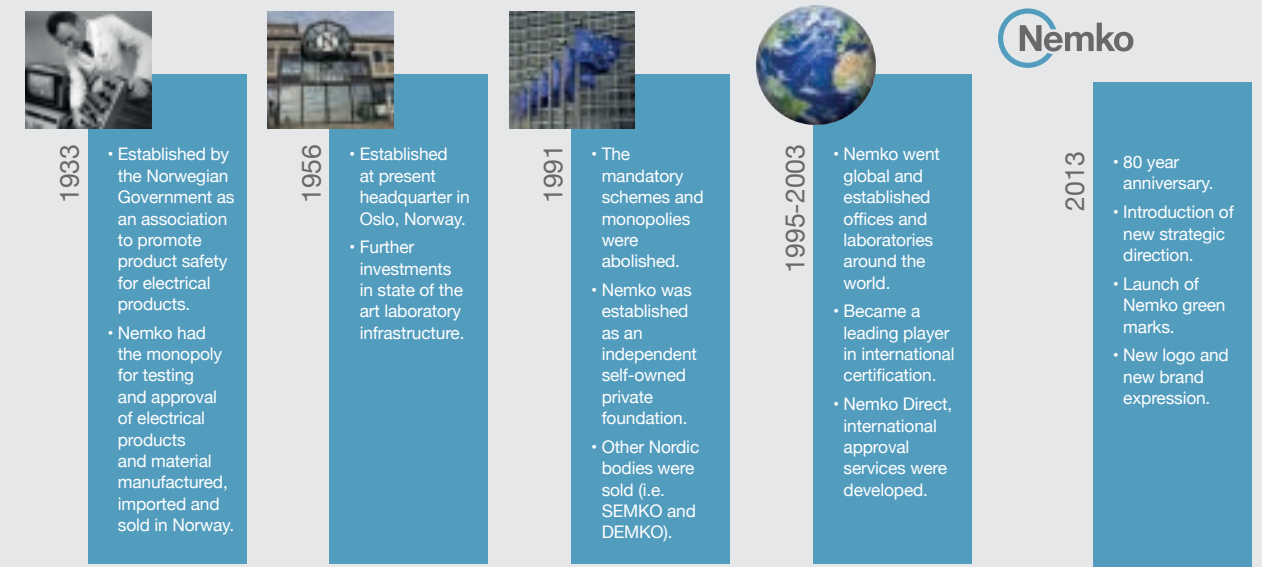
Others

- NCB and 20 accepted CBTLs within the IECEE/CB scheme
- Member body of the European EEP/CA/ECS (ENEC and CCA schemes)
- The Nemko group holds various national accreditations, for
 - Testing and calibration to ISO/IEC 17025
 - Product certification to EN 45011 & ISO/IEC Guide 65
 - Management system certification to ISO/IEC 17021
 - Personnel certification to ISO/IEC 17024
- Also, some of the labs have special accreditations by Russian GOSSTANDART, Taiwanese BSMI, Korean NRRR, Australian NATA, German ZLS, Canadian SCC and US OSHA

An excerpt of certifications and marks



Our history



How we are organised

Nemko is a private, independent foundation.

Objective

The objective of the foundation is to promote safety in the sale and use of electro-technical equipment.

History

Nemko's history goes back to 1933, when it was established as an independent association to promote product safety for electrical products in Norway. Nemko had the monopoly for testing and approval of electrical products and material manufactured, imported and sold in Norway.

The NEMKO foundation was established 19 December 1990, as a continuation of the former state-owned company Nemko. All such national monopolies were later abolished by the EU – in 1991.

Mission

The foundation shall, through its wholly owned subsidiary Nemko AS, maintain internationally competitive and recognized test laboratories and certification bodies, who, through their expertise and independent positions, can contribute to safety within the sale and use of electro-technical equipment in Norway and worldwide.

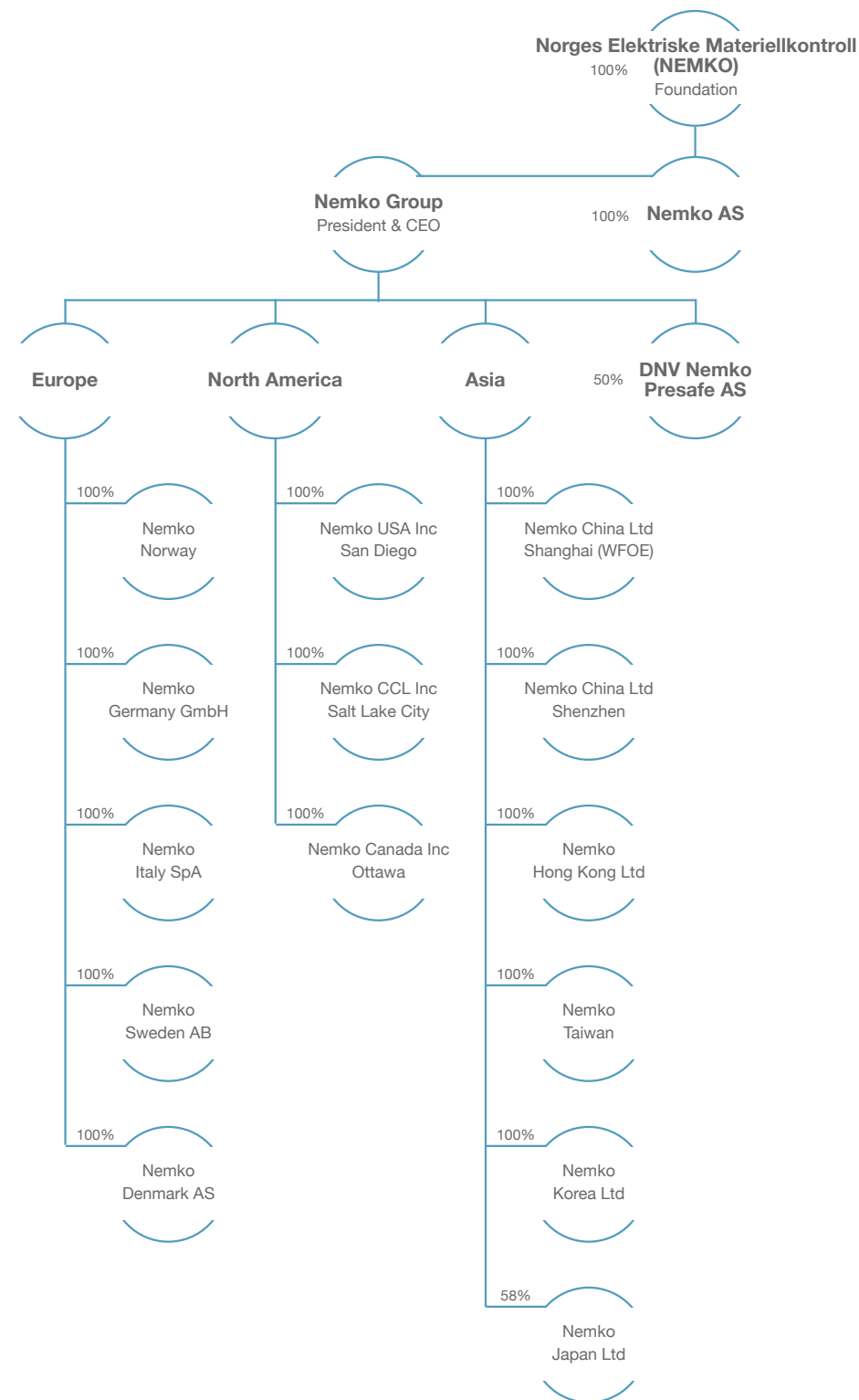
Ownership structure

The foundation ownership structure ensures that Nemko AS has the necessary independence and integrity towards the authorities, accreditation bodies, the customers and the safety of the product.

The foundation is managed by a board of 10 members, of which three are employee representatives elected by the employees of Nemko in Norway and 7 representatives designated by the following Norwegian industry and trade associations:

- Elektroforeningen (Norwegian association of electrical manufacturers, importers and wholesalers)
- Energi Norge (Energy Norway)
- Industriens Forening for Elektroteknikk og Automatisering (The Association for Electrotechnics and Automation in Industry)
- IKT-Norge (The voice of the Norwegian ICT industry)
- Elektronikkbransjen (Consumer Electronics Trade Foundation)
- NELFO, foreningen for EL- og IT bedriftene (Norwegian Electrical Contractors' Association)
- Norsk Industri (Federation of Norwegian Industries)

Our ownership structure



Board of directors



Geir Lae Solberg
Chairman of the board



Bjørn Ove Skjeie
Board member



Ragnhild Kvålshaugen
Board member



Mette Solstrand
Board member



Arne Jorde
Board member



Emanuela Noce Rokke
Board member



Pål Eddie
Board member

In 2013 operating revenues for the group amounted to NOK 473.3 million, which is at the same level as 2012. The operating result for the group was NOK -19.9 million and pre-tax results were NOK -23.8 million.

In 2013 a weak trend in turnover combined with extraordinary expenses for restructuring costs contributed to a negative operating result. The company's poor trend resulted in the implementation of a number of measures during the year to return the company to balance in 2014.

At the same time, in 2013 the company experienced a positive effect from significant investments in important markets and units. Nemko's increased focus and investments in recent years in Korea and the USA provided important contributions to the company's result in 2013.

From August 2013 Grete Aspelund, former head of Nemko Scandinavia, was appointed new CEO of the Nemko Group. Against the backdrop of the poor trend, extensive restructuring and strengthening was carried out in all of the company's regions in the last half of 2013.

In North America the unit in Dallas was closed, and in Asia the unit in Shanghai saw a significant workforce reduction. In Europe the Finland unit was sold to SGS.

While the company reduced risk in this manner, the most important services and investments were transferred to other units in the region. This will establish a stronger foundation for development and safeguarding of deliveries and customer relationships. Finally, Europe and Scandinavia were merged in a common European region. In Europe operations have also been strengthened by a sales office in Denmark.

In terms of new focus areas in 2013, Nemko established an office in Montreal, in order to further serve the Canadian market going ahead.

Combined, these measures entail a major reduction in cost levels for the Nemko Group in 2014, while also providing support for the Nemko Group's strategic goals. Establishing strong professional communities and units that are capable of developing sustainable growth locally and regionally is a precondition for Nemkos global presence in the future.

Nemko

Financial statements

Income statement

(NOK 1 000)	Group		
	2013	2012*	2012
Revenue	393 337	384 740	403 867
Other revenue	79 925	88 767	87 855
Total revenue	473 262	473 507	491 722
Salary and other personnel costs	277 012	266 414	284 257
Other operating and administrative expenses	193 947	178 083	180 465
Depreciation	20 848	21 317	21 512
Amortization	1 332	1 449	3 842
Total operating costs	493 139	467 264	490 077
Operating profit	(19 877)	6 243	1 646
Finance income	25 035	17 826	17 815
Finance costs	(28 913)	(29 813)	(24 227)
Net finance	(3 878)	(11 987)	(6 412)
Profit before tax	(23 755)	(5 744)	(4 765)
Tax	3 158	309	(342)
Profit after tax	(26 913)	(6 053)	(4 423)
Minority	175	187	187
Profit after minority	(27 088)	(6 240)	(4 610)

*1 Comparative figures after change of principle

Balance sheet


(NOK 1 000)	Group		
	2013	2012*	2012
ASSETS			
Fixed assets			
Deferred tax asset	11 378	11 157	12 540
Goodwill	7 680	8 825	27 603
Other intangible assets	-	-	2 590
Intangible assets	19 058	19 982	42 733
Land and buildings	23 414	21 311	21 311
Lab equipment and machines	51 461	55 168	55 274
Inventory	5 473	4 904	4 904
Office and IT equipment	6 279	6 398	6 756
Fixed assets	86 627	87 780	88 246
Investments in subsidiaries	-	-	-
Investments in joint ventures	5 723	10 984	-
Net pension assets funded plan	36 917	36 205	36 205
Long term receivables	7 237	6 740	6 740
Long term receivables Stiftelsen NEMKO	18 125	19 375	19 375
Long term receivables intercompany	-	-	-
Long term receivables joint venture	4 746	-	-
Financial assets	72 748	73 304	62 320
Total fixed assets	178 433	181 066	193 299
Current assets			
Accounts receivables	73 815	60 068	67 132
Short term receivables Stiftelsen NEMKO	-	144	144
Short term receivables intercompany	-	-	-
Short term receivables joint venture	5 886	2 594	-
Other short term receivables	12 333	12 405	14 779
Receivables	92 034	75 210	82 055
Current financial assets	-	4 579	4 579
Cash and cash equivalents	36 729	52 352	55 068
Current assets	128 763	132 141	141 702
Total assets	307 196	313 206	335 001

*) Comparative figures after change of principle

(NOK 1 000)	Group		
	2013	2012*	2012
EQUITY			
Share capital	50 000	50 000	50 000
Other paid-in equity	55 325	55 325	55 325
Paid-in capital	105 325	105 325	105 325
Other equity	(26 078)	(3 324)	(1 694)
Minority interests	1 225	1 178	1 178
Retained earnings	(24 853)	(2 146)	(516)
Equity	80 472	103 178	104 809
LIABILITIES			
Liabilities to credit institutions	85 144	95 994	95 994
Deferred tax liabilities	2 986	2 116	2 199
Pension liabilities	15 100	14 671	16 491
Statutory redundancy payments to employees	7 884	6 771	6 771
Long term liabilities intercompany	-	-	-
Long term liabilities joint venture	-	-	-
Other long term liabilities	6 414	6 922	20 422
Long term liabilities	117 528	126 475	141 877
Accounts payables	10 583	7 305	9 794
Short term payables intercompany	1 785	-	-
Short term payables joint venture	4 268	4 806	-
Tax payables	688	(367)	(367)
Government taxes etc	17 972	17 644	19 582
Other short term payable	73 900	54 164	59 307
Short term payables	109 196	83 553	88 316
Liabilities	226 724	210 029	230 193
Total liabilities and equity	307 196	313 206	335 001

*) Comparative figures after change of principle


Oslo, 10 April 2014



Geir Lae Solberg
 Chairman of the board


Bjorn Ove Skjeie
 Board member


Ragnhild Kvålshaugen
 Board member


Mette Solstrand
 Board member


Arne Jorde
 Board member


Emanuela Noce Rokke
 Board member


Pål Eddie
 Board member


Grete Aspelund
 President & CEO

Cashflow statement

(NOK 1 000)	Group		
	2013	2012*	2012
Cash flow from operating activities			
Profit before tax	(23 755)	(5 744)	(4 765)
Taxes paid	(1 454)	(1 932)	(2 582)
Depreciation and amortization	22 180	22 765	25 354
Realized gain on trading portfolio	177	(387)	(387)
Loss/(gain) on sale of fixed assets	(1 702)	483	483
Share of profit from joint ventures	5 905	6 126	-
Difference in cost and payments in pension	830	(4 246)	662
Change in accounts receivables	(17 039)	3 790	(680)
Change in accounts payables	2 740	(3 137)	(3 034)
Change in balance with Stiftelsen NEMKO	144	2 443	2 443
Change in balance with group companies	-	-	-
Change in other accruals, including currency effects	12 107	(1 414)	711
Net cash flow from operating activities	133	18 747	18 207
Cash flow from investing activities			
Sale of fixed assets	2 463	177	177
Purchase of fixed assets	(15 287)	(15 171)	(15 821)
Purchase of stocks	(138)	(284)	(3 584)
Sale of stocks	4 540	11 049	11 049
Loan to Stiftelsen NEMKO	1 250	1 250	1 250
Loan to group company	-	-	-
Effect of fission - Presafe	-	(29 271)	(25 700)
Impairment of shares in subsidiaries	-	-	-
Impairment of shares in joint ventures	-	9 861	-
Net cash flow from investing activities	(7 172)	(22 389)	(32 629)
Cash flow from financing activities			
Change in long term liability	(12 310)	7 645	21 145
Net cashflow from financing activities	(12 310)	7 645	21 145
Net change in cash and cash equivalents	(19 349)	4 003	6 723
Cash and cash equivalents per 01.01	52 352	50 544	50 544
Currency effect on net change in cash and cash equivalents	3 726	(2 195)	(2 199)
Cash and cash equivalents per 31.12	36 729	52 352	55 068

*1 Comparative figures after change of principle

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For further details please visit us at nemko.com

