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## Substantial growth in Falck – but severely affected by the crisis in the oil and gas industry

***While Falck successfully increased revenue and strengthened its position in Europe and on the North and Latin American markets, the crisis in the global oil and gas industry affected Falck so harshly that the Group realised a loss of DKK 523 million for 2015 compared with a profit of DKK 218 million for 2014.***

In 2015, Falck reinforced its position on its key markets in Europe, the United States and Latin America, and the Group grew revenue by 9.1% to DKK 15,227 million. Still, the net result for the year was a loss of DKK 523 million before tax, and EBITA fell by DKK 168 million to DKK 971 million.

The lower earnings were mainly attributable to significant challenges within Safety Services, which was severely affected by the crisis in the global oil and gas industry in the wake of the low level of oil prices.

”We have had to write down the value of Falck’s assets in Safety Services, which provides safety training to offshore and other workers across the world. The DKK 750 million impairment loss - primarily relating to goodwill - resulted in red numbers on the bottom line”, explained Allan Søgård Larsen, Group CEO, and continued:

”We have been affected in the same way as all other businesses with activities in the oil industry. This is frustrating, of course, but I choose to celebrate the fact that, concurrently with incurring an impairment loss in Safety Services in 2015, we managed to strengthen Falck’s position in our key markets in Europe, the United States and Latin America”.

In addition to the negative effect of the impairment loss in Safety Services, Emergency and Assistance both incurred substantial costs for purposes of ensuring future growth. In the short term, earnings have not been able to keep pace with these investments.

“So with 2015 involving massive challenges for Falck, there is reason to celebrate that we are still growing as a group. That said, I must emphasise that Falck needs to improve its ability to turn its considerable revenue growth into an improving bottom line”, said Allan Søgaard Larsen.

The higher revenue was largely attributable to the full-year effect of the merger with TryghedsGruppen’s healthcare companies in June 2014 and a number of minor acquisitions made in 2015, but solid organic growth outside Denmark contributed as well.

By way of example, Falck expanded its ambulance services in several areas surrounding Barcelona, Spain, and now serves 2.1 million citizens with 380 vehicles and 1,200 staff. In the United States, Falck won a number of major multi-year contracts representing more than 100,000 responses annually. And in Latin America, Falck cemented its position as the leading ambulance operator on the continent as the number of private subscribers reached one million.

In Denmark, Falck retained its position in four of the country’s five regions, while the contract for ambulance services in the Southern Denmark Region starting on 1 September 2015 was lost in 2014.

In the field of global travel assistance, Falck won a number of new contracts, significantly expanding its market position. In the Scandinavian alarm market, Falck succeeded in maintaining strong growth in alarm sales. And in the Healthcare business, Falck delivered an increased number of healthcare solutions and signed a number of major health insurance management contracts with insurance companies.

In 2016, Falck expects to realise revenue growth in the region of 10% thanks to the full-year effect of contract wins and acquisitions in 2015, although the next year is also expected to be adversely affected by developments in the oil and gas industry.

“We expect Safety Services to continue to be heavily affected by low oil prices, but anticipate a generally improved performance in 2016. Several countries are showing increasing demand for quality ambulance services,

efficient firefighting services, swift roadside assistance, effective healthcare solutions and other competencies offered by Falck. And Falck has talented staff committed to delivering those services all over the world”, said Allan Søgaard Larsen, Group CEO.

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## About Falck

For more than a century, Falck has worked with local and national governments to prevent accidents, diseases and emergency situations, to rescue and assist people in emergencies quickly and competently and to rehabilitate people after illness or injury. This has made Falck an international leader in emergency response and healthcare services.

Falck operates in 30 countries and has approximately 27,000 employees.

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