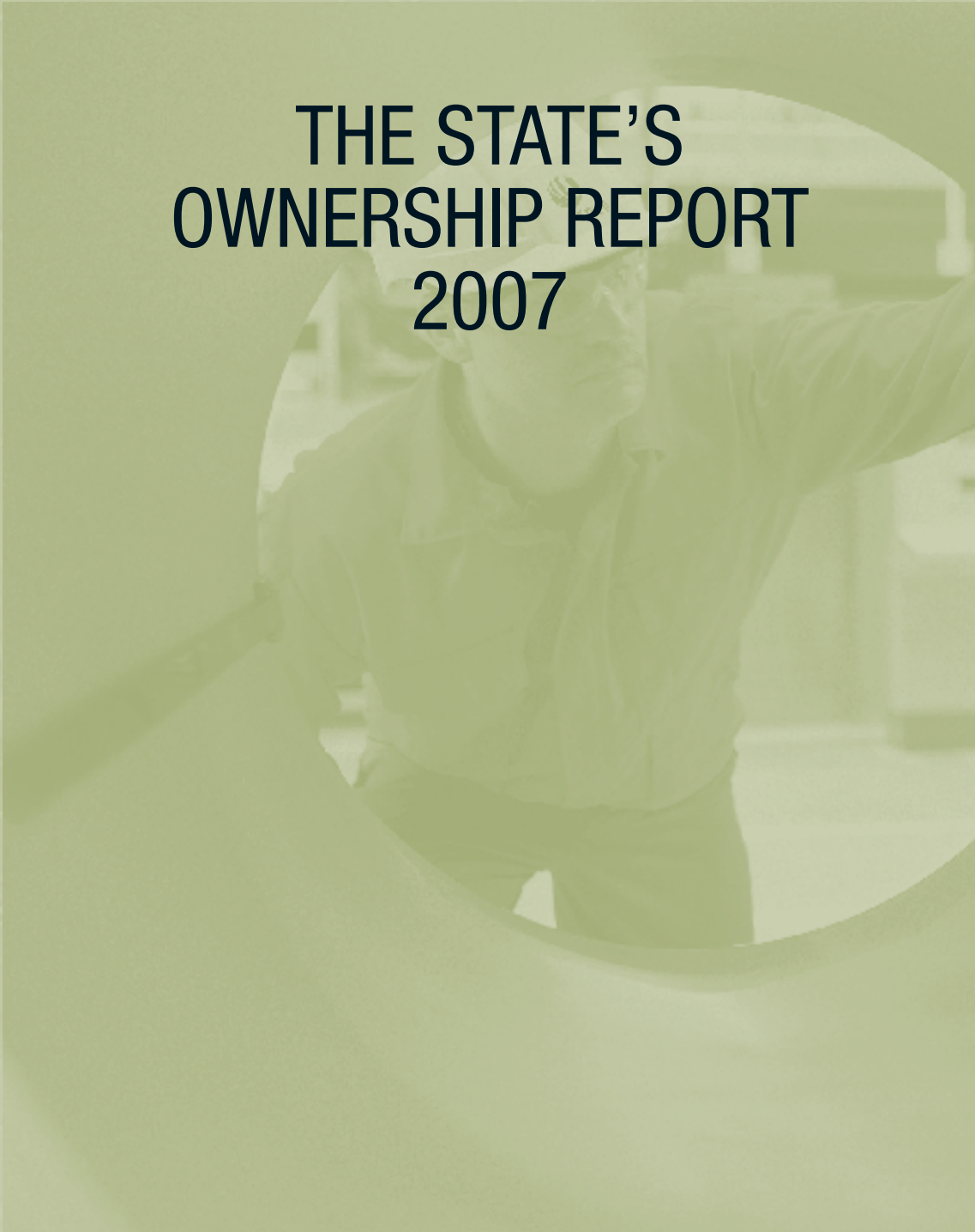




NORWEGIAN MINISTRY  
OF TRADE AND INDUSTRY

# THE STATE'S OWNERSHIP REPORT 2007



# Table of contents

The Norwegian State Ownership Report 2007 comprises 52 companies in which the ministries administer the State's direct ownership interests. The report covers the companies where the State as owner mainly has commercial objectives and the most important companies with sectoral policy objectives.

	PAGE		PAGE		PAGE
The State's Ownership Report 2007	3	<b>CATEGORY 2</b>		<b>CATEGORY 4</b>	
Foreword by the Minister	4	<b>Companies with commercial objectives and ensuring head office functions in Norway</b>		<b>Companies with sectoral policy objectives</b>	
The Year 2007 for the State as Shareholder	6	Cermaq ASA	55	Avinor AS	74
Rates of return and values	12	DnB NOR ASA	56	Bjørnøen AS	75
Financial development of the companies	20	Kongsberg Gruppen ASA	57	Enova SF	76
Other factors	27	Nammo AS	58	Gassco AS	77
The State's management of its ownership stakes	33	Norsk Hydro ASA	59	Itas amb AS	78
External articles		StatoilHydro ASA	60	Kings Bay AS	79
– StatoilHydro: A dynamic new company	36	Telenor ASA	61	Kompetansesenter for IT i helse- og sosialsektoren AS	80
– The Kongsberg Group's work on corporate social responsibility	38	Yara International ASA	62	Norsk Eiendomsinformasjon AS	81
– Corporate governance and business economics outside the Oslo Stock Exchange	40	Aker Holding AS <sup>1</sup>	63	Norsk Rikskringkasting AS	82
				Norsk Samfunnsvitenskapelig datatjeneste AS	83
		<b>CATEGORY 3</b>		Norsk Tipping AS	84
		<b>Companies with commercial objectives and other specific, defined objectives</b>		Petoro AS	85
		BaneTele AS	64	Simula Research Laboratory AS	86
		Electronic Chart Centre AS	65	SIVA SF	87
		Kommunalbanken AS	66	Statnett SF	88
		NSB AS	67	Statkog SF	89
		Posten Norge AS	68	Uninett AS	90
		Statkraft SF	69	Universitetssenteret på Svalbard AS	91
		Store Norske Spitsbergen Kulkompani AS	70	AS Vinmonopolet	92
		Veterinærmedisinsk Oppdragssenter AS	71	Gassnova SF <sup>1</sup>	93
				Innovasjon Norge <sup>1</sup>	94
				Norfund <sup>1</sup>	95
				<b>Regional health enterprises</b>	
				Helse Midt-Norge RHF	98
				Helse Nord RHF	99
				Helse Sør-Øst RHF	100
				Helse Vest RHF	101
				Contact details	103
				Comments and definitions	104

# The State Ownership Report 2007

**The State Ownership Report provides an overview of State ownership, the administration of this ownership and the development of the companies. The report is meant to increase knowledge both about how the ministries administer State ownership and the individual companies.**

The 2007 Ownership Report is divided into two main sections. The first section contains overviews of the previous year and articles relating to State ownership. The second section contains descriptions of the individual companies.

The companies in this Ownership Report are divided into four categories depending on the objective of State ownership:

1. Companies with commercial objectives
2. Companies with commercial objectives and ensuring head office functions in Norway
3. Companies with commercial objectives and other specific, defined objectives
4. Companies with sectoral policy objectives

This division of the companies accords with the categorisation of companies in which the State owns a stake in Report no. 13 (2006-2007) to the Storting – *An active and long-term ownership*<sup>1</sup>.

In addition to the printed Norwegian and English versions, the State Ownership Report 2007 and past editions of the report are also available on the Internet: [www.ownershipreport.net](http://www.ownershipreport.net).

The report is up to date as at 31 March 2008.

<sup>1</sup> The Report also includes Aker Holding AS, Gassnova SF, Innovasjon Norge, Norfund and Secora AS. These companies were not categorised in Report no. 13 (2006-2007) to the Storting.

## Main figures for the companies referred to in the State's Ownership Report 2007

Mill. NOK	Listed companies	Non-listed companies (categories 1-3) <sup>1</sup>	Companies with sectoral policy objectives (category 4) <sup>2</sup>	Total
State ownership share - value <sup>3</sup>	570 805	74 353		645 158
Weighted rate of return past year <sup>4</sup>	13%			
Profit (loss) <sup>5</sup>	103 120	10 504	2 948	116 572
Weighted return on equity <sup>6</sup>	27%	14%		
Dividend <sup>7</sup>	25 385	7 977	793	34 154
Sales proceeds	5 716	0	0	5 716
Capital contribution, share purchases	0	-4 803	-545	-5 348

<sup>1</sup> Includes Secora AS and Aker Holding AS, which were not included in Report no. 13 (2006-2007) to the Storting.

<sup>2</sup> Includes the regional health authorities, Gassnova SF, Innovasjon Norge and Norfund. Gassnova SF, Innovasjon Norge and Norfund were not included in Report no. 13 (2006-2007). The results of the regional health authorities are the deviation from the performance requirement set by the Ministry of Health and Care Services.

<sup>3</sup> For listed companies the values are based on market prices at 31 December 2007 and the number of shares owned by the state at the same time. The value of the State's ownership interest in Aker Holding AS was calculated with market prices for Aker Solutions ASA as at 31 December 2007 and the State's indirect ownership interest in Aker Solutions ASA at the same time. For the unlisted companies with commercial objectives book equity less minority interests as at 31 December 2007 was used.

<sup>4</sup> Change in market value plus received dividend and including the increase in value of the dividend. The return is weighted in relation to the value of the State's shareholding as at 31 December 2007.

<sup>5</sup> Profit after tax and minority interests. The results are the deviation of the regional health authorities from the performance requirement set by the Ministry of Health and Care Services.

<sup>6</sup> Weighted in relation to the State's share of the book equity less minority interests as at 31 December 2007.

<sup>7</sup> Dividend payable to the State that has been set aside for the 2007 financial year and will be disbursed in 2008.

# Foreword by the Minister

Argentum Fondsinvesteringer AS • Baneservice AS • Eksportfinans ASA • Entra Eiendom AS • Flytoget AS • Mesta AS • SAS AB • Venturefondet AS • Secora AS • Cermaq ASA • DnB NOR ASA • Kongsberg Gruppen ASA • Nammo AS • Norsk Hydro ASA • StatoilHydro ASA • Telenor ASA • Yara International ASA • Aker Holding AS • BaneTele AS • Electronic Chart Centre AS • Kommunalbanken AS • NSB AS • Posten Norge AS • Statkraft SF • Store Norske Spitsbergen Kulkompani AS • Veterinærmedisinsk Oppdragssenter AS • Avinor AS • Bjørnøen AS • Enova SF • Gassco AS • Itas amb AS • Kings Bay AS • Kompetansesenteret for IT i helse- og sosialsektoren AS • Norsk Eiendomsinformasjon AS • Norsk Rikskringkasting AS • Norsk samfunnsvitenskapelig datatjeneste AS • Norsk Tipping AS • Petoro AS • Simula Research Laboratory AS • SIVA SF • Statnett SF • Statsskog SF • Uninett AS • Universitetssenteret på Svalbard AS • AS Vinmonopolet • Gassnova SF • Innovasjon Norge • Norfund • Helse Midt-Norge RHF • Helse Nord RHF • Helse Sør-Øst RHF • Helse Vest RHF



© StatoilHydro ASA



*"The State is the largest shareholder in Norwegian industry."*



State ownership is important and involves many people. We need debate and involvement in how common resources can be administered to best benefit society as a whole.

The State is the largest shareholder in Norwegian industry. Many of the companies the State has a stake in administer major assets ensuing from common natural resources or own and operate infrastructure that ought to be publicly owned. Many companies also represent world-leading expertise and play an important role in maintaining innovative, competitive industry and processing in Norway. It is therefore essential that the companies are managed from a head office in Norway and that the companies perform a large part of their research and development work in Norway. State ownership also generates considerable revenues for the Norwegian welfare state in the form of dividends from the companies.

The State must be a predictable, active, responsible and professional owner. As a predictable owner, we communicate our expectations to the companies and aim to be consistent. As an active owner, we make sure that strategically good decisions are made and that the companies constantly adapt. As a responsible owner, we think in the long term and are aware of the corporate social responsibility the companies have or can assume in various different situations. As a professional owner, we behave correctly in all our relations with our companies and anyone else we have contact with. The Government gives priority to living up to these ideals. I think we are generally doing quite well, but there is always room for improvement.

In 2007, the State has been involved in major industrial changes and has further developed its role as an owner:

- In April, the Storting adopted the main points in the Government's Ownership Report (Report no. 13 (2006-2007) to the Storting – *An active and long-term ownership*), which was submitted in December 2006. This reports stresses that the main goals of State ownership are to contribute to the companies' long-term value creation and industrial development.

- The largest merger in the history of Norway was carried out between Statoil and Norsk Hydro's oil and gas division.
- Another momentous event was the establishment of Aker Holding AS, ensuring long-term industrial ownership of Aker Solutions ASA (formerly Aker Kværner ASA). Like the StatoilHydro merger, this meant that the State in its capacity as owner took crucial steps to maintain and promote Norwegian value creation, expert environments and jobs in the long term.
- In June, the Government published the document *The Government's Ownership Policy* for the first time. Here the Government explains in more detail which factors the State gives priority to in exercising its ownership and what expectations the State as owner has of the individual companies.

One of my main priorities now will be following up the companies' efforts to assume their corporate social responsibility. In both the Ownership Report and the Government's Ownership Policy, the Government makes it clear that the companies the State has a stake in must operate with high ethical standards and be aware of their responsibilities and influence. I have seen firsthand just how far many companies have come. In spring 2008 the Ministry of Trade and Industry has held meetings with most of "its" companies focusing on how they handle their corporate social responsibility.

Norwegian companies generally behave responsibly, but there are constant reminders that some aspects are still not good enough. Improvements require hard work from the owners, the boards, the management and the employees in the companies. The State as owner will do its part. On the basis of my knowledge of what Norwegian companies are already doing, I have very high expectations for future developments in this area.

Kind regards

*Dag Terje Andersen, Minister of Trade and Industry*

# The Year 2007 for the State as Shareholder

Norway's economy continued to perform well in 2007, which was also evident in the healthy profits posted by the state-owned companies. In 2007 the State had a return of 12 per cent on its investments in listed companies<sup>1</sup>. Companies where commercial operation is one of the objectives (categories 1-3<sup>2</sup>) had total annual profits after taxes and minority interests of NOK 113.6 billion and the State will receive NOK 33.4 billion in dividends from these companies for fiscal year 2007. In addition, the State will receive NOK 793 million in dividends for 2007 from the sectoral policy companies in category 4<sup>3</sup>.

During 2007 and the first part of 2008 the State has been involved in a number of ownership transactions, including the merger of Statoil ASA and the petroleum operations of Norsk Hydro ASA, the establishment of Aker Holding AS, the capital contribution to Eksportfinans and changes in the ownership structure of the regional health authorities. In addition, in June 2007 the Government issued the new publication, "The Government's Ownership Policy", which specifies the requirements and expectations the State has of its ownership of the various companies. The content of the Government's ownership policy is based on the main guidelines of the Government's ownership report (Report no. 13 (2006-2007) to the Storting), approved by the Storting in April 2007.

## Financial trends

The strong growth of the Norwegian economy continued in 2007. GDP growth for mainland Norway was as much as 6.2 per cent, against 4.8 per cent in 2006<sup>4</sup>. Growth remained at a high level throughout the year, despite rising interest rates, turmoil in the financial and credit markets from the second half of 2007 and low exchange rates for the dollar. In addition, record-high commodity prices contributed to the very strong economic performance of Norwegian business and industry in 2007.

## Listed companies

With the high commodity prices and continued rapid economic growth, share prices on the Oslo Stock Exchange rose in the first half of 2007. However, turmoil in financial and credit markets in the second half contributed to a decline in share prices in the latter part of the year. Overall, the main index on the Oslo Stock Exchange, the OSEBX, rose 11 per cent in 2007. This is a pronounced decline compared with 2006, when the index climbed 32 per cent. Compared with the performance of international stock exchanges, the performance of share prices on the Oslo Stock Exchange in 2007 was average.

In 2007, the value of the State's shares on the Oslo Stock Exchange rose by NOK 37.1 billion, to NOK 570.8 billion at the end of the year. The dividends the State will receive from the listed companies for fiscal year 2007 also increased from NOK 21.4 billion for 2006 to NOK 25.4 billion for 2007. In addition, the State also received NOK 5.7 billion in 2007 from

the proportional cancellation of shares in connection with the buy-back programmes in **DnB NOR ASA**, **Norsk Hydro ASA**, **Statoil ASA** and **Yara International ASA**. All together, these transactions gave the State a return of 12 per cent on its investments in the listed companies in 2007.

## Non-listed companies in categories 1-3

Overall, the non-listed companies in categories 1-3 posted slightly weaker profits in 2007 compared with 2006. These companies had total annual profits after taxes and minority interests of NOK 10.5 billion in 2007, compared with NOK 11.4 billion for the same companies in 2006. Weighted average return on equity for these companies was 14 per cent in 2007.

**Statkraft SF** was clearly the most valuable non-listed company, and the company's book equity of NOK 38.3 billion accounted for about 44 per cent of the total book equity for all the non-listed companies in categories 1-3. A valuation made by Lehman Brothers for the Ministry of Trade and Industry in spring 2006 estimated the value of Statkraft SF to between NOK 129 and 157 billion. On the basis of the proposals submitted the State will receive NOK 8.0 billion in dividends from the non-listed companies in categories 1-3 against NOK 7.1 billion for fiscal year 2006. The dividend from Statkraft amounts to NOK 6.6 billion.

## Companies with sectoral policy objectives (category 4)

Business profits also play an important role in companies with sectoral policy objectives, even though the main aims of these companies are not commercial in nature. The companies are required to operate in an efficient manner and to ensure that sociopolitical objectives are achieved through efficient use of resources. Several of the sectoral policy companies had a high turnover in 2007. For example, the regional health authorities

<sup>1</sup> Does not include return on the State's indirect ownership of Aker Solutions ASA via Aker Holdings AS.

<sup>2</sup> Includes Aker Holding AS and Secora AS, which were not categorised in Report no. 13 (2006-2007) to the Storting.

<sup>3</sup> Includes Gassnova SF, Innovasjon Norge and Norfund, which were not categorised in Report no. 13 (2006-2007) to the Storting.

<sup>4</sup> Source: Statistics Norway.

*South-Eastern Norway Regional Health Authority was established on 1 June 2007.  
Here, the three top executives from left: Bente Mikkelsen, Mari Trommald and Atle Brynestad.  
Photo: Jan Thomas Espedal / Scanpix.*



had a turnover of NOK 84.7 billion compared with NOK 78.9 billion in 2006. Total profits for the sectoral policy companies exclusive the regional health enterprises, came to NOK 4.7 billion in 2007. As previously, **Norsk Tipping AS** showed the largest surplus in 2007 with NOK 3.1 billion, which will be distributed primarily to socially beneficial initiatives in the areas of culture, sports and health.

### Capital contribution and transactions

In December 2006 the boards of **Statoil ASA** and **Norsk Hydro ASA** announced that they had agreed to recommend a merger of Hydro's petroleum activities with Statoil to their shareholders. The Government presented the case to the Storting, which approved it in June 2007, cf. Proposition no. 60 (2006-2007) to the Storting. The merger gave the State a shareholding of 62.5 per cent in the new company StatoilHydro ASA. It is a goal of the Government to be a long-term owner and it intends to increase the State's stake to 67 per cent of StatoilHydro ASA. A state ownership level of 67 per cent will ensure that the intentions regarding a state shareholding in connection with the decision to float Statoil will be maintained for the merged company. At extraordinary general meetings of the two companies on 5 July 2007, the shareholders of Statoil ASA and Norsk Hydro ASA approved the merger of Statoil ASA with the oil and gas operations of Norsk Hydro ASA. The merger was implemented as of 1 October 2007.

**Norfund** is a key instrument in the Government's development policy. The fund is in the process of being built and it receives annual contributions to the primary capital together with a description of objectives for financing activities. Norfund received NOK 485 million in 2007, cf. Proposition no. 1 (2006-2007) to the Storting.

Report no. 46 (2003-2004) to the Storting on **SIVA's** future activities proposed contributing NOK 150 million in equity to SIVA over a period of a few years, for repayment of treasury debt. In line with this, NOK 50 million of treasury debt was converted to invested capital in 2006. In January 2007 a further NOK 50 million of SIVA's treasury debt was converted to invested capital, and the contribution of NOK 150 million was carried out.

At the general meeting of **Venturefondet AS** on 25 April 2007 the decision was made to decrease the company's equity by NOK 75 million. The entire capital reduction will be taken from the share premium reserve and used to pay to the shareholder. The capital reduction is part of a strategy to wind up the company.

**Kommunalbanken AS'** equity was bolstered by all together NOK 100 million in the first half of 2007. To accomplish this, the share capital was increased by NOK 73.5 million at the 25 June 2007 general meeting, while at the same time the owners abstained from taking a dividend of NOK 26.5 million for the 2006 financial year. The State's share of the capital contribution was NOK 58.8 million. The reason for increasing equity is that the bank has greatly increased its lending in recent years. The rapid growth in lending had caused a reduction in the bank's core capital adequacy. There is reason to expect continued growth in the demand for loans in the municipal sector. Kommunalbanken shall contribute to competition in the market for loans to the municipal sector, thereby contributing to the lowest possible financing costs in that sector. Without an increase in equity, the bank would have had to reduce the growth of its lending.

*On 22 June 2007 the Norwegian State, Aker ASA, Investor AB and SAAB AB entered into an agreement on joint ownership of Aker Holding AS. Here, from left: Leif-Arne Langøy, President and Chief Executive Officer of the Aker Group, Dag Terje Andersen, Minister of Trade and Industry, Marcus Wallenberg, chairman of the board of SAAB AB, and Åke Svensson, President and CEO of SAAB. Photo: Heiko Junge / Scanpix.*



In the second quarter of 2007, the Norwegian State, represented by the Ministry of Trade and Industry, and Aker ASA, Investor AB and SAAB AB entered into an agreement on joint ownership of **Aker Holding AS**, with a view to ensuring long-term, strategic ownership of the Norwegian technology and industrial group Aker Kværner ASA (now Aker Solutions ASA). The Storting approved the State's share purchase of just over NOK 4.8 billion in Aker Holding in its discussion of Proposition no. 88 (2006–2007) to the Storting on 11 December 2007. Aker Holding's sole activity is to own shares in Aker Solutions ASA. The company is debt-free and owns 110 333 615 shares of Aker Solutions, which is equivalent to 40.3 per cent of the shares and votes. Aker Holding AS is owned by Aker ASA (60 per cent), the Norwegian State represented by the Ministry of Trade and Industry (30 per cent), the industrial group SAAB AB (7.5 per cent) and the investment company Investor AB (2.5 per cent).

By Royal Decree of 29 June 2007 the decision was made to establish **Gassnova SF** by restructuring the administrative agency Gassnova, and the enterprise was founded by the Ministry of Petroleum and Energy on 3 July 2007. Beginning 1 January 2008 all activities of the administrative agency Gassnova were transferred to Gassnova SF. It is the Government's view that the State's activities relating to specific carbon capture and storage projects should be organised in an undertaking outside the State, cf. Proposition no. 49 (2006–2007) to the Storting (Regarding cooperation on carbon capture and storage at Mongstad), which was passed by the Storting on 24 May 2007, cf. Recommendation no. 205 (2006–2007) to the Storting. The tasks that are to be resolved will largely require experience and expertise in professional management of large construction projects with a high degree of technological development and risk, expertise to participate in commercial partnerships with industrial players and

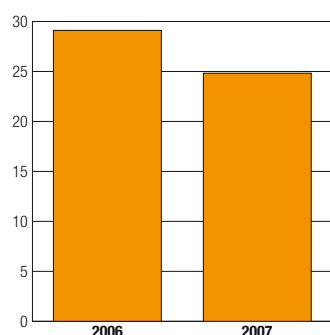
expertise to enter into agreements with suppliers etc. Placing the responsibility for managing the State's interests relating to the capture, transport and storage of CO<sub>2</sub> with a state-owned enterprise with its own board and administration ensures an appropriate division of work and responsibilities. In connection with the establishment of Gassnova SF invested capital of NOK 10 million was appropriated.

#### **Other ownership matters**

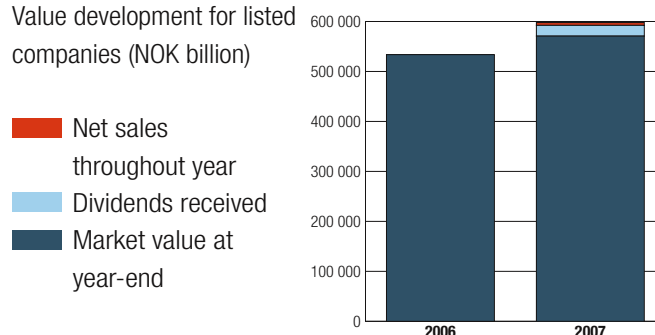
In January 2007 the Government decided to merge the two former health regions **Helse Sør RHF** (Southern Norway Regional Health Authority) and **Helse Øst RHF** (Eastern Norway Regional Health Authority), cf. Proposition no. 44 (2006–2007) to the Storting. The purpose of the merger is to ensure cohesive management and better utilisation of resources within the specialist health services between the two health regions, particularly in the capital city area. Various organisational models for improved coordination were considered before the merger was decided. The new regional health authority **Helse Sør-Øst RHF** (South-Eastern Norway Regional Health Authority) was established effective 1 June 2007. The establishment of the South-Eastern Norway Regional Health Authority will provide coordinated regional ownership and responsibilities across the former health regions, and a platform for integrated management and coordination of resource inputs and services. The merger is based on the equality of the two former regions. The head office is located in Hamar while the administrative site for the South-Eastern Norway Regional Health Authority will be maintained in Skien.

In February 2007 the **Store Norske Spitsbergen Kulkompani AS (SNSK)** asked its owners for NOK 250 million in new capital and for amendment of the company's articles of association to allow for operations outside Svalbard. After the matter was discussed by the Storting in Proposition no. 69 (2006–2007)



Return on equity – weighted average (categories 1-3)<sup>1</sup>

Value development for listed companies (NOK billion)



and Recommendation no. 230 (2006–2007) to the Storting, the State signed an agreement with the company in June 2007 to provide SNSK with NOK 250 million in the form of a subordinated loan. The interest rate for the loan was set at market level. The loan will be repaid to the State when the insurance settlement concerning the fire in the Svea Nord mine in July 2005 has been decided. Furthermore, in June 2007 the general meeting adopted a new objects clause for the company to permit it to utilise its expertise in environmentally friendly use of resources on Svalbard in Finnmark and in Troms.

In 2003, the Storting granted **Norsk Tipping AS** an exclusive right to operate gaming terminals. The objective was to offer responsible forms of gaming terminals in line with social policy objectives and to better control the market. Both the EFTA Surveillance Authority, ESA, and the slot machine industry brought legal action against the State to have the law declared invalid pursuant to Norway's EEA law obligations. The EFTA Court handed down a judgment in favour of the State on 14 March 2007. The Norwegian Supreme Court handed down its judgment on 26 June 2007. Like the EFTA Court, the Supreme Court found no grounds for assuming other than that the slot machine monopoly will function as intended. Accordingly, this means Norsk Tipping can begin deploying its gaming terminals over the course of 2008.

The Norwegian international bookmaker company Ladbrokes has sued the State, partly because it believes **Norsk Tipping's** exclusive right to operate certain gambling services contravenes the EEA Agreement. This case is pending before the Oslo

District Court, which on 1 August 2006 asked the EFTA Court for an opinion relating to the EEA legislation. The opinion of the EFTA Court was issued on 30 May 2007. Further hearing of the case will take place in Oslo District Court in May 2008. On the basis of the EFTA Court's opinion, the State expects a favourable ruling in this case too.

In April 2007 the Storting adopted the main points of the **Government's Ownership Report – An active and long-term ownership** (Report no. 13 (2006–2007) to the Storting). The report, which provides a broad presentation of the Government's ownership policy, was presented in December 2006.

In June 2007 the Government presented its new publication, **The Government's Ownership Policy**. **The Government's Ownership Policy** is a new document that sets forth the Government's ownership policy as anchored by the Storting's discussion of the Government's Ownership Report (Report no. 13 (2006–2007) to the Storting).

On 1 July 2007 **Gassco AS** took over technical operation of the receiving terminals for Norwegian gas in Germany, Belgium and France. Just over 100 employees at the gas terminals in Dornum and Emden (Germany), Zeebrugge (Belgium) and Dunkerque (France) were transferred on 1 July from the Statoil and ConocoPhillips companies to Gassco. In this connection the Storting consented to authorising the Ministry of Petroleum and Energy to issue Gassco AS a guarantee within a total framework of up to NOK 1 billion for damage and loss at the receiving terminals on the Continent arising as a result of wilful acts by senior personnel at Gassco AS. The guarantee framework was adopted by the Storting in connection with the discussion of Proposition no. 69 (2006–2007) to the Storting in June 2007.

<sup>1</sup> Includes Secora AS which was not included in Report no. 13 (2006–2007) to the Storting. For 2006 the figures include Statoil ASA and Norsk Hydro ASA including its petroleum activities. For 2007 the figures include StatoilHydro ASA and Norsk Hydro ASA excluding its petroleum activities. The return is weighted according to the value of the State ownership share at the end of 2006 and 2007, respectively.

*The merger of Statoil ASA and the petroleum operations of Norsk Hydro AS was unanimously approved at the extraordinary general meeting of Norsk Hydro on 5 July 2007. Photo: Terje Bendiksby / Scanpix.*



As part of an effort to bolster work on renewal, ICT, management, organisation and restructuring, information policy, purchasing policy and development of expertise, the Storting decided in June 2007 to close down **Statskonsult AS**. At the same time the decision was made to establish a new administrative agency from 1 January 2008 consisting of the employees of Statskonsult AS, Norge.no and the E-handelssekretariatet (E-commerce secretariat). Certain duties have also been transferred from the Ministry of Government Administration and Reform to the new administrative agency. Statskonsult ceased to exist as a limited company on 1 July 2007 and an interim directorate was set up until the new administrative agency was established on 1 January 2008. Statskonsult is not discussed further in this report for this reason.

On 1 September 2007 the digital terrestrial television network was opened in Rogaland by Ministers Liv Signe Navarsete and Trond Giske. On 4 March 2008 **NRK AS** (together with other players in the digital terrestrial television network) implemented the shut down of analogue television in Rogaland, the first county to do so. The project affected 40-50,000 households. NRK's 2006 general meeting specified detailed terms and conditions for shutting down analogue television broadcasts. Reports indicate that these terms and conditions have been met. The region-by-region transition to digital television will continue in 2008 and 2009 so that all analogue broadcasts will be shut down by the end of 2009.

As part of the expansion of its digital programming, **NRK AS** opened its third TV channel, NRK3, in September 2007. In December the channel was further expanded with separate programming for children in the morning and afternoon.

In connection with the submission of the proposed national budget for 2008, the Government proposed rescinding

authorisations issued in earlier periods to reduce the State's shareholdings in **Cermaq ASA**, **Telenor ASA** and **Statoil ASA** through the sale of shares. Continued permission to take part in industrial solutions with settlement in shares and associated dilution of the State's shareholding was required by the Government within the framework of the authorisations. The Storting approved the Government's proposal, cf. Budget Recommendation no. 8 (2007-2008) to the Storting.

In its 2008 national budget, the Government proposed establishing a new state investment company with equity of NOK 2.2 billion. **Statens Investeringselskap AS** was founded on 21 February 2008 as a subsidiary of Innovasjon Norge with offices in Trondheim. The purpose of the new investment company is to promote greater value creation by making risk capital available to competitive, internationally oriented companies, primarily new companies. The company will give priority to companies in these five focus areas: The environment, energy, tourism, the marine industry and the maritime sector, with a special focus on climate-change and environmental projects.

On 18 January 2008 the Government presented a proposal that the State should contribute NOK 180 million of a NOK 1.2 billion share capital increase in **Eksportfinans ASA**. This would ensure that the State's 15 per cent holding in the company remains unchanged. On 3 March 2008 the Storting approved the Government's proposal, cf. Recommendation no. 151 and Proposition no. 33 (2007-2008) to the Storting. As a result of turmoil in the international capital markets, unrealised trading losses had arisen in Eksportfinans' securities portfolio. In addition, the company saw record growth in lending in 2007. The purpose of the capital increase was to provide the company with satisfactory capital adequacy and help ensure high ratings by the international credit rating agencies.

In 2007 Statkraft opened two new gas-fired power stations in Germany. Here, HM King Harald arriving at the opening of the Hürth Knapsack power station. From left: Haakon Alfstad, head of new capacity construction at Statkraft, Jürgen Rüttgers, Minister-President of North Rhine-Westphalia, and HM King Harald. Photo: Bjørn Sigurdson / Scanpix.



### Buy-back of own shares for cancellation

In companies with State ownership, a buy-back of own shares for cancellation should not result in a change in the State's shareholding. In recent years the State has therefore entered into agreements on the proportional redemption of shares for deletion when buy-back programmes are implemented. Through this approach, the State's shareholding remains unchanged. These buy-back agreements fall within the parameters that the Storting has granted the Government for the administration of State ownership.

Buy-back agreements have been drawn up so that the companies are obliged to pay a volume-weighted average of the market prices paid by the companies plus interest for the delayed transaction. The State is then guaranteed a price comparable to the price that the other shareholders have been willing to sell for.

In 2007 the State redeemed shares in **DnB NOR ASA**, **Norsk Hydro ASA**, **Statoil ASA** and **Yara International ASA** in connection with the companies' deletion of the bought-back shares. The shares purchased by the companies were acquired on the basis of authorisation granted by the general meetings in 2006. The table below shows the number of shares redeemed and the State's proceeds as a result of the redemptions.

The State entered into similar agreements on proportional deletion in connection with the authority to buy back shares in **DnB NOR ASA**, **Statoil ASA**, **Telenor ASA** and **Yara International ASA**, which was granted by the general meetings in 2007.

In the first part of 2008 the State has entered into new agreements on proportional deletion in connection with the authority granted to buy back shares in **DnB NOR ASA**, **Norsk Hydro ASA**, **Telenor ASA** and **Yara International ASA**.

### Shares redeemed by the State in 2007

	<i>No. of shares</i>	<i>Revenue (NOK)</i>	<i>Date of redemption</i>
DnB NOR ASA	1 435 236	108 378 448	2007.07.13
Norsk Hydro ASA	16 871 506	2 763 294 575	2007.09.06
Statoil ASA	14 291 848	2 441 899 894	2007.09.13
Yara International ASA	4 129 587	402 029 070	2007.07.27
<b>Total (NOK)</b>		<b>5 715 601 987</b>	

# Rates of return and values

**At the end of 2007, the value of the State's direct ownership of shares listed on the Oslo Stock Exchange amounted to NOK 570.8 billion, against NOK 533.7 billion at the end of 2006. The State's share of the accounting value of the non-listed companies where commercial operation is one of the objectives (categories 1-3)<sup>1</sup> amounted to NOK 74.4 billion compared with NOK 67.7 billion at the end of 2006. This gives a total estimated value of NOK 645.2 billion of the State's direct stake at year-end 2007 in the 26 companies where commercial operation is one of the objectives.**

<sup>1</sup> Includes Aker Holding AS and Secora AS, which was not included in Report no. 13 (2006–2007) to the Storting.

The total return on equity is determined by the company's dividend and rise in value of company shares adjusted for any contributions and divestments of capital. The value of a company can be assessed in several ways, and the different methods may produce different results. If the goal is to get comparable results a method that yields consistent results over time has to be used.

To assess the value of the State's direct ownership in this report, share prices are used to assess the value of the listed companies while book equity less the value of minority interests is used to estimate the value of the non-listed companies in categories 1-3. For non-listed companies, the market value is estimated by the book value in the company's accounts. In other words, it is assumed that the price-book ratio (P/B) is equal to 1. This does not necessarily give a correct view of the market value of a company, and this approach can be seen as a somewhat conservative valuation. The method, however, is consistent over time.

There is no estimate of the value of the sectoral policy companies where the main objectives of State ownership is not commercial, i.e. companies in category 4, in this report. However, the accounts of these companies are presented in the article on the financial development of these companies and under the segment on each company.

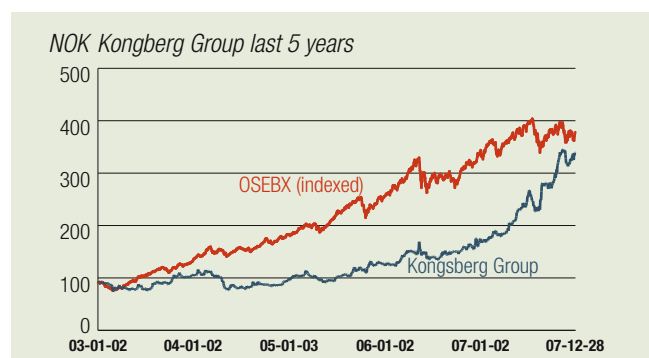
## Performance of the listed companies in 2007

With the high commodity prices and continued rapid economic growth in Norway, share prices rose sharply in the first half of 2007. However, turmoil in financial and credit markets in the second half contributed to a decline in share prices during the latter part of the year. The main index on the Oslo Stock Exchange (the OSEBX) rose by 11 per cent in 2007 against 40 per cent in 2005 and 32 per cent in 2006.

**Kongsberg Gruppen ASA** had the highest return in 2007 of the listed companies in which the State has a shareholding. The rate of return on shares including dividend was 95 per cent, and was considerably higher than the average annual return of 31 per cent for the company over the last five years.

**Yara International ASA** was the listed company in which the State has a shareholding that had the second highest rate of return on shares in 2007, at 79 per cent. Since the company was listed on 25 March 2004 it has had an average annual rate of return of 63 per cent.

**StatoilHydro ASA** was established on 1 October 2007 as a result of the merger of Statoil ASA and the petroleum activities of **Norsk Hydro ASA**. The return for these two companies for 2007 was estimated on the basis of ownership of one share in Statoil ASA and Norsk Hydro ASA at the start of 2007 after which the value-related effects of the merger are taken into account for shareholders of the old Statoil ASA and Norsk Hydro ASA. Over the course of 2007 then, one shareholder of Norsk Hydro ASA will have values relating to the dividend from Norsk Hydro ASA for fiscal year 2006, the value of the Norsk Hydro share at the end of 2007 and the value of shares awarded in the new company, StatoilHydro, at the end of

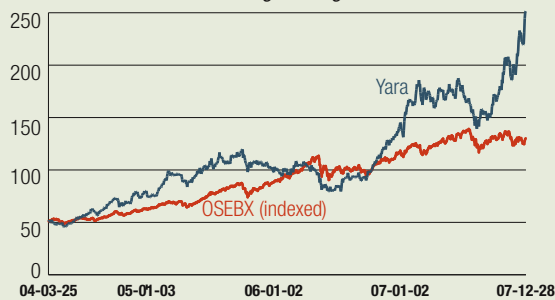




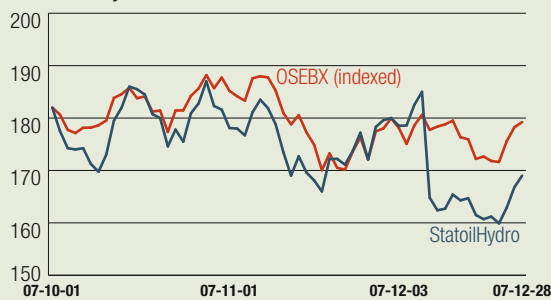
On 13 June 2007, Minister of Trade and Industry Dag Terje Andersen presented the new publication "The Government's Ownership Policy" at the Oslo Stock Exchange. The publication lays out the Government's ownership policy, including the goals for ownership, parameters and guidelines, plus how the State is going to exercise its ownership. "The State Ownership Report for 2006" was submitted at the same time. Photo: Terje Bendiksy / Scanpix.



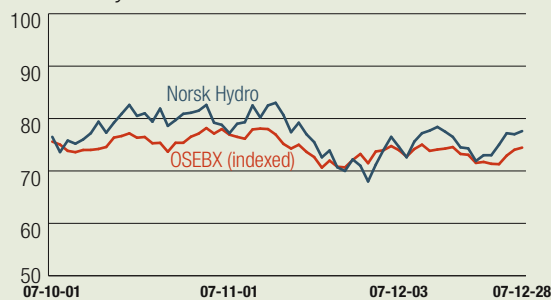
NOK Yara since stock exchange listing



NOK StatoilHydro since establishment



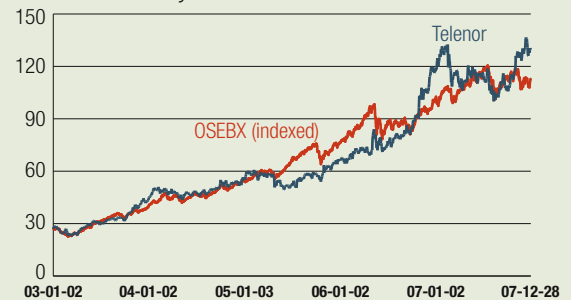
NOK Norsk Hydro since 1. October 2007



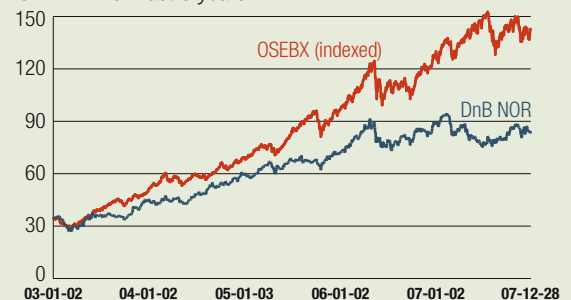
2007, based on the exchange ratio between the shareholders at the time of the merger. A calculation of the rate of return on shares in this manner provides a return of 18 per cent (Norsk Hydro ASA) and 8 per cent (StatoilHydro ASA) and an average annual rate of return for the last five years of 35 per cent (Norsk Hydro) and 28 per cent (StatoilHydro)<sup>2</sup>.

**Telenor ASA**, the listed company with a state ownership interest that had the highest rate of return, in 2006 with 80 per cent, had a rate of return of 13 per cent in 2007. The average annual rate of return for Telenor ASA in the past five years is 39 per cent.

NOK Telenor last 5 years



NOK DnB NOR last 5 years

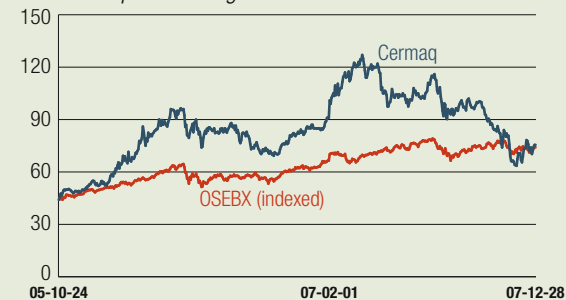


<sup>2</sup> Prior to the establishment of StatoilHydro ASA the figures for Norsk Hydro ASA including petroleum activities and share prices for Statoil ASA were used.

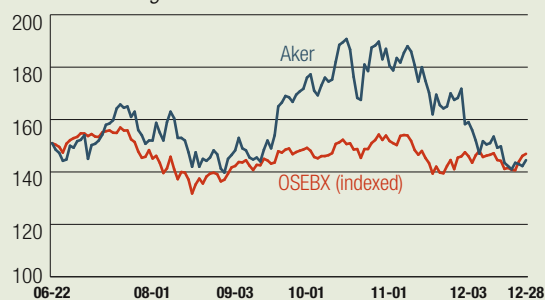
*"In 2007 the State had a return of 12 per cent on it's investment in listed companies"*



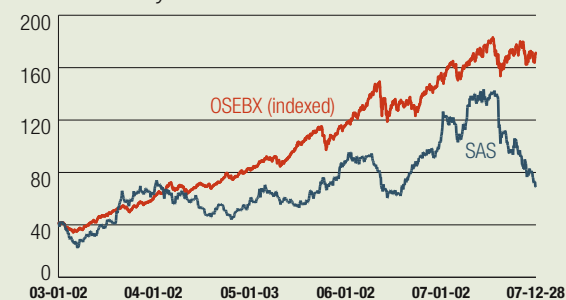
NOK Cermaq since listing



NOK Aker Holding since 22. June 2007



NOK SAS last 5 years



**DnB NOR ASA, Cermaq ASA and SAS AB** all had a negative rate of return in 2007. The respective returns for these companies were -2 per cent (**DnB NOR ASA**), -12 per cent (**Cermaq ASA**) and -34 per cent (**SAS AB**). However, these companies did have a positive rate of return for the last five-year period. Average annual rate of return for the companies for 2003-2007 was 25 per cent (**DnB NOR ASA**), 33 per cent (**Cermaq ASA**) and 11 per cent (**SAS AB**).

On 22 June 2007 the State represented by the Ministry of Trade and Industry entered into an agreement to purchase 30 per cent of the shares of **Aker Holding AS**. The shares were purchased on 20 December 2007 at a price agreed on 20 June 2007. Aker Holding's sole activity is to own shares in

**Aker Solutions ASA** (formerly **Aker Kværner**), and the State's share purchase meant that the State became an indirect owner of 12.1 per cent of the shares in **Aker Solutions ASA**. The State purchased the shares at a price equivalent to NOK 145.60 per **Aker Solutions** share. At the end of 2007 the share price for **Aker Solutions** was NOK 144.50. This means that the value of the State's indirect ownership interest in **Aker Solutions** was reduced by NOK 36 million at the end of 2007.

### Net share divestments and capital contributions

In 2007 the State earned the net amount of NOK 368 million from the sale of shares and capital contributions.

The State's sole share purchase in 2007 is related to the establishment of **Aker Holding AS**. In the second quarter of 2007 the Norwegian State, **Aker ASA**, **Investor AB** and **Saab AB** entered into an agreement on joint ownership of **Aker Holding AS**. **Aker Holding**'s sole activity is to own shares in **Aker Solutions ASA** (formerly **Aker Kværner**). Represented by the Ministry of Trade and Industry, the State owns 30 per cent of **Aker Holding** and purchased shares valued at NOK 4.8 billion.

In 2007 the State redeemed shares in **DnB NOR ASA**, **Norsk Hydro ASA**, **Statoil ASA** and **Yara International ASA** in

*"For fiscal year 2007 the State will receive a total of NOK 34.2 billion in dividends"*



connection with the companies' deletion of the bought-back shares. The redemption was carried out to maintain the state ownership interests in these companies. These repurchases were made in light of the authority granted by the respective general meetings in 2006. The redemption of the State shares resulted in NOK 5.7 billion in income for the State in 2007.

The State's capital contribution in 2007 total NOK 604 million and consists of NOK 485 million for the primary capital of **Norfund**, NOK 59 million for strengthening the equity of **Kommunalbanken AS**, NOK 50 million for converting debt in **SIVA** and NOK 10 million invested capital in **Gassnova SF**. In 2007 the State received NOK 75 million as a result of the write-down of equity in **Venturefondet AS**.

### Dividend

For fiscal year 2007 the State will receive a total of NOK 34.2 billion in dividends. This is an increase of NOK 5.1 billion or 18 per cent for the previous year. The highest dividends are paid by **StatoilHydro ASA** (NOK 16.9 billion), **Statkraft SF** (NOK 6.6 million) and **Telenor ASA** (NOK 3.1 billion).

From the listed companies the State will receive a dividend of NOK 25.4 billion, compared with NOK 21.4 billion for 2006. With the exception of **SAS AB** all of the listed companies will pay a dividend to the State for fiscal year 2007.

**DnB NOR ASA**, **Kongsberg Gruppen ASA**, **Telenor ASA** and **Yara International ASA** all have an increase in dividend per share from 2006. Norsk Hydro will pay a dividend of NOK 5 per share. Of this, ordinary dividend amounts to NOK 1.50 per share and extraordinary dividend NOK 3.50 per share. As a percentage of the annual profit after tax and minority interests the share of dividends has increased for **Cermaq ASA**, **StatoilHydro ASA**, **Telenor ASA** and **Yara International ASA**.

The non-listed companies in which one of the main goals of State ownership is commercial operation (categories 1-3) will pay the State dividends totalling NOK 8.0 billion for fiscal year 2007. This is an increase of NOK 900 million compared with the dividend the State received for fiscal year 2006. The dividend of NOK 6.6 billion from **Statkraft SF** accounts together with the dividend from **Posten Norge AS** (NOK 597 million) and **NSB AS** (NOK 402 million) for 95 per cent of the dividend from the non-listed companies in categories 1-3.

In spring 2008, the general meeting of **Aker Holding AS** approved a capital reduction that will give shareholders a 2008 dividend equivalent to the dividend received from Aker Solutions ASA. This means that the State will receive NOK 99 million from Aker Holding AS in 2008.

**Baneservice AS**, **BaneTele AS**, **Eksportfinans ASA**, **Kommunalbanken AS**, **Mesta AS**, **Secora AS** and **Venturefondet AS** will not pay any dividend for fiscal year 2007.

The State also receives dividends from some of the sectoral policy companies (category 4). For fiscal year 2007 this totals NOK 793 million, compared with NOK 524 million for the same companies for 2006. The largest dividends from the sectoral policy companies come from **Avinor AS** (NOK 397 million) and **Statnett SF** (NOK 318 million).

Norsk Tipping AS will not be paying any ordinary dividend. Out of Norsk Tipping's surplus of NOK 3.1 billion the foundation Helse og rehabilitering will receive NOK 219 million, while NOK 2.5 billion will go to sports and culture. In addition, a total of NOK 12 million of Norsk Tipping's surplus was set aside for research, information, prevention and treatment relating to gambling addiction.

## Return and values 2007

MNOK	Market value <sup>1</sup>	State ownership share <sup>2</sup>	Value of the State's ownership share <sup>2</sup>	Dividends payable to the State for the 2007 financial year <sup>3</sup>	The State's sales proceeds, capital contributions and share purchases <sup>4</sup>	Return in 2007 <sup>5</sup>	Average annual return last 5 years <sup>6</sup>
<b>Listed companies</b>							
Cermaq ASA	6 984	43.5%	3 041	91	0	-12%	33%
DnB NOR ASA	110 610	34.0%	37 607	2 039	108	-2%	25%
Kongsberg Gruppen ASA	10 170	50.0%	5 085	75	0	95%	31%
Norsk Hydro ASA	96 841	43.8%	42 440	2 735	2 763	18%	35%
SAS AB	11 309	14.3%	1 616	0	0	-34%	11%
StatoilHydro ASA	538 881	62.5%	336 810	16 940	2 442	8%	28%
Telenor ASA	218 016	54.0%	117 653	3 083	0	13%	39%
Yara International ASA	73 331	36.2%	26 554	422	402	79%	63%
<b>Total listed companies</b>	<b>1 066 143</b>		<b>570 805</b>	<b>25 385</b>	<b>5 716</b>	<b>13%</b>	

MNOK	Book equity	State ownership share <sup>2</sup>	Value of the State's ownership share <sup>2</sup>	Dividends payable to the State for the 2007 financial year <sup>3</sup>	The State's sales proceeds, capital contributions and share purchases <sup>4</sup>
------	-------------	------------------------------------	---	---	--

## Non-listed companies in categories 1-3

Argentum Fondsinvesteringer AS	3 744	100.0%	3 744	135	0
Baneservice AS	156	100.0%	156	0	0
Eksportfinans ASA	2 662	15.0%	399	0	0
Entra Eiendom AS	8 444	100.0%	8 444	144	0
Flytoget AS	855	100.0%	855	65	0
Mesta AS	2 226	100.0%	2 226	0	0
Venturefondet AS	24	100.0%	24	0	75
Secora AS <sup>7</sup>	55	100.0%	55	0	0
Nammo AS	877	50.0%	438	65	0
Aker Holding AS <sup>7</sup>	16 065	30.0%	4 783	0 <sup>8</sup>	-4 819
BaneTele AS	717	50.0%	358	0	0
Electronic Chart Centre AS	17	100.0%	17	1	0
Kommunalbanken AS	1 308	80.0%	1 047	0	-59
NSB AS	6 604	100.0%	6 604	402	0
Posten Norge AS	5 778	100.0%	5 778	597	0
Statkraft SF	38 833	100.0%	38 833	6 560	0
Store Norske Spitsbergen Kulkompani AS	573	100.0%	573	7	0
Veterinærmedisinsk Oppdragscenter AS	34	51.0%	17	1	0
<b>Total non-listed companies</b>					
<b>categories 1-3</b>	<b>88 972</b>		<b>74 353</b>	<b>7 977</b>	<b>-4 803</b>

<b>Total all companies</b>					
<b>in categories 1-3</b>	<b>1 155 115</b>		<b>645 158</b>	<b>33 361</b>	<b>913</b>



MNOK

*Dividends payable to the State for the 2007 financial year<sup>3</sup>*

*The State's sales proceeds, capital contributions and share purchases<sup>4</sup>*

#### Companies with sectoral policy objectives (category 4)

Avinor AS	397	0
Norsk Eiendomsinformasjon AS	13	0
SIVA SF	0	-50
Statnett SF	318	0
Statskog SF	13	0
AS Vinmonopolet	52	0
Gassnova SF <sup>7</sup>	0	-10
Norfund <sup>7</sup>	0	-485
<b>Total companies with sectoral policy objectives (category 4)</b>	<b>793</b>	<b>-545</b>
<b>Total all companies</b>	<b>34 154</b>	<b>368</b>

<sup>1</sup> Per 31.12.2007. The market value is calculated by using the total number of shares.

<sup>2</sup> Per 31.12.2007.

<sup>3</sup> Proposed dividends – may be changed at the general meetings in the spring of 2007.

<sup>4</sup> Sales proceeds and reductions and capital (when the capital has been distributed to the owners) are shown with a plus sign, while capital contributions and share purchases are shown with a minus sign.

<sup>5</sup> Return including dividends.

<sup>6</sup> Taking into the account the rise in dividend. For Norsk Hydro ASA and StatoilHydro ASA the average is calculated by using figures for Norsk Hydro including petroleum activities and figures for Statoil ASA for the period 2003–2006.

<sup>7</sup> Not included in Report no. 13 (2006–2007) to the Storting.

<sup>8</sup> In spring 2008, the general meeting of Aker Holding AS approved a capital reduction that will give shareholders a 2008 dividend equivalent to the dividend received from Aker Solutions ASA. This means that the State will receive NOK 99 million from Aker Holding in 2008.

## Return and values 2006

<i>MNOK</i>	<i>Market value <sup>1</sup></i>	<i>State ownership share <sup>2</sup></i>	<i>Value of the State's ownership share<sup>2</sup></i>	<i>Dividends payable to the State for the 2006 financial year <sup>3</sup></i>	<i>The State's sales proceeds, capital contributions and share purchases <sup>4</sup></i>
<b>Listed companies</b>					
Cermaq ASA	8 418	43.5%	3 665	171	0
DnB NOR ASA	118 313	34.0%	40 227	1 818	0
Kongsberg Gruppen ASA	5 250	50.0%	2 625	38	0
Norsk Hydro ASA	248 929	43.8%	109 090	2 819	471
SAS AB	17 026	14.3%	2 432	0	0
Statoil ASA	357 955	70.9%	253 777	14 006	0
Telenor ASA	197 012	54.0%	106 318	2 267	766
Yara International ASA	42 947	36.2%	15 552	274	448
<b>Total listed companies</b>	<b>995 851</b>		<b>533 685</b>	<b>21 393</b>	<b>1 685</b>

<i>MNOK</i>	<i>Book equity <sup>4</sup></i>	<i>State ownership share <sup>2</sup></i>	<i>Value of the State's ownership share<sup>2</sup></i>	<i>Dividends payable to the State for the 2006 financial year <sup>3</sup></i>	<i>The State's sales proceeds, capital contributions and share purchases <sup>4</sup></i>
<b>Non-listed companies in categories 1-3</b>					
Argentum Fondsinvesteringer AS	3 336	100.0%	3 336	131	0
Baneservice AS	162	100.0%	162	3	0
Eksportfinans ASA	3 029	15.0%	454	33	0
Entra Eiendom AS	7 190	100.0%	7 190	140	0
Flytoget AS	761	100.0%	761	32	0
Mesta AS	2 084	100.0%	2 084	0	0
Venturefondet AS	98	100.0%	98	0	0
Secora AS <sup>5</sup>	52	100.0%	52	0	0
Nammo AS	819	50.0%	409	37	-62
Aker Holding AS <sup>5</sup>	N/A	N/A	N/A	N/A	N/A
BaneTele AS	722	50.0%	361	0	0
Electronic Chart Centre AS	15	100.0%	15	1	0
Kommunalbanken AS	1 099	80.0%	879	0	0
NSB AS	6 451	100.0%	6 451	380	0
Posten Norge AS	5 551	100.0%	5 551	488	0
Statkraft SF	39 420	100.0%	39 420	5 857	0
Store Norske Spitsbergen Kulkompani AS	468	100.0%	468	7	0
Veterinærmedisinsk Oppdragscenter AS	37	51.0%	19	1	0
<b>Total non-listed companies in categories 1-3</b>	<b>71 292</b>		<b>67 710</b>	<b>7 110</b>	<b>-62</b>

<b>Total all companies in categories 1-3</b>	<b>1 067 143</b>		<b>601 395</b>	<b>28 502</b>	<b>1 624</b>
--	------------------	--	----------------	---------------	--------------

MNOK

*Dividends payable to the State for the 2006 financial year*

*The State's sales proceeds, capital contributions, and share purchases<sup>3</sup>*

**Companies with sectoral policy objectives (category 4)**

Avinor AS	325	0
Norsk Eiendomsinformasjon AS	7	0
SIVA SF	0	-50
Statnett SF	152	0
Statskog SF	5	0
AS Vinmonopolet	35	0
Norfund <sup>5</sup>	0	-495
<b>Total companies with sectoral policy objectives (category 4)</b>	<b>524</b>	<b>-545</b>
<b>Total all companies</b>	<b>29 026</b>	<b>1 079</b>

<sup>1</sup> Per 31.12.2006. The market value is calculated by using total number of shares. The market value of Statoil ASA and Norsk Hydro ASA is the real value of these companies as at 31.12.2006, i.e. prior the establishment of StatoilHydro.

<sup>2</sup> Per 31.12.2006.

<sup>3</sup> Sales proceeds and reductions and capital (when the capital has been distributed to the owners) are shown with a plus sign, while capital contributions and share purchases are shown with a minus sign.

<sup>4</sup> Book equity adjusted for minority interests as at 31.12.2006.

<sup>5</sup> Not included in Report no. 13 (2006–2007) to the Storting.

# Financial development of the companies

**The State monitors financial developments in all companies incorporating a public ownership share. This article will mainly focus on the companies where commercial operation is one of the main objectives, i.e. companies in categories 1-3. Nevertheless, as an owner the State also places emphasis on companies with sectoral policy objectives being efficiently managed and meeting political and social objectives by employing resources efficiently. A brief overview of the financial development of the companies with sectoral policy objectives is provided at the end of this review.**

## COMPANIES WHERE COMMERCIAL OPERATION IS ONE OF THE OBJECTIVES (CATEGORIES 1-3)<sup>1</sup>

### Revenues and profits from operations

The 26 companies in categories 1-3 had total operating revenues of NOK 926.7 billion in 2007. This is an increase of NOK 7.3 billion, or 1 per cent from 2006. Total operating profits for the 26 companies was NOK 199.1 billion in 2007, compared with NOK 229.3 billion in 2006.

In 2007 the listed companies in which the State owns a stake posted operating revenues of NOK 861.0 billion, against NOK 856.2 billion in 2006. Of this **StatoilHydro ASA's** revenues of NOK 522.8 billion accounted for 60 per cent. **Norsk Hydro ASA** and **Telenor ASA** posted the second highest revenues of the listed companies, at NOK 96.4 billion and NOK 92.5 billion, respectively. Except for **Norsk Hydro ASA** and **SAS AB**, all of the listed companies noted an increase in revenues from 2006 to 2007. The main reason for **Norsk Hydro ASA's** lower turnover is that the production of primary metals fell by about 3 per cent from 2006 to 2007 in the wake of the closure of the Söderberg Line in Årdal and the smelting plant in Stade, Germany. The decline in **SAS AB** is due to the deconsolidation of Spanair as a result of SAS's decision to sell the operation. Adjusted for this, SAS revenues grew 4.2 per cent.

**Kongsberg Gruppen ASA** posted the largest relative growth in turnover from 2006 to 2007, with operating revenues rising 27 per cent. Adjusted for one-time effects relating to the settlement of the pension plan and capital gains from the sale of properties, operating revenues increased by 24 per cent,

from NOK 6.3 billion to NOK 8.3 billion. One of the reasons for the growth is Kongsberg Maritime's high intake of orders in the field of dynamic positioning and high demand for products for both merchant ships and special vessels for the offshore industry. **Yara International ASA** also saw considerable growth in its turnover from 2006 to 2007. Operating revenues increased by 19 per cent as a result of volume growth and high fertiliser prices.

The operating profit of the listed companies in 2007 amounted to NOK 186.5 billion, against NOK 211.8 billion in 2006. **Cermaq ASA**, **StatoilHydro ASA** and **Telenor ASA** posted lower operating profits from 2006 to 2007 owing to factors including higher costs, while **DnB NOR ASA**, **Norsk Hydro ASA**, **Kongsberg Gruppen ASA**, **SAS AB** and **Yara International ASA** improved their operating profits from 2006 to 2007.

The non-listed companies in categories 1-3 had revenues of NOK 65.7 billion in 2007, against NOK 63.3 billion for the same companies in 2006. **Posten Norge AS** and **Statkraft SF** had the largest turnover of these companies, with NOK 27.4 billion and NOK 13.6 billion, respectively. **Posten Norge AS** also had the largest increase in turnover from 2006 to 2007, increasing by NOK 3.7 billion due in part to healthy growth in the Logistics and ICT segments, mainly as a result of acquisitions. **NSB AS** (NOK 10.0 billion) and **Mesta AS** (NOK 5.8 billion) also posted a turnover of more than NOK 5 billion in 2007.

Statkraft SF's operating revenues declined by NOK 3.5 billion from 2006 to 2007. Most of this decrease is due to unrealised losses in value on energy contracts that the company must report in accordance with the introduction of IFRS in the consolidated accounts starting in 2007. Lower electricity prices than during the record year of 2006 also contributed to lower revenues in 2007. As in 2006 Secora AS had a significant

<sup>1</sup> Includes Aker Holding AS, Secora AS, and StatoilHydro ASA, which were not categorised in Report no. 13 (2006-2007) to the Storting.

<sup>2</sup> International Financial Reporting Standards (IFRS): International accounting standards entailing increased use of market values in the accounts. Eksportfinans ASA, Entra Eiendom AS, Statkraft SF and Statnett SF introduced IFRS in their consolidated accounts beginning 2007.



## Consolidated accounting figures 2007 – Companies in categories 1-3

MNOK	State owner- ship share <sup>3</sup>	Operating revenues	Operating profit (loss)	Profit (loss) for the year <sup>4</sup>	Capital employed	Balance sheet total
<b>Listed companies</b>						
Cermaq ASA	43.5%	7 721	467	478	5 737	7 425
DnB NOR ASA	34.0%	31 598	17 409	14 780	N/A	1 473 919
Kongsberg Gruppen ASA	50.0%	8 559	1 346	981	3 463	9 214
Norsk Hydro ASA	43.8%	96 409	9 025	18 196	58 001	92 046
SAS AB	14.3%	44 001	1 099	536	21 805	41 069
StatoilHydro ASA	62.5%	522 797	137 204	44 096	229 606	483 218
Telenor ASA	54.0%	92 473	14 985	18 016	121 904	160 832
Yara International ASA	36.2%	57 486	4 987	6 037	32 423	47 626
<b>Total listed companies</b>		<b>861 044</b>		<b>103 120</b>		<b>2 315 349</b>
<b>Non-listed companies in categories 1-3</b>						
Argentum Fondsinvesteringer AS	100.0%	496	462	539	3 746	3 754
Baneservice AS	100.0%	470	-2	-5	202	351
Eksportfinans ASA	15.0%	-23	-210	-149	N/A	218 720
Entra Eiendom AS	100.0%	1 230	2 072	1 388	19 120	22 567
Flytoget AS	100.0%	689	192	130	1 043	1 281
Mesta AS	100.0%	5 846	158	142	2 226	4 345
Venturefondet AS	100.0%	-1	-1	1	24	26
Secora AS <sup>5</sup>	100.0%	254	6	4	61	130
Nammo AS	50.0%	2 745	390	259	1 411	2 527
Aker Holding AS <sup>5</sup>	30.0%	0	0	0	16 065	16 065
BaneTele AS	50.0%	747	-9	-5	802	1 065
Electronic Chart Centre AS	100.0%	17	3	3	17	21
Kommunalbanken AS	80.0%	266	200	143	N/A	142 423
NSB AS	100.0%	9 994	731	536	8 978	14 220
Posten Norge AS	100.0%	27 400	1 080	796	8 980	17 415
Statkraft SF	100.0%	13 583	7 400	6 606	81 684	110 292
Store Norske Spitsbergen Kulkompani AS	100.0%	1 827	130	112	1 437	1 741
Veterinærmedisinsk Oppdragscenter AS	51.0%	149	0	1	40	40
<b>Total non-listed companies in categories 1-3</b>		<b>65 690</b>		<b>10 504</b>		<b>556 984</b>
<b>Total all companies i categories 1-3</b>		<b>926 734</b>		<b>113 624</b>		<b>2 872 334</b>

<sup>3</sup> Per 31.12.2007.

<sup>4</sup> Annual profit (loss) after taxes and minority interests.

<sup>5</sup> Not included in Report no. 13 (2006–2007) to the Storting.

turnover growth in 2007. The operating revenues of the company grew by 78 per cent. The increase is attributed to the continuing positive performance of the construction industry in 2006. The company was established in 2005 and the initial years of operation have been characterised by adjustments to and restructuring of the company.

The operating profit for the companies in categories 1-3 amounted in 2007 to NOK 12.6 billion, a decline of NOK 4.9 billion or 28 per cent compared with 2006. The decline is mainly due to a NOK 4.5 billion decrease in **Statkraft SF's** operating profit. Adjusted for unrealised changes in value of energy contracts and significant non-recurring items, the ope-

rating profit was reduced by NOK 1.8 billion as a result of lower electricity prices and higher costs relating to new activities and other factors. The operating profit of **Entra Eiendom AS** shows a decline of NOK 759 million from 2006 to 2007. This is mainly due to lower revenues relating to unrealised changes in the value of investment properties. In 2007 these revenues came to NOK 1.2 billion against NOK 2.0 billion in 2006.

### Profits for the listed companies

Total profits after tax and minority interests for the 26 companies in categories 1-3 amounted in 2007 to NOK 113.6 billion, against NOK 117.1 billion in 2006.

Annual profits after taxes and minority interests from the listed companies decreased by NOK 2.6 billion from 2006 to NOK 103.1 billion in 2007. At NOK 44.1 billion, **StatoilHydro ASA** had the highest profit after taxes and minority interests. Next were **Norsk Hydro ASA** with NOK 18.2 billion, **Telenor ASA** with NOK 18.0 billion and **DnB NOR ASA** with NOK 14.8 billion. The last three companies posted their best-ever profits in 2007. **StatoilHydro ASA** saw a NOK 7.0 billion decrease in annual profits compared with the pro forma figure of NOK 51.1 billion for 2006. The earnings decline is due to higher costs in connection with the merger, certain financial expenses and a generally increasing operating costs.

**Kongsberg Gruppen ASA** handed in the highest relative earnings improvement from 2006 to 2007. The company's annual profits after tax and minority interests increased from NOK 249 million in 2006 to NOK 981 million in 2007. Adjusted for one-time effects related to property sales and changes in pensions, the profit for 2007 amounted to NOK 490 million.

**SAS AB** and **Cermaq ASA** also posted weaker profits in 2007 compared with 2006. The negative performance at SAS AB is due, among other things, to the income recorded from the sale of its shareholding in Rezidor Hotel Group in 2006. Adjusted for this the figures for **SAS AB** show a marginal earnings improvement from 2006 to 2007. The main reason for **Cermaq ASA**'s lower profits is that the price of salmon declined throughout 2007 at the same time as production costs increased due to disease problems in Chile and higher feed costs. These factors contributed to a reduction in produced volume from 2006 to 2007.

### Profits for the non-listed companies in categories 1-3

The non-listed companies in categories 1-3 posted annual profits after taxes and minority interests of NOK 10.6 billion in 2007, against NOK 11.3 billion in 2006.

Of the larger non-listed companies **Statkraft SF**, **Entra Eiendom AS** and **Posten AS** saw earnings decline from 2006 to 2007.

**Statkraft SF** posted an earnings decrease of NOK 798 million from the record year of 2006, to NOK 6.6 billion in 2007. The decline is mainly due to large effects of unrealised changes in value accounted for according to IFRS, and non-recurring items. All together these items represented an expense of NOK 397 million in 2007, against a profit of NOK 790 million in 2006. Correcting for these items the annual profits after taxes from ordinary operations before non-recurring items and unrealised changes in value show an earnings improvement from NOK 7.0 billion to NOK 7.2 billion in 2007.

**Entra Eiendom AS** posted earnings of NOK 1.4 billion in 2007 against NOK 2.0 billion in 2006. The main reason for the decline is lower unrealised changes in the value of the company's investment properties in 2007. **Posten Norge AS**'s annual profits were reduced from NOK 862 million in 2006 to NOK 796 million in 2007. The Group's profitability was reduced as a result of higher personnel and transport costs, lower revenues from mandatory postal services, additional use of resources to improve delivery quality and start-up costs associated with the expansion of CityMail.

Of the smaller companies **Mesta AS** and **Store Norske Spitsbergen Kulkompani AS** noted the most significant earnings improvement from 2006 to 2007. **Mesta AS**, which had the most pronounced negative earnings performance in 2006, with a loss of NOK 190 million, posted a profit of NOK 142 million in 2007. However, the positive performance is highly impacted by the recognition of NOK 545 million in revenue in connection with the discontinuation of the old pension scheme in the Norwegian Public Service Pension Fund. The underlying profits from business operations continue to show evidence of a company operating in a market with strong competition and its continuing efforts to adapt.

## Consolidated accounts figures 2007 – Companies in categories 1-3

MNOK	Cash flow operations	Dividend ratio	Average dividend ratio past 5 years <sup>1</sup>	Return on equity	Average return on equity past 5 years <sup>2</sup>	Equity ratio <sup>3</sup>
<b>Listed companies</b>						
Cermaq ASA	536	44%	36%	11%	20%	57%
DnB NOR ASA	-48 560	41%	44%	29%	21%	7%
Kongsberg Gruppen ASA	1 015	15%	22%	44%	18%	30%
Norsk Hydro ASA	14 273	33%	35%	24%	18%	60%
SAS AB	2 413	0%	0%	7%	3%	35%
StatoilHydro ASA	93 926	61%	53%	26%	34%	37%
Telenor ASA	23 696	32%	34%	28%	21%	46%
Yara International ASA	4 305	19%	20%	33%	30%	45%
<b>Weighted average listed companies</b>				<b>27%</b>		
<b>Non-listed companies in categories 1-3</b>						
Argentum Fondsinvesteringer AS	-208	25%	37%	15%	10%	100%
Baneservice AS	-7	0%	129%	-6%	2%	46%
Eksportfinans ASA	-30 310	0%	106%	-5%	6%	6%
Entra Eiendom AS	516	10%	41%	18%	11%	38%
Flytoget AS	295	50%	34%	16%	7%	67%
Mesta AS	-85	0%	47%	7%	6%	51%
Venturefondet AS	0	0%	0%	2%	-5%	90%
Secora AS <sup>4</sup>	9	0%	0%	7%	0%	43%
Nammo AS	110	50%	41%	31%	25%	35%
Aker Holding AS <sup>4</sup>	0	0%	N/A	N/A	N/A	100%
BaneTele AS	146	0%	0%	-1%	-29%	67%
Electronic Chart Centre AS	N/A	30%	30%	20%	16%	79%
Kommunalbanken AS	200	24%	19%	13%	11%	6%
NSB AS	1 229	75%	64%	8%	5%	48%
Posten Norge AS	1 714	75%	47%	14%	14%	33%
Statkraft SF <sup>5</sup>	6 171	99%	90%	17%	15%	38%
Store Norske Spitsbergen Kulkompani AS	285	6%	37%	21%	20%	33%
Veterinærmedisinsk Oppdragscenter AS	N/A	135%	43%	3%	6%	52%
<b>Weighted average non-listed companies in categories 1-3</b>				<b>14%</b>		
<b>Weighted average all companies in categories 1-3</b>				<b>25%</b>		

<sup>1</sup> Geometric average the last 5 years, or from establishment. For Norsk Hydro ASA and StatoilHydro ASA the average is calculated with figures for Norsk Hydro including petroleum activities and figures for Statoil ASA for 2003-2006, and figures from Norsk Hydro without petroleum activities and figures for StatoilHydro for 2007.

<sup>2</sup> Arithmetic average the last 5 years, or from establishment. For Norsk Hydro ASA and StatoilHydro ASA the average is calculated with figures for Norsk Hydro including petroleum activities and figures for Statoil ASA for 2003-2006, and figures from Norsk Hydro without petroleum activities and figures for StatoilHydro for 2007.

<sup>3</sup> Equity as a percentage of the total assets. For financial enterprises, core capital coverage is used.

<sup>4</sup> Not included in Report no. 13 (2006-2007) to the Storting.

<sup>5</sup> By using the dividend basis in Statkraft SF as stated in Proposition no. 1 (2006-2007) to the Storting, i.e. the annual profit after taxes and minority interests adjusted for unrealised assessments and losses, the dividend ratio from Statkraft SF will be 98 per cent for 2007.

Record-high coal prices and higher production than in 2006 helped **Store Norske Spitsbergen Kulkompani AS** to post a profit in 2007 of NOK 112 million. In 2006 the company reported a loss of NOK 77 million mostly due to the fire in the Svea Nord Mine in 2005 and subsequent shutdown in 2006.

The negative performance of **Eksportfinans ASA** is due to unrealised trading losses in the company's liquidity portfolio as a result of turmoil in the international capital markets. Unrealised profits and losses aside, the company had a profit of NOK 294 million in 2007, against NOK 243 million the year before. Compared with 2006, **Baneservice AS**, **Electronic Chart Centre AS** and **Veterinærmedisinsk Oppdragscenter AS** also posted lower profits in 2007.

### Return on equity for listed companies

Return on equity is an efficiency measurement of resource utilisation in the companies and is measured as an annual profit after taxes and minority interests divided by the value of the majority's average equity. The return on equity for the various companies is weighted on the basis of the value of the State's share of book equity at the end of 2007.

The listed companies in which the State had a stake had an average weighted return on equity of 27 per cent in 2007. The corresponding figure for 2006 was 31 per cent<sup>1</sup>. The decline is due to lower earnings and return in **Cermaq ASA** (11 per cent), **SAS AB** (7 per cent) and **StatoilHydro ASA** (26 per cent). **Telenor ASA** also had a modest decrease in return on equity, from 31 per cent in 2006 to 28 per cent in 2007.

Highest return on equity in 2007 was noted by **Kongsberg Gruppen ASA**, with 44 per cent and **Yara International ASA**, with 33 per cent. **DnB NOR ASA** with 29 per cent and **Norsk Hydro ASA** with 24 per cent also posted a solid return on equity in 2007.

Even though the return on equity in some of the listed companies shows a decline from 2006 to 2007, the return is still at a good level for most of the companies. The exception is **SAS AB**, which shows a return on equity of just 7 per cent.

Average weighted return on equity for 2007 for the non-listed companies in categories 1-3 was 14 per cent. **Nammo AS** had the highest return of the non-listed companies at 31 per cent. The positive performance of **Nammo AS** is related to higher revenues in most business areas and stable cost development as a result of efficiency gains.

**Store Norske Spitsbergen Kulkompani AS** with 21 per cent and **Electronic Chart Centre AS** with 20 per cent also had a solid return on equity in 2007. **Statkraft SF** had a return on equity of 17 per cent in 2007, which is on a level with 18 per cent in 2006.

Negative results in **Baneservice AS**, **Eksportfinans ASA** and **BaneTele AS** caused negative returns for these companies in 2007.

For the State, which is a long-term owner, it is also interesting to look at the return in the companies over time, in addition to the return for the individual year.

Looking at the average return on equity over the last 5 years for the listed companies, **StatoilHydro ASA** and **Yara International ASA** have the highest return. The companies have an average return on equity of 34 and 30 per cent respectively.<sup>2</sup>

**DnB NOR ASA** (21 per cent), **Cermaq ASA** (20 per cent), **Telenor ASA** (21 per cent), **Kongsberg Gruppen ASA** (19 per cent) and **Norsk Hydro ASA** (18 per cent)<sup>3</sup> all have an average return on equity of around 20 per cent for the last 5 years. **SAS AB** (3 per cent) has a weak positive average return on equity for the last 5 years as the result of positive results in the period 2005-2007.

With respect to the non-listed companies in categories 1-3, **BaneTele AS** and **Venturefondet AS** have a negative rate of return. **Nammo AS** and **Store Norske Spitsbergen Kulkompani AS** have had the highest average return on equity over the last five years of the non-listed companies, with returns of 25 per cent and 20 per cent respectively.

### Dividend ratio

The dividend ratio is that part of the company's annual profits that is paid out to the owners. That part of the company's annual profits not paid out as dividends is added to book equity. The table on page 23 presents the dividend ratio for the individual year as well as the average dividend ratio for the last five years. The average is calculated as the total dividend amount of each company for the last five years divided by the total profit after tax and minority interests for the last five years. Some of the companies publish their dividend ratio as

<sup>1</sup> The return figures for old Norsk Hydro and Statoil ASA were used in the calculation for 2006.

<sup>2</sup> The company went public on 25 March 2004 and the return is calculated from this date.

<sup>3</sup> The return is calculated by using figures for Norsk Hydro ASA including petroleum activities for the period 2003-2006.

## Consolidated accounts figures 2007 – Companies with sectoral policy objectives (category 4)

MNOK	State owner- ship share <sup>4</sup>	Operating revenues	Operating profit (loss)	Profit (loss) for the year <sup>5</sup>	Equity <sup>6</sup>	Balance sheet total	State subsidy/ government procurements
Avinor AS	100.0%	6 689	1 120	645	7 728	22 615	0
Bjørnøen AS	100.0%	0,16	0,00	0,00	4,04	4,09	0
Enova SF	100.0%	51	0	1	10	24	0
Gassco AS	100.0%	0	0	1	14	362	9
Itas amb AS	53.4%	50	8	8	14	21	0
Kings Bay AS	100.0%	41	1	1	8	25	15
KITH AS	80.5%	29	0	0	11	17	0
Norsk Eiendomsinformasjon AS	100.0%	218	21	16	46	113	0
NRK AS	100.0%	4 009	-184	-212	1 342	3 189	8
NSD AS	100.0%	37	1	2	20	36	21
Norsk Tipping AS	100.0%	10 517	2 981	3 100	1 651	5 127	0
Petoro AS	100.0%	179	-7	0	33	99	178
Simula Research Laboratory AS	80.0%	91	5	4	14	35	49
SIVA SF	100.0%	266	66	43	692	2 314	100
Statnett SF	100.0%	3 415	1 025	651	5 562	16 439	0
Statskog SF	100.0%	230	35	35	275	363	18
UNINETT AS	100.0%	230	-12	-1	137	380	160
UNIS AS	100.0%	100	0	0	12	58	75
AS Vinmonopolet	100.0%	9 743	123	130	408	2 448	0
Gassnova SF <sup>7</sup>	100.0%	5	0	0	10	41	33
Innovasjon Norge <sup>7</sup>	100.0%	1 026	76	74	872	16 333	804
Norfund <sup>7</sup>	100.0%	85	-14	202	3 919	4 032	8
<b>Total</b>		<b>37 012</b>		<b>4 698</b>			<b>1 477</b>

## The Regional Health Authorities

Helse Midt Norge RHF	100.0%	12 116	-459	-10	3 141	15 125	11 026
Helse Nord RHF	100.0%	10 028	-697	-263	5 541	9 772	9 487
Helse Sør-Øst RHF	100.0%	47 210	-3 818	-1 087	22 915	46 638	43 545
Helse Vest RHF	100.0%	15 314	-908	-390	7 098	14 251	14 469
<b>Total</b>		<b>84 669</b>		<b>-1 750</b>			<b>78 527</b>

<sup>4</sup> Per 31.12.2007.

<sup>5</sup> Profit (loss) for the year after taxes and minority interests. The result for the Regional Health Authorities is deviation from the requirement set by the Ministry of Health and Care Services.

<sup>6</sup> Equity adjusted for minority interests.

<sup>7</sup> Not included in Report no. 13 (2006-2007) to the Storting.

a share of their standardised or adjusted profits. This has not been used in the table on page 23, where we refer to the figures detailed in all the companies' accounts. In 2007, **Statkraft SF** had the highest dividend ratio, with 99 per cent<sup>1</sup>, while **Eksporthfinans ASA**, **Veterinærmedisinsk Oppdragsenter AS** and **Statkraft SF** have had the highest average dividend ratio over the last five years.



## COMPANIES WITH SECTORAL POLICY OBJECTIVES (CATEGORY 4)<sup>2</sup>

### Turnover

The companies with sectoral policy objectives, excluding the regional health authorities, had a turnover of NOK 37.0 billion in 2007, compared with NOK 34.4 billion in 2006. As in previous years **Norsk Tipping AS** (NOK 10.5 billion) and **AS Vinmonopolet** (NOK 9.7 billion) had the largest turnovers. **Avinor AS**, **NRK AS** and **Statnett SF** had turnovers of NOK 6.7 billion, NOK 4.0 billion and NOK 3.4 billion respectively. TV licence fees account for approximately 95 per cent of NRK AS's income.

### Profit (loss)/surpluses

Although the State as an owner does not have pure business aims in connection with its ownership of companies with sectoral policy objectives, it still requires these companies to be run efficiently. Attaining political and social goals with the most effective use of resources possible is a State objective. In 2007 the combined surplus of the companies with sectoral policy objectives, excluding the regional health authorities, amounted to NOK 4.7 billion. The corresponding figure for 2006 was NOK 3.6 billion.

As previously, **Norsk Tipping AS** produced the largest individual surplus in 2007, with NOK 3.1 billion. These results should be viewed in the context of **Norsk Tipping AS's** gambling monopoly. Its profits are distributed for socially beneficial purposes in the fields of culture, sports and health.

**Statnett SF** posted consolidated earnings after tax of NOK 651 million in 2007, against a profit of NOK 163 million in 2006<sup>3</sup>, while **NRK AS** reported a loss of NOK 212 million compared with a loss of NOK 4 million in 2006. NOK 80 million of **NRK AS's** deficit is related to **NRK AS** having to change its calculation of pension costs as the result of the new pension standard in 2007. **Statskog SF** posted an annual profit after taxes and minority interests of NOK 35 million in 2007, against NOK 7 million in 2006. The increase is largely attributed to recognition of large indemnification payments in 2007.

## Public procurements and subsidies as part of sectoral policy

Several of the companies with sectoral policy objectives perform services at prices and in areas that are not commercially profitable. In some cases the State therefore pays these companies to perform certain jobs and offer various services to achieve the sectoral policy objectives related to its ownership of such companies. This is accomplished either through direct public procurements in companies that compete in a market or by giving direct state subsidies to the companies that do not compete in a market. One example of public procurements is the purchase of health services from the regional health authorities representing the bulk of their revenues.

Some of the companies in category 3, i.e. companies with commercial objectives and other specific, defined objectives, are also required to carry out work and provide services that further sectoral policy objectives. The scope of public procurement varies between the companies. For example, public procurement of transport services from **NSB AS** accounted for 22 per cent of the company's total revenues of NOK 10.0 billion, while for companies such as **Avinor AS** and **Posten Norge AS** public procurement has represented a relatively small portion of the company's operations in recent years. **Avinor AS** and **Posten Norge AS** did not receive public procurement-related revenues in 2007.

The 52 companies covered by this report received a combined total of NOK 80.0 billion in subsidies and income from the State's purchases of services. The largest share of this amount was spent on funding health services, with a total of NOK 78.5 billion, of which NOK 11.0 billion went to the **Central Norway Regional Health Authority**, NOK 9.5 billion to the **Northern Norway Regional Health Authority**, NOK 43.5 billion to the **South-Eastern Norway Regional Health Authority** and NOK 14.5 billion to the **Western Norway Regional Health Authority**.

Of the smaller companies **Innovasjon Norge** received a subsidy of NOK 804 million in 2007, while **Petoro AS**, **UNINETT AS** and **SIVA** received subsidies of NOK 178 million, NOK 160 million and NOK 100 million respectively in 2007.

<sup>1</sup> By using the dividend basis in Statkraft SF as formulated in Proposition no. 1 (2006-2007) to the Storting, i.e. the annual profit after taxes and minority interest adjusted for unrealised changes in value and losses, the dividend ratio from Statkraft SF will be 98 per cent for 2007.

<sup>2</sup> Also includes Gassnova SF, Innovasjon Norge and Norfund, which were not categorised in Report no. 13 (2006-2007) to the Storting.

<sup>3</sup> Statnett SF began keeping its consolidated accounts in accordance with IFRS in 2007. The figures for 2006 are pro forma figures.

# Other factors

**The companies also publish non-financial key figures in their annual reports. This is in part due to statutory requirements but is also a result of an increased focus on good corporate governance, ethics and social responsibility. The tables provide an overview of some non-financial key figures on which the State places emphasis when following up its ownership of companies.**

## Remuneration to Chief Executive Officer and directors

Pursuant to the Accounting Act, companies are required to disclose the total remuneration paid to the Chief Executive Officer in their annual reports. The reason for this is a desire for transparency concerning remuneration. The board is responsible for hiring the CEO and determining his/her remuneration. Starting 2007 an amendment was implemented in the Public Limited Liability Companies Act directing the boards of all public limited liability companies to present a statement of principles, to be voted on by the annual general meeting, on the remuneration of senior executives.

The tables on pages 29 and 30 includes the total compensation value of regular salary, bonuses, additional pension savings, bonus premiums paid, earned option schemes, directors' fees for wholly owned subsidiaries and other taxable benefits.

The remuneration to the board members is to be determined by the general meeting and should reflect the board's responsibilities and expertise, the time spent on this work by the directors and the company's complexity. The table shows the total directors' fees paid by the parent company.

In December 2006, the State adopted guidelines regarding the remuneration to senior executives in companies in which the State is an owner. For further information in this regard, see the publication "The Government's Ownership Policy".

## Auditors' fees

The task of the auditor is to audit the company's accounts to ensure that these reflect the actual state of company and its financial situation. For the owners, this is an important task since it ensures that an independent and critical review of the accounts has been conducted.

The auditor is to behave and be viewed as an independent and critical party. It is therefore essential that the auditor is not involved to any substantial degree in the execution of the activities to be audited. In addition, the auditor should not carry out advisory assignments of such a scope or nature that the auditor's independence may be questioned.

Many of the companies use various auditing firms to perform partial assignments in their group. The tables on pages 29 and 30 provide an overview of the fees paid to the companies' main auditors at group level. The auditing fees are divided into four categories: statutory audits, services related to audits, services related to tax matters and other services. Categorisation of audit expenses may vary from company to company, and not all companies split the fees into the four categories outlined above. For companies that do not distinguish between audit-related and tax-related services in their reports, the fee is included in the services related to audits, even though parts of the fee may be related to tax matters.

When a fee other than the fee for the statutory audit comprises a considerable share of the total fee to the company's chosen auditor, there may be grounds for questioning the auditor's independence. However, there are situations in which it is expedient to use an auditor for tasks where there is no conflict with the independence linked to the ordinary auditing assignment. For example, this applies to transactions where a confirmation of assets may follow from the auditor.

When other fees account for a substantial proportion of the auditors' total fees, the State seeks to obtain information on the nature of these fees. This information is often specified by the companies in the notes to the accounts.

## No. of employees

At year-end 2007, the 52 companies referred to in this report employed around 300 000 people. The corresponding figure at year-end 2006 was 294 800.

Some companies report the number of full-time equivalents, while others use the actual number of employees. However, the figures for each company are consistent over time and can therefore be compared. The table on pages 31 and 32 shows an overview of the number of employees or number of full-time equivalents depending on how the companies themselves report these.

The companies where commercial operation is one of the main objectives, i.e. companies in categories 1-3, had around 192 400 employees at the end of 2007. The sectoral policy companies (category 4), excluding the regional health authorities, had about 11 100 employees on the same date. The regional health authorities employed 96 700 at year-end 2007.

Measured in number of employees, **Telenor ASA** is as previously the largest company in which the State owns a shareholding. At the end of 2007 the Telenor group had 35 800 employees. The percentage employed in Norway went down from 31 per cent at the end of 2006 to 28 per cent at the close of 2007. At the end of 2007 **StatoilHydro ASA**, had 29 500 employees, of whom 61 per cent worked in Norway. **Norsk Hydro ASA** was the company with the most significant decline in the number of employees in 2007. This is due to the demerger of the petroleum operations to **StatoilHydro ASA**. At the end of 2007 **Norsk Hydro ASA** had 24 692 employees, compared with 33 605 employees at the end of 2006.

**Aker Holding AS** is purely a holding company whose sole purpose is to own shares in Aker Solutions ASA, and the company has just one employee.

## Board composition

One of an owner's key tasks is to appoint board members. The State as an owner places a great deal of emphasis on ensuring that the board as a whole possesses expertise suited to the company's challenges and market situation. In order to strengthen efforts related to the composition of the boards, the State has actively contributed to the establishment of nomination committees in the large companies. The nomination committee scheme is not a statutory one and should therefore be stipulated in each company's articles of association. The nomination committees comprise representatives of the owners, who jointly prepare proposals for the corporate assembly or general meetings and election of boards. In wholly state-owned companies, the work of composing boards is carried out in a structured manner by the ministry that manages the State ownership.

The board's composition should be such that it safeguards the shareholders' interests in the best possible manner. Both short-term and more long-term owner interests must be taken into account. The State places emphasis on the companies having to take into account a number of considerations in order to develop their assets in the longer term. For a more detailed description of this, see "The Government's Ownership Policy".

The State also places emphasis on the boards having sufficient diversity to be able to safeguard such considerations. Representation of both genders on the boards of wholly state-owned companies and public limited companies is regulated in the companies legislation and was introduced with effect from 1 January 2006.

On average, women account for 47 per cent of the shareholder-elected directors in the 52 companies referred to in this report.

## Other factors – Remuneration

<i>NOK thousand</i>	<i>Total remuneration to CEO<sup>1</sup></i>	<i>Board fees total</i>	<i>Statutory audit, group</i>	<i>Audit-related services, group</i>	<i>Tax-related services, group</i>	<i>Other services, group</i>
<b>Listed companies</b>						
Cermaq ASA	4 042	1 476	4 836	38	168	1 079
DnB NOR ASA	8 631	3 029	16 383	2 464	1 897	2 820
Kongsberg Gruppen ASA	5 874	1 360	7 600	442	813	910
Norsk Hydro ASA	26 605	4 529	57 641	6 696	2 198	1 016
SAS AB <sup>2</sup>	10 857	3 251	18 116	12 940	0	0
StatoilHydro ASA	12 393	3 255	44 800	8 500	0	0
Telenor ASA	8 888	2 665	37 800	5 600	3 500	300
Yara International ASA	6 953	2 195	21 555	2 263	1 466	1 751

## Non-listed companies in categories 1-3

Argentum Fondsinvesteringer AS	2 647	545	133	63	40	266
Baneservice AS	984	1 380	432	0	24	443
Eksportfinans ASA	3 187	1 320	1 049	4 091	94	724
Entra Eiendom AS <sup>3</sup>	4 966	1 501	1 780	538	0	891
Flytoget AS	2 089	811	429	0	127	142
Mesta AS	2 991	1 398	1 210	1 553	0	452
Venturefondet AS	0	228	49	0	0	9
Secora AS <sup>4</sup>	834	467	145	81	0	0
Nammo AS	4 105	991	2 467	382	40	512
Aker Holding AS <sup>4</sup>	0	0	0	0	0	0
BaneTele AS <sup>5</sup>	3 000	912	1 287	88	40	0
Electronic Chart Centre AS	1 008	246	20	0	0	23
Kommunalbanken AS	1 984	557	385	470	0	85
NSB AS	4 048	1 680	5 128	549	813	2 492
Posten Norge AS	4 991	2 954	11 679	1 169	1 057	1 160
Statkraft SF	7 265	2 268	8 107	620	391	1 841
Store Norske Spitsbergen Kulkompani AS	2 486	1 055	836	0	0	585
Veterinærmedisinsk Oppdragscenter AS	1 362	233	105	7	0	0

<sup>1</sup> Includes pay, bonus, pension earnings, other remuneration and the value of options awarded in 2007 on the distribution date. CEO Eivind Reiten redeemed NOK 12.1 million worth of options on 10 July 2007. As a result of the termination of outstanding options in Norsk Hydro ASA, Reiten received NOK 7.8 million on 7 August 2007. The estimated NOK 19.2 million change in the value of the pension rights of Reiten in Norsk Hydro ASA reflects both the year's service costs and changes in the current value of overall pension rights. Bonus for CEO Helge Lund in StatoilHydro ASA includes bonus for 2006 and for the first 9 months of 2007.

Bonus for the last three months of 2007 will be paid out together with any bonus for 2008 in 2009. CEO Thorleif Enger in Yara International ASA has a total ceiling of NOK 15 million per year on all remuneration including pay, performance-based pay, pension and exercising of rights within the share-based incentive programme during the exercise period. Compensation for 2007 does not include payment of NOK 8.5 million of previously earned rights relating to a share-based incentive programme. For CEO Jan Erik Korsjøen in Kongsberg Gruppen ASA, compensation does not include paid out bonus of NOK 692,000, which was earned in 2006 and paid in 2007.

<sup>2</sup> The amounts for SAS AB are in Norwegian kroner. The exchange rate used is the average rate for 2007, NOK/SEK 115.92. Compensation does not include variable pay, since this has not been determined at this time.

<sup>3</sup> CEO Erik Løfsnes resigned from his position on 1 July 2007 and Torodd Bøystad was named acting CEO. Compensation includes pay and benefits paid to both in 2007.

<sup>4</sup> Not included in Report no. 13 (2006-2007) to the Storting.

<sup>5</sup> Throughout the year the CEO was contracted through a separate limited company and the company has therefore not paid compensation other than that invoiced as fees. The remuneration paid the general manager in 2007 includes expensed severance pay paid to the previous general manager.

<i>NOK thousand</i>	<i>Total remuneration to CEO<sup>1</sup></i>	<i>Board fees total</i>	<i>Statutory audit, group</i>	<i>Audit-related services, group</i>	<i>Tax-related services, group</i>	<i>Other services, group</i>
<b>Companies with sectoral policy objectives (category 4)</b>						
Avinor AS	1 900	1 600	900	0	100	500
Bjørnøen AS	0	49	9	0	0	6
Enova SF	956	570	151	0	0	149
Gassco AS	3 272	1 017	942	0	1 348	348
Itas amb AS	1 128	148	115	29	0	0
Kings Bay AS	791	326	105	0	0	38
KITH AS	884	103	51	0	0	31
Norsk Eiendomsinformasjon AS	1 609	557	115	15	0	0
NRK AS <sup>2</sup>	3 455	967	578	72	63	705
NSD AS	865	197	70	11	0	8
Norsk Tipping AS <sup>3</sup>	2 076	804	0	0	0	0
Petoro AS	5 291	1 600	200	0	0	0
Simula Research Laboratory AS	1 513	176	84	0	0	59
SIVA SF	1 375	515	715	15	66	142
Statnett SF	3 474	1 515	771	184	48	346
Statskog SF	1 109	508	245	5	148	34
UNINETT AS	913	426	166	0	0	0
UNIS AS	792	182	77	0	0	0
AS Vinmonopolet	1 854	1 154	835	0	36	383
Gassnova SF <sup>4</sup>	396	404	0	0	0	0
Innovasjon Norge <sup>4</sup>	1 759	1 092	786	59	1 715	2 649
Norfund <sup>4</sup>	2 164	520	905	0	0	202

### The Regional Health Authorities

Helse Midt-Norge RHF	1 801	1 659	1 475	1 343	65	207
Helse Nord RHF	1 643	1 280	1 349	1 247	10	41
Helse Sør-Øst RHF	1 737	2 677	4 550	6 628	245	6 473
Helse Vest RHF	2 363	1 373	2 359	634	80	172

<sup>1</sup> Includes pay, bonus, pension earnings, other remuneration and the value of options awarded in 2007 on the distribution date.

<sup>2</sup> The remuneration of the director general of NRK AS includes NOK 1.6 million in severance pay to the former director general.

<sup>3</sup> The remuneration of the CEO of Norsk Tipping AS includes salary of earlier and current acting CEOs.

<sup>4</sup> Not included in Report no. 13 (2006-2007) to the Storting.



## Other factors – Employees and the percentage of women on the board

	<i>No. of employees 2007</i>	<i>No. of employees 2006</i>	<i>% of women on the board, total</i>	<i>% of women on the board, shareholder elected<sup>3</sup></i>
<b>Listed companies</b>				
Cermaq ASA	4 008	3 937	38%	40%
DnB NOR ASA	13 817	12 187	45%	43%
Kongsberg Gruppen ASA	4 205	3 650	25%	40%
Norsk Hydro ASA <sup>4</sup>	24 692	33 605	33%	50%
SAS AB	25 516	26 554	30%	29%
StatoilHydro ASA <sup>5</sup>	29 500	25 435	36%	38%
Telenor ASA	35 800	35 600	40%	43%
Yara International ASA	8 173	7 060	25%	40%

## Non-listed companies in categories 1-3

Argentum Fondsinvesteringer AS	10	9	40%	40%
Baneservice AS	350	328	25%	40%
Eksportfinans ASA	103	100	38%	43%
Entra Eiendom AS	151	143	43%	40%
Flytoget AS	290	275	38%	40%
Mesta AS	3 032	3 237	50%	60%
Venturefondet AS	0	0	33%	33%
Secora AS <sup>6</sup>	121	97	40%	33%
Nammo AS	1 555	1 293	25%	17%
Aker Holding AS <sup>6</sup>	1	N/A	40%	40%
BaneTele AS	203	143	25%	33%
Electronic Chart Centre AS	15	13	67%	67%
Kommunalbanken AS	41	37	43%	50%
NSB AS	11 035	10 474	25%	40%
Posten Norge AS	27 068	24 478	55%	57%
Statkraft SF	2 287	2 087	44%	50%
Store Norske Spitsbergen Kulkompani AS	396	366	50%	60%
Veterinærmedisinsk Oppdragssenter AS	37	46	40%	50%

<sup>3</sup> % of board members elected by the shareholders or appointed by the owners.

<sup>4</sup> No. of employees for 2006 is including the petroleum activities.

<sup>5</sup> No. of employees for 2006 is figures for Statoil ASA.

<sup>6</sup> Not included in Report no. 13 (2006-2007) to the Storting.

**Companies with sectoral policy objectives (category 4)**

	<i>No. of employees 2007</i>	<i>No. of employees 2006</i>	<i>% of women on the board, total</i>	<i>% of women on the board, shareholder elected <sup>1</sup></i>
Avinor AS	2 889	2 792	44%	50%
Bjørnøen AS	0	0	40%	40%
Enova SF	44	37	40%	50%
Gassco AS	302	155	57%	60%
Itas amb AS	30	26	50%	33%
Kings Bay AS	25	23	40%	40%
KITH AS	29	29	86%	83%
Norsk Eiendomsinformasjon AS	68	65	57%	60%
NRK AS	3 590	3 470	44%	50%
NSD AS	67	62	43%	33%
Norsk Tipping AS	322	324	57%	60%
Petoro AS	56	53	43%	40%
Simula Research Laboratory AS	114	85	57%	60%
SIVA SF	35	36	43%	43%
Statnett SF	664	613	44%	50%
Statskog SF	152	165	50%	60%
UNINETT AS	88	85	50%	60%
UNIS AS	73	66	57%	60%
AS Vinmonopolet	1 787	1 743	56%	67%
Gassnova SF <sup>2</sup>	1	N/A	40%	40%
Innovasjon Norge <sup>2</sup>	730	693	58%	60%
Norfund <sup>2</sup>	35	31	60%	60%

**The Regional Health Authorities**

Helse Midt-Norge RHF	13 282	13 580	54%	56%
Helse Nord RHF	12 377	11 784	46%	44%
Helse Sør-Øst RHF	53 613	50 202	50%	55%
Helse Vest RHF	17 441	17 534	50%	33%

<b>Total/average</b>	<b>300 220</b>	<b>294 793</b>	<b>44%</b>	<b>47%</b>
----------------------	----------------	----------------	------------	------------

<sup>1</sup> % of board members elected by the shareholders or appointed by the owners.

<sup>2</sup> Not included in Report no. 13 (2006-2007) to the Storting.

# The State's management of its ownership stakes

**The State is the largest owner of companies in Norway and the ministries manage the State's ownership stakes in a total of 80 companies. This report describes the companies where commercial operation is one of the objectives (categories 1-3) and the most important companies with sectoral policy objectives (category 4). This comprises a total of 52 companies, including the regional health authorities.**

## **Companies where commercial operation is one of the main objectives – Categories 1-3<sup>1</sup>**

One of the main objectives of the owner management of the companies in categories 1-3 is to maximise the value of the State's shares and contribute to the sound industrial development of these companies. In addition, the management of the State's ownership stake in some of these companies has other objectives, such as ensuring head office functions in Norway or some other specific, defined goals.

Most of the companies where the main objective of State ownership is commercial operation are managed by the Department of Ownership in the Ministry of Trade and Industry. At year-end 2007 this department managed the State's ownership interests in 18 companies where commercial operation is one of the main objectives and 2 companies with sectoral policy objectives.

State ownership of the other companies where one of the objectives is commercial operations is managed by the Ministry of Fisheries and Coastal Affairs (Secora AS), the Ministry of Local Government and Regional Development (Kommunalbanken AS), the Ministry of Agriculture and Food (Veterinærmedisinsk Oppdragscenter AS), the Ministry of Petroleum and Energy (StatoilHydro ASA) and the Ministry of Transport and Communications (Baneservice AS, NSB AS and Posten Norge AS).

## **Companies with sectoral policy objectives – Category 4<sup>2</sup>**

The sectoral policy companies are companies in which the State owns a stake, which have sectoral policy and social objectives, and where the main objectives of State ownership are not commercial. These companies are managed by the individual ministries that are responsible for the sectoral policy in the various areas. For example, the State ownership of Statnett SF and Statskog is managed by the Ministry of Petroleum and Energy and the Ministry of Agriculture and Food respectively. Examples of objectives which form the basis for the State ownership of the sectoral policy companies include the provision of safe, environmentally friendly, good travel services throughout Norway to the general public (Avinor AS), the control of sales of alcoholic beverages (AS Vinmonopolet), or the provision of good, equal, specialist health services to all who require them (the regional health authorities).

Although the sectoral policy companies' main objectives are not commercial, financial results and the efficient use of society's resources are also important in these companies. These companies' financial results must be weighed against the sectoral policy objectives, and the State as an owner is interested in achieving sectoral policy and public objectives in the most efficient way possible.

The sectoral policy companies' degree of commercial orientation varies. For example, NRK operates in a market characterised by competition, while AS Vinmonopolet manages a sales monopoly.

<sup>1</sup> Includes Aker Holding AS and Secora AS, which were not categorised in Report no. 13 (2006-2007) to the Storting.

<sup>2</sup> Also includes Norfund and Innovation Norway, which were not categorised in Report no. 13 (2006-2007) to the Storting.

This report covers 52 companies where the State's direct ownership is managed by the ministries. The companies included in the report are the companies with commercial objectives and the largest and most important of the companies with sectoral policy objectives.

State ownership covers more than this. The table shows an overall overview of 77 companies where the State's holding is managed directly by the ministries. Ownership of the companies is distributed among the ministries. Ownership managed by underlying agencies is not included in the table. For more information about the companies the responsible owner ministry can be contacted.

### Ministry of Labour and Social Inclusion

Rehabil AS	100%
Blindes Produkter AS	44.4%
Kompetansesenter for IT i helse- og sosialsektoren AS (KITH AS)	10.5%
Itas amb AS	7.3%

### Ministry of Finance

Nordiske Investeringsbanken	19.1%
-----------------------------	-------

### Ministry of Fisheries and Coastal Affairs

Eksportutvalget for fisk AS	100%
NOFIMA AS	100%
Secora AS	100%
Protevs AS	66.0%

### Ministry of Health and Care Services

Helse Midt-Norge RHF	100%
Helse Nord RHF	100%
Helse Vest RHF	100%
Helse Sør-Øst RHF	100%
AS Vinmonopolet	100%
Kompetansesenter for IT i helse- og sosialsektoren AS (KITH AS)	80.5%

### Ministry of Justice and the Police

Norsk Eiendomsinformasjon AS	100%
Itas amb AS	46.1%

### Ministry of Local and Regional Development

Husbanken	100%
Kommunalbanken AS	80.0%

### Ministry of Culture and Church Affairs

Nationaltheatret AS	100%
Norsk Rikskringkasting AS	100%
Norsk Tipping AS	100%
Den norske Opera AS	90.0%
Filmparken AS	77.6%
Carte Blanche AS	70.0%
Den Nationale Scene AS	66.7%
Rogaland Teater	66.7%
Trøndelag Teater AS	66.7%
Beaivvas Sami Teahter AS	40.0%
Norsk opplagskontroll AS	33%
Rosenkrantzgt. 10 AS	3.0%

### Ministry of Education and Research

Norsk samfunnsvitenskapelige datatjeneste AS	100%
Uninett AS	100%
Universitetssenteret på Svalbard (UNIS)	100%
Simula Research Laboratory AS	80.0%

### Ministry of Agriculture and Food

Staur gård AS	100%
Statskog SF	100%
Veterinærmedisinsk Oppdragssenter AS	51.0%
Kimen Såvarelaboratoriet AS	51.0%
Instrumenttjenesten AS	45.0%
Graminor AS	34.0%
Bioparken AS	8.0%

**Ministry of Trade and Industry**

Argentum Fondsinvesteringer AS	100%
Bjørnøen AS	100%
Electronic Chart Centre AS	100%
Entra Eiendom AS	100%
Flytoget AS	100%
Innovasjon Norge	100%
Kings Bay AS	100%
Mesta AS	100%
SIVA SF	100%
Statkraft SF	100%
Venturefondet AS	100%
Store Norske Spitsbergen Kulkompani AS	99.9%
Telenor ASA	54.0%
BaneTele AS	50.0%
Kongsberg Gruppen ASA	50.0%
Nammo AS	50.0%
Norsk Hydro ASA	43.8%
Cermaq ASA	43.5%
Yara International ASA	36.2%
DnB NOR ASA	34.0%
Aker Holding AS	30.0%
Eksportfinans ASA	15.0%
SAS AB	14.3%

**Ministry of Petroleum and Energy**

Gassco AS	100%
Gassnova SF	100%
Petoro AS	100%
Enova SF	100%
Statnett SF	100%
StatoilHydro ASA	62.5%

**Ministry of Transport and Communications**

Avinor AS	100%
BaneService AS	100%
NSB AS	100%
Posten Norge AS	100%
Stor-Oslo Lokaltrafikk AS	33.3%

**Ministry of Foreign Affairs**

Norfund	100%
---------	------



# External articles: StatoilHydro

## – A dynamic new company

**The merger of Statoil and Hydro Oil and Energy made 2007 an historic year. Less than a year elapsed from the proposal was presented until StatoilHydro was a reality. The merger was unanimously approved by the Storting in June, and on 1 October we marked the establishment of a completely new company and implementation of the largest merger ever in the Nordic region. Nearly 30,000 employees in around 40 countries have been given a unique opportunity to contribute to the development of a completely new and dynamic company.**

**Helge Lund, CEO, StatoilHydro ASA**

The content of the article does not necessarily represent the views of the Ministry of Trade and Industry.

To become a single company from day one, two important principles were in place from the very beginning: Everyone was to have equal job opportunities regardless of which company they originally worked for, and we would combine the best of both companies. For me, the merger has been a catalyst for improvement by utilising best practice whether it concerns operations, climate technology, employee development or enhanced oil recovery. Something that has inspired me the most this past year is to see the possibilities that arise when we get new eyes to look at old challenges.

The integration process involved extensive organisational change. Nearly 10 000 employees at a large number of office sites were directly affected and assumed new positions in a completely new organisation. Even more people were indirectly affected by changes in the form of new managers, workplaces, reporting lines, governing documents or computer systems. Maintaining a focus on safe and efficient operations was crucial throughout the entire integration process. At times, the sheer complexity of it all seemed almost overwhelming.

The fact that we were successful is not least due to enormous efforts by capable employees and managers at all levels and good cooperation with the employees' trade unions and their representatives. It has been inspiring for us to field questions from international companies that now wish to benefit from our experience.

The merger was based on very strong industrial logic and must be viewed in light of a few important developments in the industry, globally and in Norway.

To start with, the degree of project difficulty is mounting. The technical complexity is steadily increasing, and we have to meet demanding challenges such as deeper waters, heavier oils, harsher climates and vulnerable areas. This requires great expertise and strong professional environments.

Secondly, the competition for resources is tightening. With oil prices at historically high levels, new players are joining in the race for resources – from the Barents Sea to Brazil. Access to these resources is becoming more difficult and expensive. A desire for greater national control is rising and framework conditions are under pressure in many of the world's petroleum provinces. In this situation size is often a crucial competitive factor.

Thirdly, the Norwegian continental shelf has entered a new phase where the new corporate structure will contribute to greater value creation. The merger will realise values and advantages that would have been unachievable with the old corporate model. Synergies and operating improvements resulting from the merger will generate an annual gross profit of NOK 12 billion. These are values that will benefit the State, the companies and society.

Last, but not least, both companies had clear ambitions of growing internationally. Eventually it became increasingly evident to most people that there was little purpose in having two medium-sized Norwegian companies – owned by the State – outbidding each other on new prospects outside Norway.

<sup>1</sup> Gross profit is total extra value creation and synergies for StatoilHydro and our partners on the Norwegian continental shelf.

*"The merger of Statoil and Hydro Oil and Energy made 2007 an historic year."*



*Helge Lund*

The merger is the answer to these challenges. It increases our international competitiveness and our capacity for industrial development on the Norwegian continental shelf. We are now even better equipped in the area of technology and have bolstered our ability to carry out large, demanding projects. At the same time we have gained greater financial and organisational capacity to handle business risk. In total, there is no doubt that StatoilHydro has a wider industrial scope than the two companies would have had by themselves.

The strategy we have chosen for the next few years revolves around value creation and growth. We want to realise the entire potential of the Norwegian continental shelf while creating international growth at the same time. Our starting point is a capable organisation, good project and technology environments, and strong gas and downstream positions.

I do not believe any company will succeed over time if results are not created on the basis of strict health, environment and safety (HES) requirements and business integrity. StatoilHydro aims to be an ambitious company that sets high goals and is successful in international competition. At the same time we are committed to winning in the right way. Consequently, we have spent a lot of time on defining how to run our business.

Safe and predictable operations are our first priority. High-quality operations protect employers, the environment and materials and strengthen shareholder value. Through targeted work on HES, values and ethics we intend to develop a healthy performance culture. In such a culture the manner in which we deliver our results is just as important as the results we

deliver. This is how we prevent risk and make the company more robust, reliable and competitive.

As an industry we operate in the middle of the tension field between the world's increasing appetite for energy and the climate challenge. While producing much sought-after oil and gas we must reduce emissions of greenhouse gases. Our industrial response in this area embraces a commitment to energy efficiency in our facilities, developing technology for capturing and storing CO<sub>2</sub> and renewable energy, in addition to employing the instruments of the Kyoto Agreement.

Parallel with work on the merger, in the past year we have continued to develop our position on the Norwegian continental shelf and establish new platforms for long-term international growth. We have strengthened our position in North America through a large acquisition of Canadian tar sands, and new exploration licences in the Gulf of Mexico and in Alaska. In addition we have secured a position in the Russian Shtokman field. These will be important areas for StatoilHydro in the years to come.

In many respects we have embarked on a journey to transform StatoilHydro into a global energy company. The starting point of the journey is a strong position on the Norwegian continental shelf, which will be the backbone of the company for many years to come. With us we will bring all the expertise and experience we have built up over 40 years. I can't imagine a better starting point.

# External articles: The Kongsberg Group's work on corporate social responsibility

**The term corporate social responsibility also covers responsibility for the external environment. Sustainable development is often used as a collective term. The UN Global Compact is a leading initiative in corporate social responsibility efforts. The initiative addresses human rights, employee rights, environmental protection and anti-corruption.**

**As an international company with activities in major global industrial sectors, Kongsberg must endeavour to handle these subjects in a competent and orderly manner. Work on corporate social responsibility must be adapted to the company's values, vision, ethical guidelines and be viewed in conjunction with the company's corporate governance.**

**Walter Qvam, CEO, Kongsberg Gruppen ASA**

The content of the article does not necessarily represent the views of the Ministry of Trade and Industry.

## Trends and stakeholders' requirements and expectations

In 2006 and 2007 many of our stakeholders began paying greater attention to issues relating to corporate social responsibility. Customers want to know about our attitudes and activities in regard to corruption, labour standards, human rights and the environment. An example is the oil companies' database for pre-qualification of suppliers, Achilles, has been expanded to include questions relating to the social responsibility of the supplier. In addition, we are experiencing great attention in general from the media concerning this subject.

We receive similar queries from many of our owners too. In the Ownership Report (Report no. 13 (2006-2007) to the Storting), the Government stated that companies in which the State has a stake should be leaders in efforts to promote corporate social responsibility.

In 2006, the international reporting standard Global Reporting Initiative (GRI) presented new guidelines for reporting work on corporate social responsibility. The requirement to think strategically and long term concerning corporate social responsibility has increased. These are factors we take into account in our work on corporate social responsibility.

## Corporate social responsibility in Kongsberg

Kongsberg operates in more than 25 countries. We are subject to Norwegian and international laws, rules and conventions. In addition, we are subject to laws and rules in the areas in which we operate.

We prepared our first environmental report in 2002 and our first sustainability report in 2003. This was the start of the Group's work on corporate social responsibility. Until now we have published sustainability reports each year since 2003 – these two last years as an integrated part of the annual report. In 2004 a separate responsibility area was established in the Group for this field. Up to now we have taken small but

important steps in this area. We work continuously on making improvements. Over the course of the period we have adopted the UN Global Compact and joined Transparency International.



Walter Qvam

### Corporate social responsibility policy

The Group's policies on the environment and corporate social responsibility were first prepared in 2002 and 2003. Since then the meaning of the term and expectations as to how the Group should handle the issue have changed and increased in scope. On this basis we drew up a new policy in the beginning of 2008. Our new policy is now in line with the UN Global Compact and the intentions of OECD's guidelines for multinational companies.

### Corporate social responsibility strategy

In 2007 a new strategy for corporate social responsibility was prepared. This was because the changing requirements and challenges relating to corporate social responsibility are more important today than they were just three or four years ago.

### Corporate social responsibility and the defence industry

Of the Group's total turnover approximately 40 per cent of deliveries go to the defence market. In extreme situations our products can take lives. This is a dilemma in relation to the goal of operating business in an ethically and socially responsible manner. However, there is broad political agreement that Norway is to have armed forces and a defence industry. Kongsberg is the backbone of this industry, and has been so for nearly 200 years. This means that in line with the Storting's and Government's policy we perform an important social task with regard to the country's defence capability. Furthermore, it means

that we maintain and develop a substantial technological expertise that we and society also benefit from in our civilian business areas.

Kongsberg does not manufacture weapons normally blacklisted by ethical funds, i.e. cluster weapons, land mines, nuclear weapons or handguns. The bulk of our defence activities supply systems for weapons guidance and control, decision support and communication. Norwegian authorities practise one of the world's strictest sets of rules for exporting defence products. The rules, which have been adopted by the Storting, mean that we can only sell our defence products to approved countries. All exports must also have a licence from the Ministry of Foreign Affairs.

#### *Ethical guidelines*

The Group's business ethics guidelines were revamped and revised in April 2008. The guidelines are adopted by the board, and, at a minimum, must be evaluated every other year. It is important that the discussion and issues surrounding the subjects referred to in the guidelines are kept alive and that the entire Group is covered by this dynamic. In Kongsberg it is the responsibility of the management to ensure that the guidelines are reviewed, communicated and complied with in each department. Training and discussion with a large emphasis on dilemma training is a key part of the implementation of the ethical guidelines.

Kongsberg's two business areas operate in some of the markets that are most susceptible to corruption. Consequently, our attention to the issue never wavers. The Group has an ethics council consisting of the CEO, four other members of the corporate management group, three employee representatives and two internal ombudsmen. The council meets a minimum of twice a year, and its mandate is to handle fundamental issues relating to ethics. The Group has also prepared its own guidelines for following up and giving notice of matters worthy of criticism.

#### *Environment*

Kongsberg is a technology group with relatively little manufacturing. This means that our direct emissions to the external environment are negligible. We are nevertheless aware that we consume energy and materials in our operations. In 2008 our environmental goals are directed at climate measures, energy conservation and sorting waste at source. In climate measures, development of products and systems enabling our customers to reduce their own emissions is one of the measures. Another example is to reduce CO<sub>2</sub> emissions through conscious use of video conferences. The Group otherwise works systematically on reporting data associated with energy consumption, waste management and chemical consumption.

Environmental work in Group is coordinated through a separate environmental forum.

#### *Human rights*

The Group operates in some areas where violations of human rights occur to a significant extent. Nevertheless, the nature of our activities is such that we face challenges relating to these issues only to a modest extent. However, with our international focus we must be focused on ensuring that we do not come in direct or indirect conflict with prevailing human rights.

#### *Social responsibility*

This area covers external measures in the form of direct economic support of non-profit organisations or in the form of participation in specified projects. In recent years Kongsberg has had a partnership with SOS Children's Villages in Zambia.

#### *Eierstyring og selskapsledelse*

The Group follows the Norwegian Code of Practice for Corporate Governance. Corporate social responsibility is viewed as an integral part of these principles.

#### **Follow-up of the work**

As a subject, corporate social responsibility faces a number of challenges, both in terms of terminology and meaning. The term is relatively new and its meaning is constantly evolving. Not many years ago it meant that a company mostly had obligations vis-à-vis its owners, customers and employees – no one else. Today this perception has changed and consideration of the company's surrounding environment also has a major impact on how a company is run. Incorporating such a shift will necessarily take some time.

Kongsberg's focus in the immediate future is therefore primarily to continue to work on increasing awareness at all levels of the organisation. We are actively addressing these challenges in 2008. Over the course of the year, follow-up and compliance systems will be in place and systematically implemented.

# External articles: Corporate governance and business economics outside the Oslo Stock Exchange

**Non-listed privat companies represent a much larger part of Norwegian value creation than the public companies on the Oslo Stock Exchange. Nonetheless, both corporate governance and business economics in Norwegian non-listed companies have been analysed far less than in listed companies. The same is true in the rest of the world. As a first step towards better professional insight, we document that the ownership structure of Norwegian non-listed companies is very different from that of listed companies. We also show that these distinctive features provide quite different corporate governance than in a listed company. However, this does not mean that they are simpler.**

**By Janis Berzins and Øyvind Bøhren, Centre for Corporate Governance Research, BI Norwegian School of Management**

The content of the article does not necessarily represent the views of the Ministry of Trade and Industry.

## Motivation

For many years, there has been great and welcome public interest in the relationship between corporate governance on the one hand and business economics on the other. The fundamental question is how the ownership structure, board composition and employee incentives affect the ability of a company to grow and evolve in a profitable manner. For example, does it matter whether the company has one main owner or many small ones, whether the owners are the State or private parties, whether the private owners are institutions or families, whether ownership is short-term or long-term, whether the owners are on the board, whether both men and women are on the board, whether the employees are represented on the board, whether they have shares in the form, or whether salaries are fixed or performance-dependent? And what does such corporate governance mechanisms mean specifically for the company's finances, such as the cost of capital, investment volume, innovative activity, employment growth, capital structure, dividend policy and return on capital invested?

Well-thought out answers to such questions are needed to develop good corporate governance models in the individual company. Good answers are also necessary for designing successful public policies as an ownerall framework for ownership. Even though recent research has provided help in understanding the difference between good and poor corporate governance, this applies almost exclusively to listed companies.<sup>1</sup> Non-listed companies, in other words the companies outside Oslo Stock Exchange, have for all practical purposes not been analysed. This situation is unfortunate both in terms of macroeconomics and the individual companies. First, we will shortly document that value creation in Norway is far higher in non-listed companies than in listed companies. Secondly, we will show that because both ownership structure

and the corporate environment are so different for non-listed companies, their owners face completely different governance challenges than listed companies. Consequently, basic knowledge about corporate governance is weakest in the largest sector of the national economy.

## The size of the non-listed sector in Norway

Our data comes from a database on business economics and corporate governance in all Norwegian limited companies. It contains complete data for each company's balance sheet, income statement, ownership structure, board composition, management, employment, industry, auditor comments and credit rating.<sup>2</sup> These data show that the number of Norwegian limited companies increased from approximately 100,000 in 1994 to 180,000 in 2005, while the number of active limited liability firms (AS and ASA firms) with reliable data rose from approximately 60,000 to 80,000. The figures in this article concern only this latter subgroup, where we have also omitted subsidiaries and instead used the parent company's consolidated figures. Based on these data, figure 1 shows the overall size ratio between non-listed (light column) and listed (dark column) companies as a whole in 2005.

The figure shows that for each listed limited company there are approximately 500 outside the stock exchange. Moreover, it shows that there are more than four times as many employed in the non-listed sector as in the listed sector and that the non-listed sector is nearly twice as large as the listed sector measured

<sup>1</sup> A good overview of international corporate governance research is provided in Becht, M, P. Bolton and A. Roëll: "Corporate governance and control", in G. Constantinides, M. Harris and R. Stulz (ed), *Handbook of the Economics of Finance*, North-Holland, 2003. A brief summary of issues and selected results for Norway can be found in Ø. Bøhren: "Eierskap og lønnsomhet" (Ownership and profitability), *Økonomisk Forum* 59 (5), 2005, pp. 4-14.

<sup>2</sup> The data are obtained from Creditinform (which receives its data from the Brønnøysund Registers) and Statistics Norway. There is a special database for listed companies based on data from the Norwegian Central Securities Depository (VPS ownership data) and the Oslo Stock Exchange (share prices, share issues and trading volume data). The database is to be expanded with family and kin relationships for each company board, management and owners.



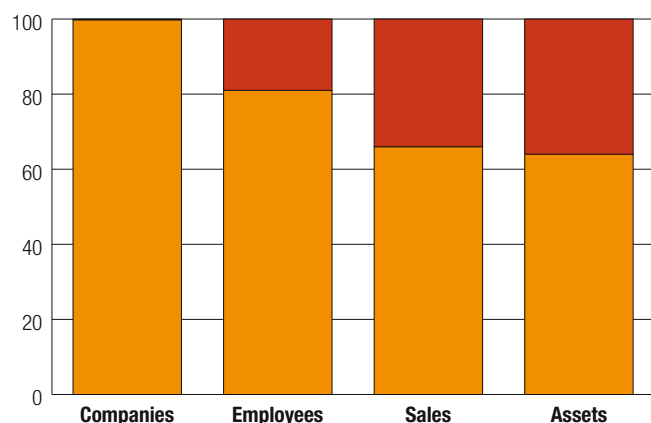
"Non-listed companies represent a much larger part of Norwegian value creation than the companies on the Oslo Stock Exchange."



Janis Berzins

Øyvind Bøhren

Figure 1: Size ratio between non-listed (light column) and limited liability companies (dark column) in Norway in 2005 measured by number of companies, employees, sales and assets.



by sales or assets. Consequently, the non-listed sector is 2-4 times larger than the listed sector regardless of size measure.<sup>3</sup>

In other words: If you picture overall employment in Norwegian limited companies as an iceberg, it is basically the listed companies that stick up above the surface of the water. To an even greater degree than relative size, this metaphor can be applied to the level of knowledge about business economics: Many people have examined much of what lies above the water, but almost no one has studied the conditions below the surface, where most of the activities take place.

It is also worth noticing that non-listed companies are not necessarily small. To be sure, the typical company on the Oslo Stock Exchange is 100 times bigger than the typical company outside the exchange. Nevertheless, there are far more large non-listed companies than listed. For example, if we define a large company as one with more than 100 employees, Norway had approximately 1 000 large companies in 2005, of which only 100 were listed.

### The ownership structure of non-listed companies

Given this state of affairs, there is little systematic knowledge about the corporate governance of non-listed companies. This concerns both key characteristics such as ownership concentration, ownertype, long-term ownership, board composition, and the relationship between corporate governance and performance, for example whether employee ownership, long-term family ownership or majority owners matters for the firm's profitability. Studies from other countries, where access to data is in general more difficult than in Norway, nevertheless show that the corporate governance challenges in the non-listed sector are fundamentally different than for listed companies, and that the recipe for good ownership for listed companies is not transferrable to non-listed companies.<sup>4</sup> Preliminary analyses we have done ourselves point in the same direction.

A good starting point for addressing this issue is table 1, which shows some characteristics of the ownership structure of Norwegian limited liability companies in 2005. We give the results separately for all non-listed companies, for the large ones among them (i.e. with a similar size as listed) and for the listed companies. The figures are averages and weighted equally, i.e. all companies in the sample count the same in the calculation.<sup>5</sup>

*Ownership concentration* in table 1 reflects the degree to which the company has owners with sufficient power and

<sup>3</sup> Norway is no different from other countries in this area. Even though there is no data of the same type from other countries, the ratio of market value of listed sector to GDP, for example, suggests that Norway is close to the EU average.

<sup>4</sup> See for example Villalonga, B. og R. Amit: How do family ownership, control, and management affect firm value?, *Journal of Financial Economics* 80, 2006, pp. 385-417.

<sup>5</sup> For example, in table 2, use of equally weighted holdings means that owner types that are primarily owners in large companies, such as the State, receive a lower cumulative holding than they would have received if instead we had used value-weighted holdings, i.e. each ownership stake weighted by firm size. Since our purpose is to show who the typical ownership type is, rather than the type's contribution to overall value creation, we use equally weighted averages.

Table 1: Ownership concentration for non-listed and listed firms with limited liability in Norway in 2005.

Type of company	Shareholding of largest owner, %	Shareholding of three largest owner, %	Companies with majority owner, %	No. of owners
Non-listed	70	95	75	3
Large non-listed	71	92	70	13
Listed	25	43	5	3 863

incentives to engage in active corporate governance. The higher the ownership fraction, the greater the power and incentives. The first column shows that the largest owner in a Norwegian stock exchange listed company has on average a 25% shareholding. The largest owner is consequently far from a simple majority (50%) and cannot even stop charter amendments (34%). The situation is completely different in the average non-listed company, where the largest owner has 70% of the shares and hence far more than a simple majority and even a majority for charter amendments. The same story is evident from the fact that while the three largest owners all together own 95% of a non-listed company, they hold only 43% of a listed company. The table also shows that while 75 of 100 non-listed companies have a majority owner, only 5 of 100 listed companies have one.

Notice also that the figures for the large non-listed companies are nearly as high as for non-listed all together. Hence, the high ownership concentration in the non-listed sectors is not due to non-listed companies being typically much smaller than listed companies. For companies of comparable size, the owners have much greater power and incentives for active corporate governance when the company is non-listed.

*Owner type* in table 2 shows how much of the company's shares each type of owner has as a group. The most striking feature is that individuals (personal owners/families) are completely dominant in non-listed companies, where they hold 77% of the shares on average. This indicates that most non-listed companies are family companies and also that families rarely own through holding companies. By contrast, in listed companies, owners are not primarily individuals but other companies. For example, individuals on average own only 18% of the shares in a company on the Oslo Stock Exchange, while Norwegian institutional and industrial owners own in all 52%. This reflects the fact that while ownership rights in non-listed companies is exercised directly by the owner, this happens indirectly in listed companies, i.e. by employees of companies who manage the assets of other people.

The ownership concentration is consequently much higher and direct ownership is much more prevalent when the company is not on the exchange. Other analyses we have made also show that large owners are far more often represented on the board and in the management team when the company is non-listed. This ownership, board and management pattern is the key component in what is usually called the company's two fundamental corporate governance problems.

*The first corporate governance problem* occurs when ownership and control are separated in that owners delegate power to a management with weak economic incentives. This problem therefore concerns the conflict of interest between owners and managers. The lower the ownership concentration, the more ownership is exercised indirectly, and the more owners are absent in the boardroom, the greater the problem. Tables 1 and 2 therefore indicate that the first corporate governance problem is potentially large in listed companies (low ownership concentration and low direct ownership) and small in non-listed companies (high ownership concentration and high direct ownership).

*The second corporate governance problem* concerns the conflict of interest between owners, and particularly between strong and weak owners. This arises when strong owners siphon off what they can from jointly owned companies at the expense of weak owners. Examples of such minority robbery is unfair transfer pricing of deliveries to or from another company that the majority owns alone, excessive use of jointly owned company funds for private advantage, employment of incompetent family members, and minority owner freezeout at depressed prices. This conflict of interest between strong and weak owners is more serious the higher the ownership concentration and the more dominating the large owner on the board and in the management team. Tables 1 and 2 indicate that the second corporate governance problem is small in listed companies (low concentration and absent, indirect owners). In contrast, it is potentially large in non-listed companies, where one owner typically has full control, is a person, and has invested together with a few minority owners outside the family.

In summary, non-listed companies typically avoid the first corporate governance problem (the conflict between owners and managers), while they are correspondingly more susceptible to the second (conflicts among the owners). Consequently, corporate governance problems do not occur in listed companies only. For the same reason such problems can not be eliminated in a listed company by buying out most of the shareholders and taking the company private.

Nor is it obvious that the first corporate governance problem, which primarily afflicts listed companies, is more costly than the second, which the non-listed companies struggle with. However, there are several remedies that can reduce both problems. For example, the owners can influence the first corporate governance problem by working actively on the board, tailoring management incentives, and by ensuring that

Table 2: Owner types

Type of company	Foreign	State	Cumulative stake per owner type, %		Personal	Unspecified
			Institutional	Industrial		
Non-listed	3	1	1	5	77	13
Large non-listed	25	3	1	13	29	26
Listed	25	4	14	38	18	0

that company has highly qualified executives. The regulator can affect the second by rules on insider trading and minority freezeouts, while owners can do their part by writing clear shareholders' agreements among themselves.

Otherwise there are several positive features of corporate governance of listed companies that are absent in non-listed companies. Non-listed companies are not threatened by hostile takeovers when they are poorly run, and there is no daily spotlight on the company by financial analysts and potential new owners. Internal recruitment within the family and closed boards can also lead to a type of inbreeding and incompetence to which listed companies are less exposed.

### Economic challenges of being non-listed

We have documented that the ownership structure of Norwegian non-listed companies differs widely from that of listed companies. Consequently, they have diametrically opposite corporate governance problems. We will now briefly discuss how non-listed companies face special challenges in their business economics, partly due to their ownership structure partly due to not being listed. The key words are financing, investing and dividend policy.

*Financing.* Non-listed companies cannot finance themselves through a broad market for new equity. Nor can their shares be traded in liquid second-hand markets. Both handicaps make equity capital more expensive in non-listed companies than in listed companies. The cost of debt can also be higher when the bank has less information about a debtor who is not valued daily on the stock market, not analysed by the financial press and investment banks, and is not obliged to immediately inform the public about all price-related events. Non-listed companies may also have to choose a higher leverage and also accept more short-term instead of long-term debt because equity is difficult to raise. In all, this makes the costs of capital higher for non-listed companies than of listed.

*Investment.* Higher costs of capital may mean that non-listed companies invest less than listed companies by discarding projects that would be profitable if the company had been listed. The risk profile of the firm can also be different, particularly in family-owned companies where the family often invests nearly all its wealth in one company and thereby has a highly undiversified share portfolio. It is then tempting to let the company diversify itself by spreading its investments over several products and industries. In that case family companies take on conglomerate characteristics, while listed companies

with diversified owners can more easily specialise with the blessing of their well-diversified owners.

A low level of investment and poor business focus are therefore potential problems for non-listed companies. On the other hand, it can be easier for them to make profitable long-term investments compared with listed companies. The idea behind this is "quarterly capitalism" by which an impatient stock market can force listed companies to invest in projects with a short payback period and high quarterly earnings, but with weak long-term profitability. Non-listed companies are probably less exposed to this pressure since they do not have to report quarterly, do not have thousands of owners who use financial statements as their main information source, and do not have owners who quickly sell out if earnings take time to materialize.

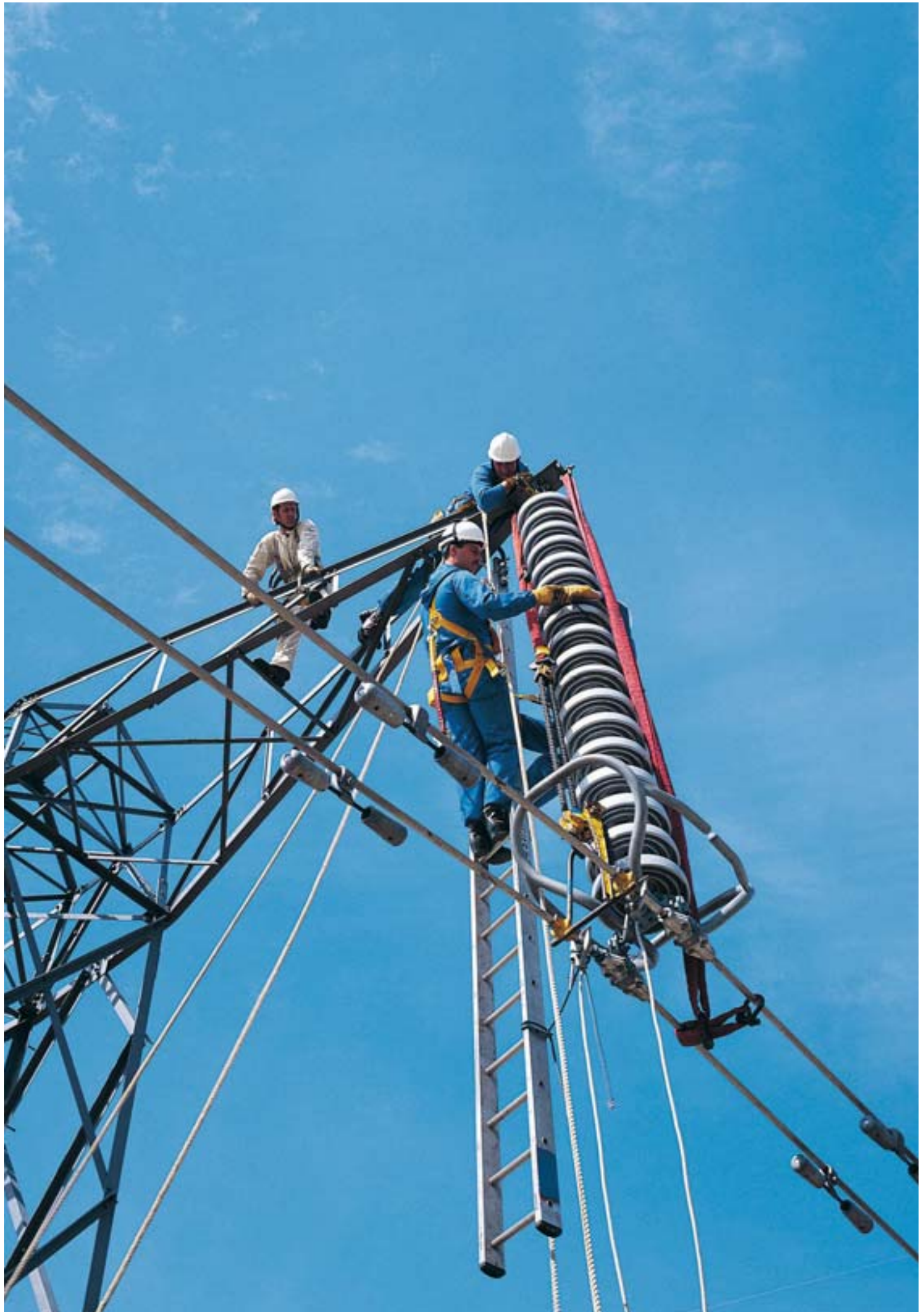
*Dividend policy.* Most owners of non-listed companies cannot easily sell their shares to obtain liquidity for personal use. However, the company can mitigate this problem by paying a high share of profits as a dividend. By contrast, the market for new equity is much thinner for non-listed companies. This indicates that more profits should be withheld to ensure sufficient self-financing of growth in the future. The net effect of these two opposing forces is not evident.

In this discussion of business economics challenges we have only indicated some possible patterns. It remains to provide credible answers to how this looks in the real world, for example regarding how large the capital cost difference is between listed and non-listed companies in Norway, how much the investment level and risk profile differs between family companies and other companies, and how much of the profits are ploughed back into a non-listed company compared to a similar one on the Oslo Stock Exchange.

### Summary

We have made three main points in this article. The first is that the non-listed companies in Norway with limited liability represent a far larger share of value creation than the listed companies. Secondly, both the governance structure and governance challenges of non-listed companies are very different than those of listed companies, and this may have economic consequences. The third point is that the current insight into the corporate governance and business economics of non-listed companies is weak, particularly relative to the importance of these firms in the Norwegian economy.





## Companies where commercial operation is one of the main objectives – Categories 1-3



The State's ownership interest in the companies where commercial operation is one of the objectives is administered with the aim of maximising the value of the State's shares and contributing to the sound industrial development of these companies. The expected results and return depend on the companies' risk profiles. The companies operate in markets with other commercially oriented players.

	PAGE		PAGE		PAGE
<b>CATEGORY 1</b>		<b>CATEGORY 2</b>		<b>CATEGORY 3</b>	
<b>Companies with commercial objectives</b>		<b>Companies with commercial objectives and ensuring head office functions in Norway</b>		<b>Companies with commercial objectives and other specific, defined objectives</b>	
Argentum Fondsinvesteringer AS	46	Cermaq ASA	55	BaneTele AS	64
Baneservice AS	47	DnB NOR ASA	56	Electronic Chart Centre AS	65
Eksportfinans ASA	48	Kongsberg Gruppen ASA	57	Kommunalbanken AS	66
Entra Eiendom AS	49	Nammo AS	58	NSB AS	67
Flytoget AS	50	Norsk Hydro ASA	59	Posten Norge AS	68
Mesta AS	51	StatoilHydro ASA	60	Statkraft SF	69
SAS AB	52	Telenor ASA	61	Store Norske Spitsbergen Kulkompani AS	70
Venturefondet AS	53	Yara International ASA	62	Veterinærmedisinsk Oppdragscenter AS	71
Secora AS <sup>1</sup>	54	Aker Holding AS <sup>1</sup>	63		

<sup>1</sup> Not included in Report no. 13 (2006-2007) to the Storting.

# Argentum Fondsinvesteringer AS

**ADDRESS:** P.O. Box 3965 Dreggen,  
NO-5835 Bergen

**TELEPHONE:** + 47 55 54 70 00

**INTERNET:** www.argentum.no

**MANAGING DIRECTOR:** Joachim Høegh-Krohn

**CHAIRMAN:** Widar Salbuvik

**BOARD MEMBERS:** Knut Borch, Ada Kjeseth, Mare  
Jore Ritteberg, Bjørnar Skjevik

**AUDITOR:** PricewaterhouseCoopers AS

**STATE OWNERSHIP:** 100%  
(Ministry of Trade and Industry)

**Argentum Fondsinvesteringer AS** is an investment company that holds minority shares in specialised active investment funds called private equity funds.

By actively selecting private equity funds and developing the management, Argentum aims to achieve a high return and enhance the competitiveness of Norwegian industry. The presence of such fund management environments is a prerequisite if innovative companies are to have long-term access to risk capital. Argentum has become established as one of the leading players in its field in the Nordic countries.

Argentum's investments are based on commercial criteria, and returns shall be in line with the best private equity fund-of-funds in Europe. Established in 2001, the company is headquartered in Bergen, with a branch office in Oslo and a representative office in Stockholm.

## Key events

In 2007 Argentum consolidated its Nordic position by investing in Norwegian Norvestor V (14.5 per cent), Swedish Creandum II (12 per cent) and Finnish Intera I (11.9 per cent).

The management environment in Stavanger performed well both in terms of returns and quality in 2007. As the largest investor in HitecVision Private Equity V (9.6 per cent), Argentum remains committed to this environment, which specialises in oil technology. The fact that international investors such as Access Capital, Adams Street and Goldman Sachs invested together with Argentum in HitecVision Private Equity V shows that Norwegian managers are now also attracting respected international investors.

Argentum implemented its development programme for new managers in 2007 and the first candidate in this programme was ProCom Venture, a new Norwegian venture manager based in Stavanger.

There were many successful exits in the funds in 2007. Worth mentioning are HitecVision Private Equity III and Energy Ventures IS's sale of MTEM and Verdane V's sale of Nacre AS. Many of Argentum's funds won or were nominated for international industry prizes in 2007. Among others, Viking Venture and Verdane won "Nordic Venture Exit of the Year" for the sale of Nacre. At the end of 2007 Argentum was engaged in 26 Norwegian and Nordic investment funds and had committed itself to NOK 4 billion of investments.

## Financial trends

Argentum made a profit for 2007 of NOK 539 million, compared with NOK 389 million in 2006. The company's revenues consisted of gains on its fund investments totalling NOK 291 million, short-term placements in certificates and bonds, and interest income. In addition, the unrealised value of the fund investments increased by around NOK 200 million. An increase in Argentum's profitability in the future is mainly dependent on how the value of the funds in which it has invested develops and in how the interest on the financial investments develops. In 2007 its financial revenues increased due to higher interest rates, while the pace of the unrealised value of fund investments slowed down later in 2007 due to the turmoil in the financial markets.

The company is paying a dividend of NOK 135 million for fiscal year 2007.

<i>Profit and loss account (MNOK)</i>	<b>2007</b>	<b>2006</b>
Operating revenues	496	330
Operating costs	34	20
Operating profit (loss)	<b>457</b>	<b>309</b>
Net financial items	77	56
Profit before tax and minority interests	<b>539</b>	<b>365</b>
Tax	-1	-25
Minority interests	0	0
Profit after tax and minority interests	<b>539</b>	<b>389</b>

<i>Balance sheet</i>	<b>2007</b>	<b>2006</b>
Intangible assets	6	5
Tangible fixed assets	1	1
Fixed asset investments	2 043	1 364
Total fixed assets	<b>2 050</b>	<b>1 371</b>
Current assets	1 704	1 971
Total assets	<b>3 754</b>	<b>3 342</b>

Subscribed equity	2 650	2 650
Retained earnings/other equity	1 094	687
Minority interests	2	2
Equity	<b>3 746</b>	<b>3 338</b>
Provisions for liabilities and charges	0	0
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	8	4
Total liabilities	<b>8</b>	<b>4</b>
Total equity and liabilities	<b>3 754</b>	<b>3 342</b>

<i>Cash flow</i>	<b>2007</b>	<b>2006</b>
Operational activities	-208	-229
Investment activities	304	465
Financing activities	-132	-133
Change in liquid assets	<b>-36</b>	<b>103</b>

<i>Key figures</i>	<b>2007</b>	<b>2006</b>
Capital employed	3 746	3 338
EBITDA	541	367
EBIT	541	366
Equity ratio	99.8%	99.9%
Annual return on equity	15%	12%
Average return on equity over last 5 years	10%	
Return on capital employed	15%	11%

<i>Dividend etc.</i>	<b>2007</b>	<b>2006</b>
Provisions for dividend	135	131
Dividend ratio	25%	34%
Average dividend ratio over last 5 years	37%	
Dividend payable to the State	135	131

<i>Other information</i>	<b>2007</b>	<b>2006</b>
No. of employees	10	9
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	40%	40%
% of female shareholder-elected directors	40%	40%



# Baneservice AS



**ADDRESS:** P.O. Box 596 Sentrum, NO-0106 Oslo  
**TELEPHONE:** + 47 22 45 66 00  
**INTERNET:** www.baneservice.no  
**MANAGING DIRECTOR:** Lars Skålnes

**CHAIRMAN:** Thor Svegård  
**BOARD MEMBERS:** Eli Giske, Anita Kåveland, Are Langmoen, Olaf Melbø, Jon Jessesen\*, Ove Snarheim\*, Kjell-Birger Dybvik\*

**AUDITOR:** PricewaterhouseCoopers AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Transport and Communications)

\* EMPLOYEE REPRESENTATIVES

**Baneservice AS** was demerged from the Norwegian National Rail Administration on 1 January 2005. The company is the largest turnkey supplier for technical railway construction contracts in Norway. Its market is the Norwegian and Swedish railway networks and tram and urban rail lines. The Group is represented in Sweden through a branch, and through the Swedish company Scandinavian Track Group, where Baneservice owns the majority of the shares.

## Key events

Baneservice carried out many heavy maintenance jobs on the Norwegian railway network for the Norwegian National Rail Administration. These jobs ranged from replacement of contact line systems to major mechanical tram maintenance jobs. The commitment in new market areas has produced good results. In Sweden, Scandinavian Track Group has seen rapid growth in its market segment and better profitability than predicted. Together with Baneservice's own Swedish operations organisation, the company secured a strong foothold for further commitment.

The company has also performed well in the new market segments tram and urban rail lines in Norway. At the beginning of 2007 the company won a major contract for Kollektivtransportproduksjon AS to upgrade one of the sections on the Kolsås line in Oslo. This is the first job in an extensive modernisation of the underground network in Oslo, an area where Baneservice will work proactively to secure an

important role. In hard competition with several foreign players the company won at the end of 2007 the job for Bergen municipality to build a subsection of the new urban rail line in Bergen.

## Financial trends

The Group had a turnover in 2007 of NOK 471 million, against NOK 495 million the year before. This is below target and is partially due to a somewhat lower volume for the company's services in Norway. The Group's result before tax was a loss of NOK 3 million against a surplus of NOK 9 million in 2006. In the parent company, the amount allocated for pension scheme costs in the Norwegian Public Service Pension Fund was NOK 29 million, which is considerably higher than assumed. The company was required to continue the pension scheme for a transition period following its demerger from the Norwegian National Rail Administration.

The profitability of project activities was good. This is the result of systematic work that has taken place both before and after the demerger, with a goal of developing the commercial expertise in the organisation according to the new framework conditions. Once again, this helped the company improve its competitiveness and restructuring capacity in 2007, which is a clear precondition for reaching the long-term goals set at its founding.

The order backlog for the Group has increased considerably compared with previous years and is currently at a record-high level.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	470.5	495.2
Operating costs	472.8	487.4
Operating profit (loss)	<b>-2.4</b>	<b>7.8</b>
Net financial items	-0.6	1.1
Profit before tax and minority interests	<b>-2.9</b>	<b>8.9</b>
Tax	-0.4	2.2
Minority interests	2.2	1.8
Profit after tax and minority interests	<b>-4.7</b>	<b>4.9</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	28.4	26.1
Tangible fixed assets	92.5	84.8
Fixed asset investments	0.0	0.9
Total fixed assets	<b>120.9</b>	<b>111.8</b>
Current assets	230.3	226.6
Total assets	<b>351.2</b>	<b>338.4</b>

Subscribed equity	138.0	138.0
Retained earnings/other equity	18.5	23.7
Minority interests	5.4	6.7
Equity	<b>161.9</b>	<b>168.4</b>
Provisions for liabilities and charges	57.0	44.9
Long-term liabilities	39.7	38.6
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	92.6	86.5
Total liabilities	<b>189.4</b>	<b>170.0</b>
Total equity and liabilities	<b>351.2</b>	<b>338.4</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	-7.3	-33.9
Investment activities	-26.4	-45.5
Financing activities	-2.6	-1.7
Change in liquid assets	<b>-36.3</b>	<b>-81.1</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	201.6	207.0
EBITDA	20.8	28.3
EBIT	1.2	11.4
Equity ratio	46%	50%
Annual return on equity	-6.0%	6.1%
Average return on equity over last 3 years	1.9%	
Return on capital employed	0.6%	5.7%

<i>Dividend etc.</i>	<i>2007</i>	<i>2006</i>
Provisions for dividend	0.0	2.7
Dividend ratio	0%	55%
Average dividend ratio over last 3 years	129%	
Avsatt utbytte til staten	0.0	2.7
State loan	38.3	38.3

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	350	328
% of employees in Norway	74%	78%
State shareholding at year-end	100%	100%
Total % of women on the board	25%	25%
% of female shareholder-elected directors	40%	40%



# EKSPORT FINANS

NORWAY

## Eksporthfinans ASA

**ADDRESS:** P.O. Box 1601 Vika, NO-0119 Oslo  
**TELEPHONE:** + 47 22 01 22 01  
**INTERNET:** www.eksporthfinans.no  
**MANAGING DIRECTOR:** Gisele Marchand

**CHAIRMAN:** Geir Bergvoll  
**BOARD MEMBERS:** Carl E. Steen, Live Haukvik Aker, Tor Bergstrøm, Marianne Heien Blystad, Bodil P. Hollingsæter, Thomas F. Borgen, Tor F. Johansen, Tor Østbø\*

**AUDITOR:** PricewaterhouseCoopers AS  
**STATE OWNERSHIP:** 15%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

The commercial banks in Norway established **Eksporthfinans** in 1962, on the initiative of the Ministry of Finance and the Norwegian Bankers' Association, to serve as an affiliated institution specialising in long-term financing and export credit. In recent years, savings banks have also become shareholders. Eksporthfinans is owned by 26 commercial and savings banks in addition to the State. The State, via the Ministry of Trade and Industry, purchased a shareholding of 15 per cent in 2001 through a private placement.

The purpose of Eksporthfinans ASA is to provide financial services to export companies, as well as to municipalities and counties through its subsidiary Kommunekreditt Norge AS. The company has also been commissioned by the State to administer export credit schemes. Taking advantage of its excellent credit rating, the company raises favourable loans in the international capital markets. This enables it to offer competitive financing to Norwegian export companies and their customers, as well as to municipalities, counties and other municipal enterprises.

### Key events

In 2007 Eksporthfinans experienced continued growth in the demand for loans to finance Norwegian exports and loans for the public sector. At year-end 2007, the Group's total lending volume was almost NOK 125 billion, compared with NOK 99 billion at the same time last year. Export-related lending increased by 34 per cent, and loans to the public sector increased by approx. 20 per cent.

On 1 November 2007, the international credit rating agency Moody's changed Eksporthfinans's long-term credit rating from Aaa with "stable outlook" to Aaa with "negative outlook". The company's credit rating was amended because the company reported an accounting deficit in the third quarter of 2007 as a result of unrealised capital losses in its liquidity portfolio.

The turmoil in the international capital markets in summer 2007 resulted in unrealised losses in Eksporthfinans's liquidity portfolio. According to the company, the portfolio consists of securities with good credit rating.

In January 2008, Eksporthfinans received MTN-i's Global MTN Borrower of the Year 2007 Award. This is the second time the company has won this award.

At an extraordinary general meeting of Eksporthfinans on 13 March 2008, a NOK 1.2 billion share capital increase was approved, which was fully subscribed by the company's existing shareholders with their respective pro rata stakes. This share capital increase has strengthened the company's liquidity and financial position. In March 2008 Eksporthfinans and the owner banks signed a portfolio guarantee agreement protecting the company against any further capital losses in the liquidity portfolio of up to NOK 5 billion above and beyond the losses as at 1 March 2008.

### Financial trends

In 2007 Eksporthfinans achieved a consolidated loss of NOK 149 million, compared with a profit of NOK 159 million in 2006. The loss is due to unrealised trading losses in the company's liquidity portfolio as a result of turmoil in the international capital markets. If the unrealised gains and losses are disregarded, the company had a profit of NOK 294 million in 2007, against NOK 243 million last year.

Net interest and credit-commission income constituted 0.29 per cent of the average total assets, which is basically unchanged from the previous year. Net operating costs in 2007 amounted to 0.09 per cent of the average total assets, compared with 0.11 per cent in 2006. This is because of more efficient operations and major balance sheet growth in 2007.

The Group disbursed NOK 39.2 billion in new loans in 2007, compared with NOK 35.9 billion in 2006. These new loans were divided as follows: NOK 22.8 billion for financing Norwegian export industries and NOK 16.4 billion for financing municipalities and counties. The parent company Eksporthfinans ASA returned a loss for the year of NOK 210 million. There was no basis for paying a dividend to the shareholders in 2008 for the 2007 financial year.

<i>Profit and loss account (MNOK) <sup>1</sup></i>	<b>2007</b>	<b>2006</b>
Interest received	8 927	5 353
Interest costs	8 366	4 894
Net interest and credit-commission income	<b>561</b>	<b>459</b>
Other operating revenues	-584	-65
Operating costs	187	177
Net loss	0	0
Operating profit (loss)	<b>-210</b>	<b>217</b>
Tax	-61	58
Profit after tax	<b>-149</b>	<b>159</b>

<i>Balance sheet</i>	<b>2007</b>	<b>2006</b>
Cash and receivables from credit inst.	27 334	21 408
Net loans	98 777	78 954
Securities	89 877	70 898
Other assets	2 732	1 106
<b>Total assets</b>	<b>218 720</b>	<b>172 365</b>
Liabilities to credit institutions	324	47
Deposits from customers	0	0
Other liabilities and commitments	214 355	167 685
Subordinated loan capital	1 379	1 604
<b>Total liabilities</b>	<b>216 058</b>	<b>169 336</b>
Subscribed equity	1 756	1 756
Earned equity	906	1 273
<b>Total equity</b>	<b>2 662</b>	<b>3 029</b>
<b>Total equity and liabilities</b>	<b>218 720</b>	<b>172 365</b>

<i>Cash flow</i>	<b>2007</b>	<b>2006</b>
Operational activities	-30 310	-17 901
Investment activities	-31 251	-17 659
Financing activities	62 211	34 670
Currency effect	-10	-20
<b>Change in liquid assets</b>	<b>640</b>	<b>-910</b>

<i>Key figures</i>	<b>2007</b>	<b>2006</b>
Core capital coverage	6.3%	8.3%
Capital coverage	9.6%	12.2%
Cost/income ratio	-806%	45%
Provision for loss as % of gross lending	0%	0%
Loss as % of lending	0%	0%
Annual return on equity	-5%	9%
Average return on equity over last 5 years	6%	

<i>Dividend</i>	<b>2007</b>	<b>2006</b>
Provisions for dividend	0	218
Dividend ratio	0%	90%
Average dividend ratio over last 5 years	106%	
Dividend payable to the State	0	33

<i>Other information</i>	<b>2007</b>	<b>2006</b>
No. of employees	103	100
% of employees in Norway	100%	100%
State shareholding at year-end	15%	15%
Total % of women on the board	38%	33%
% of female shareholder-elected directors	43%	38%

<sup>1</sup> Effective 1 January 2007, Eksporthfinans ASA prepares its accounts in accordance with IFRS (International Financial Reporting Standard). The figures for 2006 are comparable pro-forma figures.

# Entra Eiendom AS



**ADDRESS:** Biskop Gunnerus gt. 14,  
P.O. Box 3, NO-0051 Oslo  
**TELEPHONE:** +47 21 60 51 00  
**INTERNET:** www.entraeiendom.no  
**ACTING MANAGING DIRECTOR:** Torodd Bøystad

**CHAIRMAN:** Grace M. Reksten Skaugen  
**BOARD MEMBERS:** Finn Berg Jacobsen, Ottar Brage Guttelvik, Gerd Kjellaug Berge, Trond R. Reinertsen, Bjørnar Sletten\*, Mari Fjærbu Åmdal\*

**AUDITOR:** PricewaterhouseCoopers DA  
**STATE OWNERSHIP:** 100%  
(Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

**Entra Eiendom AS** was established in 2000, when property that was part of a well-functioning market was transferred from Statsbygg - the Directorate of Public Construction and Property - to Entra Eiendom AS. Entra Eiendom's operations include the leasing, management, administration, development, acquisition and sale of real estate. The company can also own shares or interests and participate in other firms with operations in the areas mentioned above.

Entra Eiendom's main objectives are to have satisfied customers, give its owners the return that is normal in the market, be leading in its prioritised markets and offer challenging, attractive jobs. The company's strategy is to primarily have a presence and be a significant player in Norway's seven largest cities. At the end of 2007, the company had a total of 151 employees.

Since its establishment in 2000, Entra Eiendom has experienced significant growth and development and has become a key player in the Norwegian real estate market. The floor space managed by Entra Eiendom has increased from roughly 600.000 m<sup>2</sup> when the company was established to 1.120.000 m<sup>2</sup> at year-end 2007.

The company's main purpose is to meet the public authorities' needs for premises, and the company is to be run according to commercial principles.

## Key events

In 2006 and 2007, the Office of the Auditor General of Norway conducted a performance audit of Entra Eiendom. On 17 December 2007 the Storting concluded in its discussion of the Office of the Auditor General of Norway's performance audit by requesting that the Government to submit a new and separate case about Entra regarding the company's direction and strategy.

In summer 2007 Entra Eiendom took over the properties in the Kjørbo area in Bærum. New leases were signed for all the buildings on the property, and in this connection the blocks of flats on the property will successively be renovated. Some of the buildings are leased to the new police station for Asker and Bærum. The police station covers approximately 12.000 m<sup>2</sup>, of which

the remodelling of existing buildings accounts for approximately 7.000 m<sup>2</sup>. The building of the new police station started in October 2007, with completion scheduled for winter 2009.

In October 2007 Entra Eiendom finished its renovation and remodelling of Wergelandsveien 29 in Oslo. The building has been remodelled to house Norway's first house of literature and leased to the Freedom of Expression Foundation.

## Financial trends

Effective 1 January 2007, Entra Eiendom prepares its consolidated accounts in accordance with IFRS (International Financial Reporting Standards). In 2007, the Group's operating profit before change in value of investment properties and tax amounted to NOK 869 million, against NOK 793 million in 2006. Rental income in 2007 was NOK 1.186 million, compared with NOK 1.091 million in 2006. The increase in rental income is attributed to the completion of projects and other factors. In all, the Group's total operating revenues amounted to NOK 1.230 million in 2007, against NOK 1.124 million in 2006. Entra's total operating costs in 2007 were NOK 361 million compared with NOK 331 million in 2006. This is mainly due to a larger real estate portfolio than in 2006 owing to the completion of projects.

The change in value in the investment properties amounted to NOK 1.205 million in 2007 against NOK 2.043 million in 2006. The lower change in value in 2007 in relation to 2006 is mainly due to higher interest rates in 2007. In total, this produced a profit after tax and minority interests of NOK 1.388 million in 2007, against NOK 1.953 million in 2006. Entra Eiendom intends to pay NOK 144 million in dividends for the 2007 financial year. Entra values its assets each year. At year-end, the Group's book total assets amounted to NOK 22.567 million (NOK 18.990 million in 2006). The Group's investment properties and buildings under construction increased in 2007 by NOK 3.178 million. The value of the investment properties has been set at fair value using the average of two external, independent valuations. Adjusted for minority interests, the Group's equity ratio was 38.1 per cent at year-end 2007, against 38.8 per cent at year-end 2006.

<b>Profit and loss account (MNOK) <sup>1</sup></b>	<b>2007</b>	<b>2006</b>
Operating revenues	1 230	1 124
Operating costs	361	331
Adjustment to value of investment property	1 205	2 043
Loss on the sale of property	1	5
Operating profit (loss)	<b>2 072</b>	<b>2 831</b>
Net financial items	-189	-64
Profit before tax and minority interests	<b>1 883</b>	<b>2 766</b>
Tax	520	767
Minority interests	-25	46
Profit after tax and minority interests	<b>1 388</b>	<b>1 953</b>

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	21	24
Tangible fixed assets	21 479	18 303
Fixed asset investments	363	280
Total fixed assets	<b>21 864</b>	<b>18 608</b>
Current assets	703	383
Total assets	<b>22 567</b>	<b>18 990</b>

Subscribed equity	1 414	1 414
Retained earnings/other equity	7 030	5 776
Minority interests	158	187
Total equity	<b>8 602</b>	<b>7 377</b>
Provisions for liabilities and charges	2 948	2 452
Long-term liabilities	8 618	6 585
Current interest-bearing liabilities	1 900	2 250
Current interest-free liabilities	500	326
Total liabilities	<b>13 965</b>	<b>11 613</b>
Total equity and liabilities	<b>22 567</b>	<b>18 990</b>

<b>Cash flow</b>	<b>2007</b>	<b>2006</b>
Operational activities	516	290
Investment activities	-1 751	-887
Financing activities	1 434	540
Change in liquid assets	<b>200</b>	<b>-57</b>

<b>Key figures</b>	<b>2007</b>	<b>2006</b>
Capital employed	19 120	16 213
EBITDA	2 394	3 165
EBIT	2 382	3 154
Equity ratio	38%	39%
Annual return on equity	18%	13%
Average return on equity over last 5 years	11%	
Return on capital employed	13%	7%

<b>Values and dividend</b>	<b>2007</b>	<b>2006</b>
Provisions for dividend	144	140
Dividend ratio <sup>2</sup>	10%	7%
Average dividend ratio over last 5 years	41%	
Dividend payable to the State	144	140

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	151	143
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	43%	43%
% of female shareholder-elected directors	40%	40%

<sup>1</sup> Effective 1 January 2007, Entra Eiendom prepares its accounts in accordance with IFRS (International Financial Reporting Standard). The figures for 2006 are comparable pro-forma figures.

<sup>2</sup> The dividend payable will be 50 per cent of the Group's annual profit after tax and minority interests under Norwegian generally accepted accounting principles (NGAAP). However, the dividend shall be a minimum of 2 per cent of book equity after minority interestst under IFRS at the beginning of the financial year, provided that this is not in contravention of the stipulations of the Norwegian Companies Act.



# Flytoget AS



**ADDRESS:** P.O. Box 19 Sentrum, NO-0101 Oslo  
**TELEPHONE:** +47 23 15 90 00  
**INTERNET:** www.flytoget.no  
**MANAGING DIRECTOR:** Thomas Havnegjerde

**CHAIRMAN:** Endre Skjørestad  
**BOARD MEMBERS:** Toril B. Ressem, Trygve Gjertsen, Mari Skjørstad, Ingar Nicolai Nilsen, Mark Johnston\*, Reidar Dammyr\*, Randi Daltveit\*

**AUDITOR:** KPMG AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

**Flytoget AS** was founded in 1992 under the name NSB Gardermobanen AS. NSB Gardermobanen AS began operations when Oslo Airport Gardermoen opened in 1998. In 2003 the company was demerged from the NSB Group and became an independent limited company owned by the Ministry of Transport and Communications. In 2004, administration of the State's ownership of Flytoget AS was transferred to the Ministry of Trade and Industry.

The object of the company is to operate trains to and from Oslo Airport Gardermoen and investments, financial investments and services in this conjunction.

The company has 16 trains that can reach speeds of 210 km per hour. The travel time between Oslo Central Station and Oslo Airport is 19 minutes. In 2007 Flytoget carried around 5.35 million passengers, equivalent to a market share of 34 per cent of travellers to and from the airport.

One of Flytoget's tasks is to contribute to a high percentage of public transport by travellers to and from Oslo Airport Gardermoen.

## Key events

In 2007, the airport express train service achieved a 96 per cent punctuality rate in terms of arrival at Oslo Airport Gardermoen. Flytoget further reinforced its position as one of Norway's leading service companies by coming third in the Norwegian Customer Satisfaction Barometer 2007. The sharp rise in passengers taking Flytoget in recent years has led to a need for greater seating capacity to serve customers in the best possible manner. Flytoget is in the process of investing NOK 560 million in new rolling stock. Sixteen carriages – one for each set of carriages – will be delivered by Bombardier Transportation. The first carriage will be put into service in December 2008, and the last carriage in autumn 2009. NOK 40 million has also been invested to upgrade the ticket system.

Health, Environment and Safety (HES) work is an important part of Flytoget's operations. In 2007 the company focused on measures to reduce the sickness absence rate and number of accidents. In addition, the company focused on ensuring access to Flytoget for the disabled.

## Financial trends

In 2007, Flytoget had operating revenues of NOK 689 million and profit after tax of NOK 130 million. This equals a return on equity of 16.1 per cent, compared with 13.9 per cent in 2006. The main reasons for the improved results are the 9.6 per cent growth in the number of passengers since 2006 in combination with tight cost control.

Flytoget's equity ratio was 66.8 per cent at the end of 2007, compared with 61.2 per cent at the same time the year before. Flytoget reduced its interest-bearing long-term debt by NOK 67.5 million, to NOK 187.5 million in 2007. The direct negative impact on equity of the adjustment of the fair value of the company's pension liabilities came to NOK 29 million and was mainly due to an adjustment of the actuarial calculation assumptions and actual deviations from these. The company has posted NOK 6 million in deferred tax assets in its balance sheet. It will pay NOK 65 million in dividends for the 2007 financial year.



<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	689	627
Operating costs	498	469
Operating profit (loss)	<b>192</b>	<b>157</b>
Net financial items	-10	-13
Profit before tax	<b>182</b>	<b>145</b>
Tax	51	41
Profit after tax	<b>130</b>	<b>104</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	308	384
Tangible fixed assets	598	640
Fixed asset investments	275	166
Total fixed assets	<b>1 181</b>	<b>1 190</b>
Current assets	100	53
Total assets	<b>1 281</b>	<b>1 243</b>

Subscribed equity	692	692
Retained earnings/other equity	163	68
Equity	<b>855</b>	<b>761</b>
Provisions for liabilities and charges	93	118
Long-term liabilities	188	255
Current interest-bearing liabilities	0	0
Current interest-free liabilities	145	109
Total liabilities	<b>426</b>	<b>482</b>
Total equity and liabilities	<b>1 281</b>	<b>1 243</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	295	220
Investment activities	-137	-192
Financing activities	-100	-80
Change in liquid assets	<b>59</b>	<b>-52</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	1 043	1 016
EBITDA	277	236
EBIT	194	160
Equity ratio	67%	61%
Annual return on equity	16%	14%
Average return on equity over last 5 years	7%	
Return on capital employed	19%	15%

<i>Dividend</i>	<i>2007</i>	<i>2006</i>
Provisions for dividend	65	32
Dividend ratio	50%	31
Average dividend ratio over last 5 years	34%	
Dividend payable to the State	65	32

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	290	275
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	38%	38%
% of female shareholder-elected directors	40%	40%

# Mesta AS



**ADDRESS:** P.O. Box 5133, NO-1503 Moss  
**TELEPHONE:** +47 05 200  
**INTERNET:** www.mesta.no  
**CEO:** Kyrre Olaf Johansen

**CHAIRMAN:** Frode Alhaug  
**BOARD MEMBERS:** Mari Skjærstad, Tuva Barnholt, Mette Rostad, Bjarne Jensen, Trond Westlie, Jens Petter Hermansen\*, Ingar Eira\*, Frode Aalerud\*

**AUDITOR:** Ernst & Young AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

**Mesta AS** was demerged from the Norwegian Public Roads Administration on 1 January 2003. The company is the largest Norwegian contractor in the construction, operation and maintenance of roads. Mesta has operations throughout Norway, with headquarters and a regional office at Lysaker and regional offices in Bergen and Bodø. In 2007, the company consisted of four nationwide business areas: Construction, Surfacing and Materials Production, Operations and Electrical. At the end of 2007, the company had 3 032 employees.

## Key events

In 2007 Mesta AS continued to realign itself as a company fully exposed to competition. These efforts will continue in 2008.

In February the Storting's Scrutiny and Constitutional Affairs Committee invited former Minister of Transportation and Communications Torhild Skogsholm, the Minister of Trade and Industry and Mesta to an open hearing on how the restructuring funds the Storting has appropriated have been spent. The Scrutiny and Constitutional Affairs Committee concluded that it is probable that the funds were spent in accordance with the Storting's requirements.

Mesta AS has in total been paid NOK 993.6 million by the State to cover the costs relating to restructuring. At year-end the company had spent NOK 822 million of this amount. In its annual report for 2007, the company has estimated it will incur total costs of NOK 1 097 million for restructuring measures. In the national budget for 2007, the Storting decided not to grant any further restructuring funds. The difference of NOK 104 million must therefore be met by the company itself. When the company has spent all the funds appropriated by the Storting, the Ministry of Trade and Industry will, in line with the expectations of the Storting, account for how the funds were spent.

On 18 July 2007 the EFTA Surveillance Authority (ESA) opened a formal investigation into whether the State gave Mesta AS illegal state support in connection with the establishment of the company. In particular, ESA is investigating whether restructuring funds appropriated by the Storting, the company's opening balance

sheet, transitional contracts and stamp tax exemption are state subsidies in violation of the EEA Agreement.

## Financial trends

Mesta AS is undergoing a restructuring process. The company operates in a market characterised by overcapacity and intense competition and in a sector with relatively low operating margins.

Mesta AS posted a profit in 2007. Operating revenues came to NOK 5 846 million, compared with NOK 5 939 million in 2006. Its annual profit after taxes amounted to NOK 141.8 million against a loss of NOK 190 million in 2006. Its result shows the strong influence of the recognition of NOK 545 million in revenue in connection with the discontinuation of the old pension scheme in the Norwegian Public Service Pension Fund. The profits from business operations continue to show evidence of the company's continuing efforts to adapt. Mesta will not pay any dividend for the 2007 financial year.



<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	5 846	5 939
Operating costs	5 688	6 251
Operating profit (loss)	<b>158</b>	<b>-312</b>
Net financial items	38	51
Profit before tax and minority interests	<b>196</b>	<b>-262</b>
Tax	54	-72
Profit after tax	<b>142</b>	<b>-190</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	197	222
Tangible fixed assets	1 339	1 209
Fixed asset investments	0	0
Total fixed assets	<b>1 535</b>	<b>1 431</b>
Current assets	2 810	2 909
Total assets	<b>4 345</b>	<b>4 340</b>

Subscribed equity	1 922	1 922
Retained earnings/other equity	304	162
Total equity	<b>2 226</b>	<b>2 084</b>
Deferred tax		
Provisions for other liabilities and charges	668	838
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 451	1 418
Total liabilities	<b>2 119</b>	<b>2 256</b>
Total equity and liabilities	<b>4 345</b>	<b>4 340</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	-85	-206
Investment activities	-296	-548
Financing activities	0	-77
Netting/restrukturering	-226	-33
Change in liquid assets	<b>-607</b>	<b>-863</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	2 226	2 084
EBITDA	387	-43
EBIT	198	-261
Equity ratio	51%	48%
Annual return on equity	7%	-9%
Average return on equity over last 5 years	6%	
Return on capital employed	9%	-12%

<i>Dividend</i>	<i>2007</i>	<i>2006</i>
Provisions for dividend	0	0
Dividend ratio	0%	0%
Average dividend ratio over last 5 years	47%	

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	3 032	3 237
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	50%	38%
% of female shareholder-elected directors	60%	60%

## SAS AB



SAS Group

**ADDRESS:** SE-195 87 Stockholm  
**TELEPHONE:** + 46 87 97 00 00  
**INTERNET:** www.sasgroup.net  
**CEO:** Mats Jansson

**CHAIRMAN:** Fritz H. Schur  
**BOARD MEMBERS:** Jacob Wallenberg, Berit Kjöll, Timo Peltola, Dag Mejdell, Anitra Steen, Jens Erik Christensen, Verner Lundtoft Jensen\* Ulla Grøntvedt\*, Olav H. Lie \*

**AUDITOR:** Deloitte & Touche AB  
**STATE OWNERSHIP:** 14.3%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

SAS is Scandinavia's leading airline and its main goal is to offer competitive passenger services from operations based in its home market of Northern Europe. The SAS Group also engages in airline-related activities provided these directly or indirectly increase the company's market value.

The SAS Group has three business areas. SAS Scandinavian Airlines consists of the national companies – SAS Norge, SAS Danmark, SAS Sverige – as well as SAS International. SAS Individually Branded Airlines comprises the following airlines: Spanair, Widerøe, Blue1 and airBaltic. SAS's stakes in Estonian Air, Air Greenland, Skyways and British Midland are also included in this business area. The third business area is SAS Aviation Services, which comprises SAS Ground Services, SAS Technical Services and SAS Cargo Group.

SAS's ownership structure is organised through common ownership in a listed holding company, SAS AB. The Danish, Norwegian and Swedish states own 14.3 per cent, 14.3 percent and 21.4 per cent respectively of the company's shares. The other shares are owned by private shareholders. The company is listed in Oslo, Copenhagen and Stockholm.

At the end of 2007 the SAS had 25 516 employees, of whom 2 465 were employed in Scandinavian Airlines Norge and 1 358 in Widerøe.

### Key events

Mats Jansson took over as CEO on 1 January 2007.

The company launched a new business strategy, Strategy 2011, in June 2007. The purpose of the strategy is to strengthen SAS's position as a competitive and independent airline based in Scandinavia. To achieve this goal the company is carrying out several measures simultaneously until 2011.

The company had three accidents with its Dash8-Q400 aircraft in a relatively short time span in 2007. For this reason the company decided to permanently ground all its aircraft of this type. The accident investigation commission concluded that two of the accidents were not due to factors that were the fault of SAS. This is also the reason SAS and the manufacturer, Bombardier, have come to an amicable agreement involving the purchase of new aircraft<sup>1</sup>.

### Financial trends

The Group's profit for 2007 came to SEK 636 million, compared with SEK 4.740 million in 2006. The strong 2006 profit was due to the sale of the shares in Rezidor Hotel. The operating profit for 2007 amounted to SEK 1 305 million, against SEK 1 005 million in 2006. The SAS Group's total assets as at 31 December 2007 amounted to SEK 48.8 billion, against SEK 51.2 billion at year-end 2006. Equity increased by SEK 761 million to SEK 17.1 billion during the period. The equity ratio rose from 32 per cent at the beginning of the year to 35 per cent at year-end.

The company will not pay any dividend for the 2007 financial year.



<i>Profit and loss account (MNOK)<sup>2</sup></i>	<i>2007</i>	<i>2006</i>
Operating revenues	44 001	52 560
Operating costs	42 902	51 586
Operating profit (loss)	<b>1 099</b>	<b>973</b>
Net financial items	-213	-721
Profit before tax and minority interests	<b>886</b>	<b>253</b>
Tax	-241	116
Minority interests	1	107
Disposed business	-109	3 957
Profit after tax and minority interests	<b>536</b>	<b>3 997</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	1032	2 678
Tangible fixed assets	11 315	13 647
Fixed asset investments	10 106	12 163
Total fixed assets	<b>22 453</b>	<b>28 488</b>
Current assets	18 616	18 245
Total assets	<b>41 069</b>	<b>46 733</b>

Subscribed equity	1385	1 502
Retained earnings/other equity	13 040	13 446
Minority interests	16	20
Total equity	<b>14 441</b>	<b>14 969</b>
Provisions for liabilities and charges	3 845	3 886
Long-term liabilities	5 649	12 416
Current interest-bearing liabilities	1 715	2 634
Current interest-free liabilities	15 420	12 829
Total liabilities	<b>26 628</b>	<b>31 764</b>
Total equity and liabilities	<b>41 069</b>	<b>46 733</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	2 413	1 920
Investment activities	-179	6 837
Financing activities	-3 783	-6 794
Endring betalingsmidler	<b>-1 549</b>	<b>1 963</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	21 805	30 019
EBITDA	2 228	3203
EBIT	1 618	1565
Equity ratio	35%	32%
Annual return on equity	7%	32%
Average return on equity over last 5 years	3%	
Return on capital employed	6%	5%

<i>Values and dividend</i>	<i>2007</i>	<i>2006</i>
Market value at year-end	11 309	17 026
Price/book	0.8	1.1
Closing price	68.75	103.5
Provisions for dividend	0	0
Dividend ratio	0	0
Average dividend ratio over last 5 years	0	0
Dividend payable to the State	0	0
Return including last year's dividend	-34%	19%
Average return over last 5 years	11%	

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	25 516	26 554
% of employees in Norway	31%	27%
State shareholding at year-end	14.29%	14.29%
Total % of women on the board	30%	30%
% of female shareholder-elected directors	29%	29%

<sup>2</sup> The figures are in NOK, calculated from SAS's group figures in SEK. NOK/SEK exchange rate used: Closing 117.60, average 115.92.

<sup>1</sup> In March 2008 the company ordered 27 new aircraft from Bombardier as part of the agreement after the Dash8 accidents.



# Venturefondet AS

# Venturefondet

**ADDRESS:** Thor Svegårdén, Kollevn. 9a,  
NO-1397 Nesøya

**TELEPHONE:** + 47 91 62 15 41

**CHAIRMAN:** Thor Svegårdén

**BOARD MEMBERS:** Jon Melle, Ida Espolin Johnsen

**AUDITOR:** PricewaterhouseCoopers AS

**STATE OWNERSHIP:** 100%  
(Ministry of Trade and Industry)

**Venturefondet AS** was founded on 12 July 2000. In connection with the sale of SND Invest AS, all the shares in Venturefondet AS were transferred to the Ministry of Trade and Industry in December 2003. The considerations that were previously the reason for the establishment of Venturefondet AS are now safeguarded by new fund solutions.

The company currently has no employees and is managed by its board. Venturefondet has no operations of its own, but manages investments in regional funds. The company is in a liquidation phase, which began when it was owned by SND Invest AS. Venturefondet has limited assets and capital. The State will therefore continue with the liquidation of the fund that has taken place over the past few years. The capital will be returned to the Treasury as soon as the fund's investments have been wound up.

## Key events

Because Venturefondet has realised a number of shareholdings the company is very strong in terms of its liquidity and financial position. Consequently, a capital reduction of NOK 75 million was undertaken in 2007. The amount was paid to the State.

In the first half of 2007 the shareholding in Trøndelag Vekst was sold. At the end of 2007 the portfolio consists only of Sikon Øst ASA (5 per cent).

## Financial trends

The 2007 accounts showed a profit of NOK 1.3 million following interest income of NOK 2.6 million. The company has no long-term liabilities and current liabilities amounted to NOK 2.5 million. In 2007 a capital reduction of NOK 75 million was carried out in the company, with repayment to the company's shareholder. The book value of its equity after repayment came to NOK 24 million at year-end 2007, compared with NOK 98 million at year-end 2006.

<b>Profit and loss account (MNOK)</b>	<b>2007</b>	<b>2006</b>
Operating revenues	-0.9	-0.3
Operating costs	0.6	0.5
Operating profit (loss)	<b>-0.7</b>	<b>-0.8</b>
Net financial items	2.6	2.4
Profit before tax	<b>1.9</b>	<b>1.7</b>
Tax	0.6	0.3
Profit after tax	<b>1.3</b>	<b>1.4</b>

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	0.0	0.0
Tangible fixed assets	0.0	0.0
Fixed asset investments	0.0	0.0
Total fixed assets	<b>0.0</b>	<b>0.0</b>
Current assets	26.4	98.1
Total assets	<b>26.4</b>	<b>98.1</b>

Subscribed equity	16.9	91.9
Retained earnings/other equity	7.1	5.7
Total equity	<b>23.9</b>	<b>97.6</b>
Provisions for liabilities and charges	0.0	0.0
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	2.5	0.5
Total liabilities	<b>2.5</b>	<b>0.5</b>
Total equity and liabilities	<b>26.4</b>	<b>98.1</b>

<b>Key figures</b>	<b>2007</b>	<b>2006</b>
Capital employed	23.9	97.6
EBITDA	1.9	1.6
EBIT	1.9	1.6
Equity ratio	90.5%	99.5%
Annual return on equity	2%	1%
Average return on equity over last 5 years	-5%	
Return on capital employed	3%	2%

<b>Dividend and values</b>	<b>2007</b>	<b>2006</b>
Capital reduction	75	0
Provisions for dividend	0	0
Average dividend ratio over last 5 years	0%	

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	0	0
Statens eierandel årsslutt	100%	100%
Total % of women on the board	33%	33%
% of female shareholder-elected directors	33%	33%



# Secora AS<sup>1</sup>

**ADDRESS:** P.O. Box 693, NO-8301 Svolvær  
**TELEPHONE:** +47 99 22 00 00  
**INTERNET:** www.secora.no  
**MANAGING DIRECTOR:** Ole-Johnny Johansen

**CHAIRMAN:** Stein Wiggo Bones  
**BOARD MEMBERS:** Siv Sandvik, Steinar Johannesen, Merete Grønhaug\*, Hugo Paulsen\*

**AUDITOR:** KPMG AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Fisheries and Coastal Affairs)

\* EMPLOYEE REPRESENTATIVES

The production unit of the Norwegian National Coastal Administration was spun off on 1 January 2005, and given the name **Secora AS**. Secora AS is a maritime construction company whose core activities are the development of harbours and sailing channels, building and maintenance of quay facilities, carrying out of underwater surveys and inspections, construction and maintenance of piers and environmental dredging. The company's head office is in Svolvær.

Secora AS's main goal is to become a national market leader and a profitable and professional company beyond its national borders. Secora AS has the subsidiary Secora Sverige AB to serve the market in Sweden and Denmark. Secora Sverige AB is based in Gothenburg. The company's goal is to be commercially established in the market in the Nordic countries by 2009.

## Key events

Secora AS was chosen by Oslo Port Authority as the contractor for the "Clean Oslo Fjord" environmental dredging project from 2006-2008. As in 2006 the project was the subject of considerable attention in 2007 from both the media and environmental organisations. Claims have been made of irregular dumping of sediments in the deepwater disposal site by Malmøykalven. The company's board immediately engaged Det Norske Veritas, which conducted an extensive investigation. The investigation report concludes that the project's quality system is satisfactory, but that sporadic violations of individual work procedures have occurred. The Norwegian Institute for Water Research (NIVA) concludes that any pollution caused by these irregular events does not exceed the environmental budget for the project. The police have opened an investigation of the matter. The final conclusion is expected in mid 2008. The pace and production of the project follow a set schedule.

In 2006, Secora AS submitted claims against the Norwegian National Coastal Administration for financial compensation relating to Tjeldsund, the Port of Laukvik and Svelvik. In 2007, Secora

AS agreed to a settlement with the Norwegian National Coastal Administration on these three projects.

Secora's primary market is ever evolving with a focus on attractive market areas in Scandinavia and other European countries.

## Financial trends

For the company 2007 was characterised by the upswing in the construction industry as a result of general growth in the Norwegian economy and relatively moderate interest rate levels. This upswing in the construction industry has helped strengthen the company's finances. The intake of orders was satisfactory and the company's turnover increased substantially, from NOK 143 million in 2006 to NOK 254 million in 2007, an increase of 76 per cent. The annual profit increased from NOK 0.1 million in 2006 to NOK 3.6 million in 2007.

The profit for 2007 was impacted by the unprofitability of the Port of Melbu and Tjeldsund projects. The project related to building sailing markers in Tjeldsundet Sound yielded losses that affected the accounts in both 2006 and 2007. Other projects went as planned. The company's higher turnover means that the fleet of machinery has a considerable need for modernisation, as is evident from the major repair and maintenance costs.

The company will not pay any dividend for the 2007 financial year.

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	254.3	143.2
Operating costs	248.7	143.2
Operating profit (loss)	<b>5.6</b>	<b>0.0</b>
Net financial items	0.3	0.2
Profit before tax and minority interests	<b>5.3</b>	<b>0.1</b>
Tax	1.0	0.7
Profit after tax and minority interests	<b>3.6</b>	<b>0.1</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	1.7	3.0
Tangible fixed assets	48.7	49.0
Fixed asset investments	1.6	0.2
Total fixed assets	<b>51.9</b>	<b>52.2</b>
Current assets	78.5	46.4
Total assets	<b>130.4</b>	<b>98.6</b>

Subscribed equity	55.0	55.0
Retained earnings/other equity	0.4	-3.2
Total equity	<b>55.4</b>	<b>51.8</b>
Provisions for liabilities and charges	11.8	5.4
Long-term liabilities	5.5	3.7
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	57.7	37.8
Total liabilities	<b>75.0</b>	<b>46.8</b>
Total equity and liabilities	<b>130.4</b>	<b>98.6</b>

<i>Cash flow</i>	2007	2006
Operational activities	9.1	7.6
Investment activities	-8.9	-7.8
Financing activities	1.9	3.7
Change in liquid assets	<b>2.1</b>	<b>3.4</b>

<i>Key figures</i>	2007	2006
Capital employed	60.7	55.5
EBITDA	15.1	8.5
EBIT	4.1	0.3
Equity ratio	43%	53%
Annual return on equity	7%	0%
Average return on equity over last 3 years	0.0%	
Return on capital employed	0.1	0.0

<i>Dividend</i>	2007	2006
Provisions for dividend	0.0	0.0
Dividend ratio	0%	0%
Average dividend ratio over last 3 years	0%	

<i>Other information</i>	2007	2006
No. of employees	121	97
% of employees in Norway	99%	99%
State shareholding at year-end	100%	100%
Total % of women on the board	40%	40%
% of female shareholder-elected directors	33%	33%



© Secora AS; Photographer: Frank Johansen

<sup>1</sup> Not included in Report no. 13 (2006-2007) to the Storting



# Cermaq ASA

**ADDRESS:** P.O. Box 144 Sentrum,  
NO-0102 Oslo

**TELEPHONE:** +47 22 31 75 80

**INTERNET:** www.cermaq.com

**CEO:** Geir Isaksen

**CHAIRMAN:** Sigbjørn Johnsen

**BOARD MEMBERS:** Finn Jebsen, Kjell Frøyslid,  
Wenche Kjølås, Astrid Evenseth Sørgaard,  
Jan Helge Førde\*, Jim-Egil Hansen\*,  
Nils Inge Hitland\*

**AUDITOR:** Ernst & Young AS

**STATE OWNERSHIP:** 43,54%  
(Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

Through its subsidiary, Mainstream, **Cermaq ASA** is now the world's second-largest producer of farmed red fish and through its subsidiary, EWOS, Cermaq is also one of the world's largest manufacturers of fish feed for farmed red fish. The company has fish farming operations in Norway, Chile, Canada and Scotland, with most of these operations located in Chile. The company has fish feed production facilities in all these countries and has a 34 per cent share of the global market for red-fish feed. Cermaq's vision is to become an international leader in aquaculture, with an emphasis on the sustainable production of feed for and the farming of red fish, such as trout, Atlantic salmon and Coho salmon.

## Key events

Following its successful listing on the Oslo Stock Exchange in October 2005, the company has made efforts to strengthen its position as a leading aquaculture company. In 2007 the global aquaculture industry for salmon had a challenging year with disease in Chile and lower prices in Europe and in North America. Cermaq has maintained its strategy to expand within fish farming in Norway and purchased Arctic Seafood Holding AS in fourth quarter 2007. The company had four licences in Troms that were later sold to Salmor, and five licences in Nordland that will be integrated into Mainstream Norway.

In 2007, Cermaq decided to increase fish feed production in Norway through a planned investment of all together NOK 565 million in a new production line and new storage capacity at EWOS' plant in Florø.

## Financial trends

Cermaq's operating revenues in 2007 were NOK 7.7 billion against NOK 7.5 billion in 2006. The operating revenues in the Mainstream companies fell by approximately 18 per cent, while the operating revenues in EWOS increased at the same time as the operating revenues from Norgrain, which sells grain, were consolidated in Cermaq's accounts. The operating profit for the Group fell from NOK 1 288 million in 2006 to NOK 467 million in 2007. The main reason for this is that salmon prices sank throughout the year while production costs increased due to the disease problems in Chile and higher feed costs. These factors resulted in lower production in 2007 compared to 2006. Its profit after tax and minority interests came to NOK 478 million in 2007 compared with NOK 938 million in 2006.

Following a healthy performance in 2006 the company's share price fell in 2007. At the beginning of the year the share price was NOK 92 while it ended at NOK 76 at the end of 2007.

The company has proposed paying NOK 208 million in dividends for the 2007 financial year.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	7 721	7 534
Operating costs	6 974	6 222
Unrealised fair value adjustments	-279	-24
Operating profit (loss)	<b>468</b>	<b>1 288</b>
Net financial items	-12	-47
Profit before tax and minority interests	<b>456</b>	<b>1 240</b>
Tax	-24	303
Minority interests	1	0
Profit after tax and minority interests	<b>478</b>	<b>938</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	1 950	1 873
Tangible fixed assets	1 724	1 451
Fixed asset investments	451	214
Total fixed assets	<b>4 125</b>	<b>3 538</b>
Current assets	3 300	3 357
Total assets	<b>7 425</b>	<b>6 895</b>

Subscribed equity	924	1 860
Retained earnings/other equity	3 293	2 401
Minority interests	29	0
Equity	<b>4 246</b>	<b>4 262</b>
Provisions for liabilities and charges	412	405
Long-term liabilities	1 169	929
Current interest-bearing liabilities	321	74
Current interest-free liabilities	1 275	1 225
Total liabilities	<b>3 178</b>	<b>2 633</b>
Total equity and liabilities	<b>7 425</b>	<b>6 895</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	536	1 112
Investment activities	-590	-353
Financing activities	40	-880
Currency effect	-18	-25
Change in liquid assets	<b>-32</b>	<b>-125</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	5 737	5 265
EBITDA	790	1 583
EBIT	529	1 326
Equity ratio	57%	62%
Annual return on equity	11%	24%
Average return on equity over last 3 years	20%	
Return on capital employed	10%	25%

<i>Values and dividend</i>	<i>2007</i>	<i>2006</i>
Market value at year-end	6 984	8 418
Price/book	1.7	2.0
Closing price	75.50	91.00
Provisions for dividend	208	393
Dividend ratio	44%	42%
Average dividend ratio over last 3 years	36%	
Dividend payable to the State	91	171
Return over last year	-12%	70%
Average return since quotation	33%	

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	4 008	3 937
% of employees in Norway	12%	11%
State shareholding at year-end	43.54%	43.54%
Total % of women on the board	38%	25%
% of female shareholder-elected directors	40%	40%





## DnB NOR ASA

DnB NOR

**ADDRESS:** Stranden 21, NO-0021 Oslo  
**TELEPHONE:** +47 03000/+47 91 50 30 00  
**INTERNET:** www.dnbnor.com  
**CEO:** Rune Bjerke

**CHAIRMAN:** Olav Hytta  
**BOARD MEMBERS:** Johan Nicolai Vold, Bjørn Sund, Anne Carine Tanum, Trine Sæther Romuld, Bent Pedersen, Siri Pettersen Strandenes, Ingjerd Skjeldrum\*, Nina Britt Husebø\*, Jørn O. Kvilhaug\*, Per Hoffmann\*

**AUDITOR:** PriceWaterhouseCoopers AS  
**STATE OWNERSHIP:** 34.0%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

DnB NOR is Norway's largest financial group and is the result of the merger between DnB Holding and Gjensidige NOR in 2003. The Group consists of the following business areas: Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets, Asset Management and Life. DnB NOR has Norway as its core market, but is international in the shipping, energy and fisheries sectors and accompanies Norwegian customers abroad. In addition the Group is active in Sweden. Through DnB NOR (51 per cent stake), the Group also has operations in the Baltic region, Poland, Denmark and Finland.

The amounts lent to the retail and corporate markets are approximately the same. In the corporate market, the largest groups of borrowers are real estate (15 per cent of total lending), international shipping (9 per cent) and the service sector (8 per cent).

The Group includes many brand names, such as DnB NOR, Postbanken, Vital, Nordlandsbanken, Carlson (used in the Swedish market) and Cresco.

### Key events

In 2007 DnB NOR ASA presented new financial targets for the period 2008 to 2010. The target for return on equity has been raised from 15 to 16 per cent and it has expressed its intention to bring the cost ratio to below 46 per cent by 2010. It is DnB NOR's goal to distribute around 50 per cent of its annual profit as dividends and maintain a core capital adequacy ratio of 6.5 per cent.

In 2007 DnB NOR Finans entered into an agreement to purchase SEB's leasing portfolio within dealer-based car financing in Sweden. DnB NOR expanded its operations in Asia by establishing Corporate Finance Asia, a Singapore-based unit offering investment bank services. The Group was licensed to purchase the Polish bank BISE Bank through its partly owned subsidiary DnB NORD. DnB NOR purchased the Swedish real estate broker chain Svensk Fastighetsförmedling.

Vital assessed the value of its property portfolio in 2007 and wrote it up by NOK 7.0 billion. In third quarter 2007 the Group sold its ownership interests in Aker Brygge and in the fourth quarter the Group sold its remaining bank properties.

### Financial trends

DnB NOR achieved an annual profit after taxes and minority interests of NOK 14.8 billion in 2007, up 27 per cent from 2006. The upswing is attributed to the strong Norwegian economy with low unemployment and high investment activity. As in 2006 DnB NOR had very low provisions for defaults on loans in 2007. DnB NOR's volume developed well both in terms of deposits and loans in 2007, particularly abroad. Earnings were characterised by non-recurring items, including sales of bank buildings in Norway amounting to NOK 2.4 billion and abnormally low tax cost. Its earnings are also marked by the turmoil in the financial market, which led to an unrealised capital loss of NOK 1.3 billion on the bond portfolio.

The price of the DnB-NOR share decreased from NOK 88.50 at year-end 2006 to NOK 83.00 at year-end 2007.

DnB NOR will pay a dividend of NOK 4.5 per share. The State, which owns 34 per cent, will receive NOK 2.0 billion in dividends for the 2007 financial year, up from NOK 1.8 billion for the 2006 financial year.

<i>Profit and loss account (MNOK)</i>	<b>2007</b>	<b>2006</b>
Interest received	61 746	42 381
Interest costs	43 880	27 092
Net interest and credit revenues	<b>17 866</b>	<b>15 289</b>
Other operating revenues	13 732	13 204
Operating costs	16 450	14 427
Net loss	2 261	623
Operating profit (loss)	<b>17 409</b>	<b>14 689</b>
Tax	2 387	2 881
Minority interests	242	143
Profit after tax and minority interests	<b>14 780</b>	<b>11 665</b>

<i>Balance sheet</i>	<b>2007</b>	<b>2006</b>
Cash and receivables from credit inst.	74 195	82 544
Net loans customers	970 504	827 947
Securities	371 726	362 716
Other assets	57 494	47 036
Total assets	<b>1 473 919</b>	<b>1 320 242</b>

Liabilities to credit institutions	144 198	124 372
Deposits from customers	538 151	474 526
Other liabilities and commitments	682 368	620 955
Subordinated loan capital	33 226	33 977
Total liabilities	<b>1 397 944</b>	<b>1 253 830</b>
Subscribed equity	25 024	25 304
Earned equity	48 290	38 907
Minority interests	2 662	2 201
Total equity	<b>75 976</b>	<b>66 413</b>
Total equity and liabilities	<b>1 473 919</b>	<b>1 320 242</b>

<i>Cash flow</i>	<b>2007</b>	<b>2006</b>
Operational activities	-48 560	-74 932
Investment activities	-736	-771
Financing activities	46 637	69 583
Change in liquid assets	<b>-2 659</b>	<b>-6 120</b>

<i>Key figures</i>	<b>2007</b>	<b>2006</b>
Core capital coverage	7.2%	6.7%
Capital coverage	9.6%	10.0%
Cost/income ratio	50.6%	50.1%
Provision for loss as % of gross lending	0.42%	0.45%
Loss as % of lending	0.02%	-0.03%
Annual return on equity	29%	19%
Average return on equity over last 4 years	21%	

<i>Values and dividend</i>	<b>2007</b>	<b>2006</b>
Market value at year-end	110 610	118 313
Price/book	1,5	1,8
Closing price	83,00	88,50
Provisions for dividend	5 997	5 336
Dividend ratio	41%	46%
Average dividend ratio over last 4 years	44%	
Dividend payable to the State	2 039	1 818
Return including last year's dividend	-2%	28%
Average return over last 5 years	25%	
State's sales proceeds/deletion of shares	108	0

<i>Other information</i>	<b>2007</b>	<b>2006</b>
No. of employees	13 817	12 187
% of employees in Norway	69%	78%
State shareholding at year-end	34%	34%
Total % of women on the board	45%	45%
% of female shareholder-elected directors	43%	43%



Photo: Stig B. Fiksdal



# Kongsberg Gruppen ASA

## KONGSBERG

**ADDRESS:** P. O. Box 1000, NO-3601 Kongsberg,  
**TELEPHONE:** +47 32 28 82 00  
**INTERNET:** www.kongsberg.com  
**CEO:** Walter Qvam

**CHAIRMAN:** Finn Jebsen  
**BOARD MEMBERS:** Benedicte Berg Schilbred, Erik Must, Siri Hatlen, John Giverholt, Roar Marthiniusen\*, Kai Johansen\*, Audun Solås\*

**AUDITOR:** Ernst & Young AS  
**STATE OWNERSHIP:** 50,001%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

Based in Kongsberg and with operations in a number of countries around the world, the **Kongsberg Group** is one of Norway's leading technology companies. 71 per cent of its revenues are derived from countries outside Norway. The company is listed on the Oslo Stock Exchange. The State has a 50 per cent stake. The Group has 4 205 employees of whom 802 are employed outside Norway.

Operations are concentrated in two business areas: Kongsberg Maritime and Kongsberg Defence & Aerospace. The most important expertise in both business areas is connected with signal processing, cybernetics, software development and system integration. Kongsberg Maritime supplies products and systems for positioning, navigation and automation for merchant ships and offshore installations, and products and systems for ocean floor surveying and monitoring. Kongsberg Defence & Aerospace is Norway's leading supplier of high-tech defence systems. The Norwegian Armed Forces is its most important customer. Kongsberg Defence & Aerospace focuses on the product areas command and weapons-control systems, dynamic systems, communications solutions, naval strike missiles and surveillance.

### Key events

Defence & Aerospace's biggest development project relating to the new naval strike missile (NSM) was approved for production. A contract was signed with the Armed Forces for the production of the new naval strike missile. The agreement provided orders of NOK 2.5 billion. Defence & Aerospace also entered into a framework agreement of approximately NOK 8 billion in 2007 for vehicle-based weapons-control systems with the U.S. Army.

In 2007 Kongsberg Maritime obtained a large number of dynamic positioning orders. There was healthy demand for products for both

merchant ships and special vessels for the offshore industry. The company also entered into agreements for deliveries to the world's largest cruise ship.

The Kongsberg Group began construction of a new industrial building at Kongsberg to manufacture composite aircraft parts.

### Financial trends

Operating revenues adjusted for one-time effects amounted to NOK 8.3 billion in 2007. This is 24 per cent higher than in 2006. Its operating profit came to NOK 1 390 million including one-time effects relating to the settlement of the pension scheme and gains from the sale of properties. Adjusted for this the company posted an operating profit of NOK 796 million, against NOK 464 million in 2006. The operating margin in 2007 was 9.6 per cent, compared with 6.9 per cent in 2006. The company's target is an operating margin of 10 per cent.

The annual profit in 2007 came to NOK 986 million including one-time effects and NOK 490 million adjusted for one-time effects. The earnings improvement comes from both business areas in the Kongsberg Group. The Group took in NOK 14.3 billion worth of new orders in 2007. The Group's order backlog increased by 95 per cent over the course of 2007 and ended at NOK 12.6 billion at year-end 2007. Earnings per share for 2007 were NOK 16.17. The board proposes that a dividend of NOK 5.00 per share be paid for 2007.

The share price rose 95 per cent from NOK 175 at year-end 2006 to NOK 339 at year-end 2007 and provided a return on equity of 95 per cent including dividend. The company's market capitalisation was almost NOK 10 billion at year-end 2007. Share trading volume and liquidity improved but are still at a relatively low level.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	8 559	6 720
Operating costs	7 213	6 272
Operating profit (loss)	<b>1 346</b>	<b>448</b>
Net financial items	-67	-58
Profit before tax and minority interests	<b>1 279</b>	<b>390</b>
Tax	293	138
Minority interests	5	3
Profit after tax and minority interests	<b>981</b>	<b>249</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	1 761	1 358
Tangible fixed assets	1 206	1 068
Fixed asset investments	508	380
Total fixed assets	<b>3 475</b>	<b>2 806</b>
Current assets	5 739	4 550
Total assets	<b>9 214</b>	<b>7 356</b>
Subscribed equity	982	982
Retained earnings/other equity	1 765	692
Minority interests	11	10
Equity	<b>2 758</b>	<b>1 684</b>
Provisions for liabilities and charges	1 437	1 366
Long-term liabilities	705	1 005
Current interest-bearing liabilities	0	0
Current interest-free liabilities	4 314	3 301
Total liabilities	<b>6 456</b>	<b>5 672</b>
Total equity and liabilities	<b>9 214</b>	<b>7 356</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	1 015	623
Investment activities	-338	-520
Financing activities	-441	-128
Change in liquid assets	<b>236</b>	<b>-25</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	3 463	2 689
EBITDA	1 565	633
EBIT	1 351	454
Equity ratio	30%	23%
Annual return on equity	45%	16%
Average return on equity over last 5 years	18%	
Return on capital employed	44%	17%

<i>Values and dividend</i>	<i>2007</i>	<i>2006</i>
Market value at year-end	10 170	5 250
Price/book	3.7	3.1
Closing price	339	175
Provisions for dividend	150	75
Dividend ratio	15%	30%
Average dividend ratio over last 4 years	22%	
Dividend payable to the State	75	38
Return including last year's dividend	95%	43%
Average return over last 5 years	31%	

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	4 205	3 650
% of employees in Norway	81%	82%
State shareholding at year-end	50%	50%
Total % of women on the board	25%	25%
% of female shareholder-elected directors	40%	40%



## Nammo AS

**ADDRESS:** P. O. Box 142, NO-2831 Raufoss  
**TELEPHONE:** +47 61 15 36 00  
**INTERNET:** www.nammo.com  
**CEO:** Edgar Fosshem

**CHAIRMAN:** Karl Glad  
**BOARD MEMBERS:** Jorma Wiitakorpi, Jarmo Puputti, Kai Nurmio, Jan T. Jørgensen, Tone Lindberg, Einar Linnerud\*, Astrid Berg-Ardersjø \*

**AUDITOR:** KPMG AS  
**STATE OWNERSHIP:** 50%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

Nammo is involved in the development, production and sale of ammunition, rocket engines and demilitarisation services. Nammo's vision is to be a cost-effective and reputable defence manufacturer in the ammunition and missile products market.

Nammo is organised into five business areas: Small calibre division, Medium & Large caliber division, Missile Products division, Demil division and Nammo Talley Inc.

Nammo is subject to strict export legislation. Nammo has production companies in Norway, Sweden, Finland, Germany and the USA. When exporting from Nammo's production units the company must always comply with the laws and export rules laid down in the respective countries. Nammo has prepared a set of ethical rules to be complied with by all units in the business regardless of national affiliation.

At the end of 2007 the Group had 1 715 employees, of whom 674 worked in Norway.

### Key events

On 4 December 2006 Nammo entered into an agreement to buy the American weapons manufacturer Talley Defence Systems (TDC). The purchase of TDC is part of a continuation of the partnership that has existed between TDC and Nammo for the past 25 years. The partnership with TDC has particularly revolved around the M72, a shoulder-fired anti-tank rocket. The acquisition of TDC was completed in March 2007.

In February 2007 Nammo AS bought 60 per cent of the German company PressTec. The purchase of PressTec was done to ensure deliveries to the fine-calibre division.

In December 2007 Nammo purchased the launcher division relating to the production of M72s from the American company Norris. With this purchase Nammo gained control of all the parts included in the production of the M72.

### Financial trends

Nammo's financial performance has been stable and sound in recent years despite overcapacity in the market, reduced defence budgets, strong competition and structural changes in the defence industry.

Earnings after tax came to NOK 259 million in 2007, against NOK 186 million in 2006. Compared with 2006 earnings have improved significantly in most business areas. Profit performance in the medium and large-calibre division has been particularly strong.

The board has proposed a dividend of NOK 129.6 million for the 2007 financial year. This represents 50 per cent of the consolidated earnings after tax and minority interests and provides a dividend of NOK 64.8 million for each of the two owners. The company's equity situation is sound.



<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	2 745	1 991
Operating costs	2 355	1 721
Operating profit (loss)	<b>390</b>	<b>270</b>
Net financial items	-29	1
Profit before tax and minority interests	<b>361</b>	<b>270</b>
Tax	100	84
Minority interests	1	0
Profit after tax and minority interestser	<b>259</b>	<b>186</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	490	79
Tangible fixed assets	429	336
Fixed asset investments	30	29
Total fixed assets	<b>949</b>	<b>444</b>
Current assets	1 579	1 307
Total assets	<b>2 527</b>	<b>1 750</b>
Subscribed equity	359	359
Retained earnings/other equity	518	460
Minority interests	9	0
Total equity	<b>886</b>	<b>819</b>
Provisions for liabilities and charges	114	124
Long-term liabilities	525	1
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 003	807
Total liabilities	<b>1 641</b>	<b>932</b>
Total equity and liabilities	<b>2 520</b>	<b>1 750</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	110	169
Investment activities	-732	-86
Financing activities	421	-85
Change in liquid assets	<b>-201</b>	<b>-2</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	1 411	819
EBITDA	551	356
EBIT	420	293
Equity ratio	35%	47%
Annual return on equity	31%	25%
Average return on equity over last 5 years	25%	
Return on capital employed	38%	39%

<i>Dividend</i>	<i>2007</i>	<i>2006</i>
Provisions for dividend	130	74
Dividend ratio	50%	40%
Average dividend ratio over last 5 years	41%	
Dividend payable to the State	65	37
Aksjekjøp	0	62

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	1 555	1 293
% of employees in Norway	39%	46%
State shareholding at year-end	50%	50%
Total % of women on the board	25%	13%
% of female shareholder-elected directors	17%	17%





# HYDRO

## Norsk Hydro ASA

**ADDRESS:** NO-0240 Oslo  
**TELEPHONE:** +47 22 53 81 00  
**INTERNET:** www.hydro.com  
**CEO:** Eivind Reiten

**CHAIRMAN:** Terje Vareberg  
**BOARD MEMBERS:** Grete Faremo, Finn Jebsen, Heidi M. Petersen, Bente Rathe, Inge K. Hansen, Billy Fredagsvik\*, Jørn B. Lilleby\*, Sten Roar Martinsen\*

**AUDITOR:** Deloitte AS  
**STATE OWNERSHIP:** 43,82%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

After the merger of its petroleum activities with Statoil in 2007 **Hydro** became purely an aluminium company starting 1 October 2007. Today, Hydro is a global supplier of aluminium and aluminium products based in Norway. Hydro has 22 000 employees in more than 30 countries. Approximately 7 000 are employed in Norway. The company has operations on all the continents and is the world's third-largest integrated supplier of aluminium. In addition to a strong focus on primary aluminium and metal products, Hydro has a leading position in Europe in rolled and extruded products and building systems. Hydro has revenues of almost NOK 100 billion and is one of the largest companies on the Oslo Stock Exchange. The company's business areas are metal production, processing of aluminium and power.

### Key events

On 30 March 2007 the Government presented Proposition no. 60 (2006-2007) to the Storting on the merger of Hydro's petroleum operations with Statoil. This was the largest transaction ever undertaken in Norway and formed Norway's largest company, StatoilHydro ASA. The remaining Norsk Hydro is one of the world's largest aluminium companies. The State's 43.8 per cent shareholding in the company was maintained. The reason was that the Government desired a strong Norwegian anchor in Norsk Hydro ASA in order to ensure industrial expertise, processing, management of natural resources and jobs in Norway. It was also important to maintain head office functions and research and development activities in Norway.

In November 2007 Hydro laid the cornerstone for the largest aluminium plant ever built in one stage. Under construction in Qatar, the metal plant, Qatalum, will have a production capacity of 585 000 tonnes. Qatalum is being built in cooperation with Qatar Petroleum and also includes a modern, energy-efficient gas-fired power plant. Aluminium production will start according to plan toward the end of 2009.

After many attempts to sell its automotive products production division, the management decided to continue operating it as part of Hydro. Among other products, this includes the production of bumpers at Raufoss. At that time, the automotive products division had been for sale for nearly a year. A turnaround operation

with high demands for efficient operations and financial results will make the division profitable.

### Financial trends

Hydro achieved good earnings for the year as a whole, helped by somewhat high global demand and high prices for aluminium. Earnings from continued operations amounted to NOK 9.2 billion in 2007, against NOK 6.0 billion in 2006. The underlying profit from continued operations following correction for derivative LME-contracts, power contracts and currency effects increased to NOK 7 847 million, from NOK 7 811 million in 2006.

Measured in US dollars, the prices realised by the company for aluminium went up. Measured in Norwegian kroner, however, they remained relatively unchanged due to the weak dollar. The production of primary metal fell by 3 per cent. Underlying operating profit (EBIT) for energy operations came to NOK 1 184 million in 2007, down from NOK 1 464 million in 2006. Reported return on average capital increased to 16.6 per cent for 2007, compared with 10.7 per cent in 2006.

In 2007 the demand for primary aluminium rose by 3.5 million tonnes, or 10 per cent in relation to 2006. China's strong growth was the driving factor. Following a decline in aluminium prices at the end of 2007, prices rose again in early 2008 in the wake of production restraints in China, South Africa and South America.

The board of Hydro has proposed a dividend of NOK 5.00 per share for 2007. In addition, the board has proposed authorising the repurchase of NOK 4 billion worth of shares. The proposed dividend for the 2007 financial year is divided into an ordinary dividend of NOK 1.50 and an extraordinary dividend of NOK 3.50 per share. The State will receive a dividend of NOK 2.7 billion for the 2007 financial year.

<i>Profit and loss account (MNOK) <sup>1</sup></i>	<i>2007</i>	<i>2006</i>
Operating revenues	96 409	100 045
Operating costs	87 385	92 845
Operating profit (loss)	<b>9 025</b>	<b>7 200</b>
Net financial items	3 208	718
Profit before tax and minority interests	<b>12 233</b>	<b>7 918</b>
Tax	3 075	1 952
Profit from discontinued operations	9 447	11 967
Minority interests	408	273
Profit after tax and minority interests	<b>18 196</b>	<b>17 660</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	2 477	3 350
Tangible fixed assets	26 750	32 151
Fixed asset investments	15 246	15 289
Total fixed assets	<b>44 474</b>	<b>50 790</b>
Current assets	47 571	183 669
Total assets	<b>92 046</b>	<b>234 459</b>

Subscribed equity	1 730	14 444
Retained earnings/other equity	52 319	81 387
Minority interests	959	771
Total equity	<b>55 008</b>	<b>96 601</b>
Provisions for liabilities and charges	14 713	15 399
Long-term liabilities	1 948	2 035
Current interest-bearing liabilities	1 045	2 509
Current interest-free liabilities	17 311	20 372
Liabilities of operations to be discontinued	2 021	1 011
Liabilities of discontinued operations	0	96 532
Total liabilities	<b>37 038</b>	<b>137 857</b>
Total equity and liabilities	<b>92 046</b>	<b>234 459</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	14 273	9 926
Investment activities	11 764	-14 628
Financing activities	-10 140	-9 896
Currency effect	-285	325
Disposed business	-12 799	11 101
Change in liquid assets	<b>2 813</b>	<b>-3 172</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	58 001	101 145
EBITDA	13 980	13 008
EBIT	10 428	8 492
Equity ratio	61%	41%
Annual return on equity	24%	18%
Average return on equity over last 5 years	18%	
Return on capital employed	13%	45%

<i>Values and dividend</i>	<i>2007</i>	<i>2006</i>
Market value at year-end	96 841	248 929
Price/book	1.8	2.6
Closing price	77.60	193.5
Provisions for dividend	6 047	6 134
Dividend ratio	33%	38%
Dividend payable to the State	2 735	2 819
Average dividend over last 5 years	35%	
Return including last year's dividend	18%	43%
Average return over last 5 years	35%	
State's sales proceeds/deletion of shares	2 763.3	471.3

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	24 692	33 605
% of employees in Norway	28%	31%
State shareholding at year-end	43.82%	43.82%
Total % of women on the board	33%	33%
% of female shareholder-elected directors	50%	50%

<sup>1</sup> 1. October 2007 the Oil and gas division of Norsk Hydro ASA was merged with Statoil and formed the new company StatoilHydro ASA. The figures for 2007 are exclusive the Oil and gas division and the figures for 2006 are comparable pro-forma figures.

<sup>2</sup> The figures for 2006 and for previous years used to calculate five-year average numbers, are figures for Norsk Hydro ASA exclusive the Oil and gas division. These numbers are according to Norwegian accounting principles (NGAAP).

## StatoilHydro ASA

StatoilHydro

**ADDRESS:** Forusbeen 50, NO-4035 Stavanger  
**TELEPHONE:** +47 51 99 00 00  
**INTERNET:** www.statoilhydro.com  
**CEO:** Helge Lund

**CHAIRMAN:** Svein Rennemo  
**BOARD MEMBERS:** Marit Arnstad, Elisabeth Grieg, Grace Reksten Skaugen, Kjell Bjørndalen, Roy Franklin, Kurt Anker Nielsen, Lill-Heidi Bakkerud\*, Claus Clausen\*, Morten Svaan\*

**AUDITOR:** Ernst & Young AS  
**STATE OWNERSHIP:** 62,5%  
 (Ministry of Petroleum and Energy)

\* EMPLOYEE REPRESENTATIVES

**StatoilHydro** is an international technology-based energy company focused on upstream activities, but also on strong gas and downstream activities. Based in Norway, the company is present in a total of 40 countries and is the operator of almost 80 per cent of the oil and gas production on the Norwegian continental shelf. The company's international production is increasing and accounted in 2007 for about 18 per cent of the company's total production. StatoilHydro is one of the world's largest operators of oil fields in deep waters. Other strategic focus areas for the company include value chains in gas, operations in demanding environments and recovery of heavy oil.

In June 2001 Statoil was listed on the stock exchanges in Oslo and New York, and on 1 October 2007 StatoilHydro was established as the result of the merger with Norsk Hydro's petroleum activities. At the end of 2007 the company had 29,500 employees, of whom 18,500 worked in Norway.

### Key events

On 18 December 2006 the boards of Statoil ASA and Norsk Hydro ASA announced that they had agreed to recommend to their shareholders a merger of Hydro's petroleum activities with Statoil. In March 2007 the boards of the two companies discussed and signed a plan for the demerger of Norsk Hydro ASA as part of the merger of Hydro's petroleum operations with Statoil. The Storting discussed the merger plan on 8 June 2007. As administrator of the State's shareholding in Statoil, the Ministry of Petroleum and Energy took a position on the merger plans at Statoil's extraordinary general meeting on 5 July 2007. The Ministry of Trade and Industry, manager of the State's shareholding in Hydro, made similar assessments at Hydro's extraordinary general meeting the same day.

After the merger the State owns 62.5 per cent of the shares. In line with the Storting's decision from 2001 on a state shareholding of at least 67 per cent of Statoil ASA the Storting decided on 8 June 2007 to continue this company law-stipulated level of ownership in the new company. On this basis the Ministry of Oil and Energy has made it public that the State's shareholding in StatoilHydro will be increased to 67 per cent over time.

StatoilHydro's total oil and gas production in 2007 was 1 724 barrels of oil equivalents (o.e.) per day, against 1 708 barrels of oil equivalents per day in 2006. The company's production from the Norwegian continental shelf was about 1 417 000 oil equivalents per day in 2007 compared with 1 474 000 barrels of oil equivalents per day in 2006.

In 2007 StatoilHydro, as the operator, completed construction of the Ormen Lange project. The Snøhvit facility on Melkøya outside Hammerfest produced its first load of liquefied natural gas (LNG) in autumn 2007, but has encountered several technical problems since then. In 2007 the company purchased the North American Oil Sands Corporation in Canada, and in 2007 StatoilHydro was also chosen as a partner in the development of the Shtokman field in Russia.

At the annual general meeting in May 2007, the board of Statoil was granted authorisation to acquire the company's own shares in order to delete them. Statoil's dividend policy, which has been continued in StatoilHydro, specifies measures for total capital distribution over time and emphasises that the capital can be distributed to the company's owners by both cash dividend and buy-back of shares. The company did not utilise the authority to acquire its own shares during the period until the general meeting in May 2008.

### Financial trends

StatoilHydro delivered its first annual result as a merged company in 2007<sup>1</sup>. StatoilHydro posted earnings of NOK 44 billion against NOK 51 billion for the same period last year. The earnings decline is due to increased costs as a result of the merger, certain financial expenses and a generally higher level of activity. StatoilHydro had combined operating revenues of NOK 523 billion in 2007, against NOK 522 billion in 2006.

Earnings per share were NOK 13.8, against NOK 15.8 in 2006.

The proposed dividend for 2007 was NOK 8.50 per share, of which NOK 4.30 was extraordinary dividend. This yields a combined dividend payment of about NOK 27.1 billion, of which NOK 16.9 billion to the State. ■

<i>Profit and loss account (MNOK)</i> <sup>1</sup>	2007	2006
Operating revenues	522 797	521 482
Total costs	385 593	355 318
Operating profit (loss)	<b>137 204</b>	<b>166 164</b>
Net financial items	9 607	5 072
Profit before tax and minority interests	<b>146 811</b>	<b>171 236</b>
Tax	102 170	119 389
Minority interests	545	730
Profit after tax and minority interests	<b>44 096</b>	<b>51 117</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	44 850	31 205
Tangible fixed assets	278 352	272 163
Fixed asset investments	30 226	29 280
Total fixed assets	<b>353 428</b>	<b>332 648</b>
Current assets	129 790	126 175
Total assets	<b>483 218</b>	<b>458 823</b>

Subscribed equity	48 977	49 047
Retained earnings/other equity	128 298	118 786
Minority interests	1 792	1 574
Total equity	<b>179 067</b>	<b>169 407</b>
Deferred tax	67 477	72 084
Provisions for other liabilities and charges	62 937	53 201
Andre avsetning for forpliktelser	130 414	125 285
Long-term liabilities	44 374	49 281
Current interest-bearing liabilities	6 166	5 557
Current interest-free liabilities	123 197	109 293
Total liabilities	<b>304 151</b>	<b>289 416</b>
Total equity and liabilities	<b>483 218</b>	<b>458 823</b>

<i>Cash flow</i>	2007	2006
Operational activities	93 926	88 593
Investment activities	-75 112	-57 175
Financing activities	-7 908	-31 378
Currency effect	-160	42
Change in liquid assets	<b>10 746</b>	<b>82</b>

<i>Key figures</i>	2007	2006
Capital employed	229 606	224 179
EBITDA	178 881	209 289
EBIT	139 509	169 839
Equity ratio	37%	37%
Annual return on equity	26%	39%
Average return on equity over last 5 years	34%	
Return on capital employed	61%	89%

<i>Values and dividend</i>	2007	2006
Market value at year-end	538 881	357 955
Price/book	3,0	3,3
Closing price	169,00	166,25
Provisions for dividend	27 104	19 702
Dividend ratio	61%	50%
Average dividend ratio over last 5 years	53%	
Provisions for dividend payable to the State	16 940	14 006
Return including last year's dividend	8%	12%
Average return over last 5 years	28%	
State's sales proceeds	2 442	0

<i>Other information</i>	2007	2006
No. of employees	29 500	25 435
% of employees in Norway	61%	55%
State shareholding at year-end	62,5%	70,9%
Total % of women on the board	36%	50%
% of female shareholder-elected directors	38%	57%

<sup>1</sup> The company was formally established on 1 October 2007, but has presented pro forma annual results for 2007 and 2006. The figures for 2006 and previous years used for calculating five-year averages are NGAAP-figures for Statoil ASA.

## Telenor ASA



**ADDRESS:** Snarøyveien 30, NO-1331 Fornebu  
**TELEPHONE:** + 47 81 07 70 00/67 89 00 00  
**INTERNET:** www.telenor.com  
**CEO:** Jon Fredrik Baksaas

**CHAIRMAN:** Harald Norvik  
**BOARD MEMBERS:** Bjørg Ven, Olav Volldal, Kjersti Kleven, Paul Bergqvist, John Giverholt, Liselott Kilaas, May Krosby\*, Bjørn Andre Anderssen\*, Harald Stavn\*

**AUDITOR:** Ernst & Young AS  
**STATE OWNERSHIP:** 53,97%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

Telenor is currently the world's seventh largest mobile phone company and at year-end 2007 there were about NOK 143 million subscribers in companies where Telenor has significant ownership stakes (over 20 per cent). Telenor's operations are based on providing voice services, information, knowledge and entertainment to end users through a wide range of communications services. These services are based on wireless communication platforms such as mobile, satellite and broadcast networks and fixed platforms such as telephony, IP and cable networks. In the Nordic region, Telenor provides mobile, fixed network and broadcasting services, while it offers mobile services outside the region. Telenor operates or has stakes in mobile phone companies in Norway, Sweden, Denmark, Pakistan, Bangladesh, Malaysia, Thailand, Ukraine, Hungary, Serbia, Montenegro and Russia.

Telenor was formed when Televerket was converted into a limited company in 1994. The company was listed on the stock exchange in 2000 and the State now owns 53.97 per cent.

### Key events

A new agreement was signed between the State and Telenor regarding the buy-back of the company's own shares in connection with the authorisation granted to Telenor's board at the general meeting on 15 May 2007. Under the agreement the State is obliged to redeem a proportional percentage of shares in relation to the number of shares the company itself buys backs and deletes. The agreement ensures that State's shareholding is not altered by a buy-back with cancellation.

In November 2007 a US federal court fully granted Telenor's petition for enforcement of its final arbitration award against the Russian Alfa Group's Ukrainian subsidiary Storm. Together with the Alfa Group, Telenor owns the Ukrainian mobile phone company Kyivstar. A temporary injunction from December 2006 that prevented Telenor from gaining access to financial information from the Ukrainian mobile phone company Kyivstar was lifted on 23 October 2007. Kyivstar is consequently reported as an associated company in Telenor's accounts for 2007.

Telenor achieved its first No. 1 ranking on the Dow Jones Sustainability Index on 10 September 2007.

In November, Telenor reduced its shareholding in the Malaysian company DiGi.COM Bhd to 49 per cent in accordance with rules for foreign ownership in the telecom sector in Malaysia.

In December 2007 Telenor celebrated its 15th anniversary as a player in the Russian market.

### Financial trends

For the 2007 financial year, Telenor posted a record profit after taxes and minority interests of NOK 18.0 billion, up from NOK 15.9 billion in 2006 and NOK 7.5 billion in 2005. This good result is due to increased revenues owing to a sharp rise in the number of subscribers of the international mobile phone companies in Asia and Ukraine, and to positive contributions from associated companies (Kyivstar and Vimpelcom).

Telenor invested NOK 25.5 billion in 2007, of which NOK 6 billion consisted of capital expenditure on operations. The remaining NOK 19.5 billion was operations-related capital expenditure to be able to keep up with the rapid growth in subscriptions.

Telenor's share has yielded a healthy return in recent years. In 2007 the share yielded a return of 12 per cent including dividend to shareholders. In comparison, the return on the Telenor share was 80 per cent in 2006. Telenor will pay a dividend of NOK 3.40 per share for 2007. This represents 32 per cent of the Group's annual profits less minority interests.



<i>Profit and loss account (MNOK) <sup>1</sup></i>	<i>2007</i>	<i>2006</i>
Operating revenues	92 473	91 077
Operating costs	77 488	73 369
Operating profit (loss)	<b>14 985</b>	<b>17 708</b>
Net financial items	4 986	3 820
Profit before tax and minority interests	<b>19 971</b>	<b>21 528</b>
Tax	2 168	3 148
Profit from discontinued operations	1 400	155
Minority interests	1 187	2 615
Profit after tax and minority interests	<b>18 016</b>	<b>15 920</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	58 919	59 762
Tangible fixed assets	48 974	46 093
Fixed asset investments	23 465	16 885
Total fixed assets	<b>131 358</b>	<b>122 740</b>
Current assets	29 474	25 868
Total assets	<b>160 832</b>	<b>148 608</b>

Subscribed equity	13 972	19 360
Retained earnings/other equity	54 825	38 633
Minority interests	5 858	4 735
Total equity	<b>74 655</b>	<b>62 728</b>
Provisions for liabilities and charges	7 074	7 876
Long-term interest-bearing liabilities	39 725	39 509
Long-term interest-free liabilities	1 074	702
Current interest-bearing liabilities	7 524	9 952
Current interest-free liabilities	30 780	27 841
Total liabilities	<b>86 177</b>	<b>85 880</b>
Total equity and liabilities	<b>160 832</b>	<b>148 608</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	23 696	30 641
Investment activities	-15 842	-39 716
Financing activities	-5 616	7 370
Currency effect	-319	-179
Change in liquid assets	<b>1 919</b>	<b>-1 884</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	121 904	112 189
EBITDA	37 141	39 114
EBIT	22 869	24 135
Equity ratio	46%	42%
Annual return on equity	28%	31%
Average return on equity over last 5 years	21%	
Return on capital employed	20%	24%

<i>Values and dividend</i>	<i>2007</i>	<i>2006</i>
Market value at year-end	218 016	197 012
Price/book	3,2	3,4
Closing price	129.75	117.25
Provisions for dividend	5 713	4 201
Dividend ratio	32%	26%
Average dividend ratio over last 5 years	34%	
Dividend payable to the State	3 083	2 267
Return including last year's dividend	13%	80%
Average return over last 5 years	39%	
State's sales proceeds/deletion of shares	0	766

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	35 800	35 600
% of employees in Norway	28%	31%
State shareholding at year-end	53.97%	53.97%
Total % of women on the board	40%	40%
% of female shareholder-elected directors	43%	43%

<sup>1</sup> Figures for 2006 include estimates for the operations in Kyivstar.





# Yara International ASA

**ADDRESS:** Bygdøy Allé 2, P. O. Box 2464 Solli, NO-0202 Oslo

**TELEPHONE:** +47 24 15 70 00

**INTERNET:** www.yara.com

**CEO:** Thorleif Enger

**CHAIRMAN:** Øivind Lund

**BOARD MEMBERS:** Elisabeth Harstad, Jørgen Ole Haslestad, Lone Fønss Schrøder, Leiv L. Nergaard, Arthur Frank Bakke\*, Svein Flatebø\*, Frank Andersen\*

**AUDITOR:** Deloitte AS

**STATE OWNERSHIP:** 36,21% (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

**Yara International ASA** is a chemicals company, most of whose products are used to make fertiliser. The company was demerged from Norsk Hydro ASA and listed on the Oslo Stock Exchange on 25 March 2004. Yara has operations in more than 50 countries and its products are distributed to more than 120 countries. This makes the company one of the most global players in the industry. Its core activities are the production and marketing of compound fertiliser and nitrogen fertiliser. The company has approximately 7 per cent of the global market. Industrial use of Yara's products is also an increasingly important area. Yara's products have a number of applications, and stricter environmental requirements have produced a growing market for products to reduce NOx emissions.

The company has two Norwegian production divisions, in Glomfjord and Herøya. The company had around 8 200 employees the world over at the end of 2007, of whom around 1 200 worked in Norway.

## Key events

Yara's ambition is to achieve a 10 per cent market share through organic and gradual growth. The company currently has approximately 7 per cent of the global market. In 2007 the company initiated several major growth initiatives. While the biggest step was the purchase of Kemira GrowHow, the company also initiated expansions in Libya, Qatar and in the Netherlands. In addition, the company is expanding sales to environmental applications in the industrial segment through a joint venture with Wilhelmsen to reduce NOx emissions from ships. In August 2007, Yara and Wilhelmsen Maritime Services (WMS), a subsidiary of Wilh. Wilhelmsen ASA, established the joint venture company Yarwil. The company is the first to offer the maritime market a complete solution for removing harmful NOx emissions from flue gas.

To strengthen the development of Yara's industrial gas operation, Yara established in 2007 a partnership with Praxair, the world's third largest industrial gas company. The parties each own 50 per cent of the new company.

## Financial trends

Yara continued to deliver strong profits in 2007, with a gross return on capital well above target. The company's margins on the sale of fertiliser

increased significantly in a highly demand-driven market with higher grain prices. The sales volume of fertiliser increased by 9 per cent, with much of the growth in Brazil driven by underlying market growth and the acquisition of Fertibras. Production was good at all Yara factories. The industrial segment has continued to grow in all product groups, mainly driven by environmental legislation and strong demand from the mining industry.

Earnings after minority interests amounted to NOK 6 037 million (NOK 20.60 per share), against NOK 4 188 million (NOK 13.86 per share) in 2006. Yara's return after tax in relation to CROGI (Cash Return On Gross Investment) was 16.1 per cent, compared with a target of at least 10 per cent on average for the business cycle. The operating profit amounted to NOK 4 987 million, against NOK 3 352 million in 2006.

Net cash provided by operations in 2007 came to NOK 4 305 million, mainly as a result of healthy earnings and a dividend of NOK 830 million from associated companies. Net cash provided by operations in 2006 was NOK 3 854 million. Net cash used in investment activities in 2007 amounted to NOK 6 988 million. This includes both the purchase of Kemira GrowHow and revenues from the establishment of Yara Praxair.

The Yara share performed well on the Oslo Stock Exchange in 2007, with a return of 79 per cent including dividend. The company is paying a dividend of NOK 4.00 per share, which will provide a combined payment of NOK 1 166 million, of which NOK 422 million will go to the State.



Source: Yara International ASA. Foto: Kåre Foss

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	57 486	48 261
Operating costs	52 499	44 909
Operating profit (loss)	<b>4 987</b>	<b>3 352</b>
Net financial items	2 350	1 691
Profit before tax and minority interests	<b>7 337</b>	<b>5 043</b>
Tax	1 262	833
Minority interests	38	22
Profit after tax and minority interests	<b>6 037</b>	<b>4 188</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	3 028	1 752
Tangible fixed assets	10 412	7 600
Fixed asset investments	11 995	7 412
Total fixed assets	<b>25 436</b>	<b>16 765</b>
Current assets	22 191	16 499
Total assets	<b>47 626</b>	<b>33 263</b>

Subscribed equity	1 588	2 686
Retained earnings/other equity	19 420	12 774
Minority interests	193	575
Total equity	<b>21 201</b>	<b>16 034</b>
Provisions for liabilities and charges	5 391	4 040
Long-term liabilities	9 205	4 732
Current interest-bearing liabilities	2 017	1 575
Current interest-free liabilities	9 813	6 881
Total liabilities	<b>26 426</b>	<b>17 228</b>
Total equity and liabilities	<b>47 626</b>	<b>33 263</b>

<i>Cash flow</i>	2007	2006
Operational activities	4 305	3 854
Investment activities	-6 988	-1 759
Financing activities	3 959	-2 317
Currency effector	46	118
Change in liquid assets	<b>1 322</b>	<b>-105</b>

<i>Key figures</i>	2007	2006
Capital employed	32 423	22 341
EBITDA	8 423	6 465
EBIT	6 936	5 092
Equity ratio	45%	48%
Annual return on equity	33%	29%
Average return on equity over last 3 years	30%	
Return on capital employed	25%	24%

<i>Values and dividend</i>	2007	2006
Market value at year-end	73 331	42 947
Price/book	3,5	2,8
Closing price	251.50	141.75
Provisions for dividend	1 166	739
Dividend ratio	19%	18%
Average dividend ratio over last 3 years	20%	
Dividend payable to the State	422	274
Return including last year's dividend	79%	47%
Average return over last 3 years	63%	
State's sales proceeds/deletion of shares	402	448

<i>Other information</i>	2007	2006
No. of employees	8 173	7 060
% of employees in Norway	10%	17%
State shareholding at year-end	36.21%	36.21%
Total % of women on the board	25%	38%
% of female shareholder-elected directors	40%	40%

# Aker Holding AS<sup>1</sup>

**ADDRESS:** P. O. Box 1423 Vika, NO-0051 Oslo  
**TELEPHONE:** +47 24 13 00 00  
**INTERNET:** www.akerasa.no  
**MANAGING DIRECTOR:** Bengt Arve Rem

**CHAIRMAN:** Leif-Arne Langøy  
**BOARD MEMBERS:** Martinus Brandal,  
 Kristin Krohn Devold, Berit Kjöll,  
 Dan-Åke Enstedt

**AUDITOR:** Deloitte AS  
**STATE OWNERSHIP:** 30%  
 (Ministry of Trade and Industry)

**Aker Holding AS** is a holding company the sole purpose of which is to administer the shares in Aker Solutions ASA. At the annual general meeting of 3 April 2008, Aker Kværner ASA changed its name to Aker Solutions ASA. Aker Holding owns 40.3 per cent of the shares in Aker Solutions ASA. Aker Holding has the same rights in Aker Solutions as the other shareholders. Nevertheless, the owners of Aker Holding have entered into a shareholders' agreement that in practice ensures the State and the owners of Aker Holding negative control over decisions requiring a two-thirds majority at the general meetings of Aker Solutions, so that Aker Holding has control over future developments in a number of major aspects of Aker Solutions ASA.

The State owns 30 per cent of the shares in Aker Holding AS. The other shareholders are Aker ASA (60 per cent), Saab AB (7.5 per cent) and Investor AB (2.5 per cent). The State and Aker ASA have mutually undertaken to keep the ownership of Aker Solutions combined for a period of at least 10 years.

The shares in Aker Holding AS were purchased by the State, represented by the Ministry of Trade and Industry, on 20 December 2007 by the authority of the Storting granted on 11 December 2007. The conditions for the share purchase are laid out in Proposition no. 88 (2006-2007) to the Storting *State ownership of Aker Holding AS* and Recommendation no. 54 (2007-2008) to the Storting.

## Financial trends

Aker Holding's only source of income is dividends from Aker Solutions ASA, and it has very limited expenses. The holding company's financial development depends on developments in the underlying Aker Solutions ASA. Aker Holding's underlying values are calculated using the share price for Aker Solutions.

On 22 June 2007 the State entered into an agreement to purchase 30 per cent of the shares of Aker Holding AS, at a price corresponding to NOK 145.60 per Aker Solutions share, plus interest until takeover. At the end of 2007 the share price for Aker Solutions was NOK 144.50.

Aker Solutions achieved an after-tax profit of NOK 2.5 billion in 2007, down from NOK 3.8 billion in 2006. However, the underlying operations demonstrate healthy growth, and the operating profit was NOK 3.5 billion, up from NOK 2.5 billion in 2006. The difference between the profit in 2006 and 2007 (which is not reflected in the operating profit) is primarily due to the sale of Aker Kværner's Pulping & Power operation, which contributed NOK 2 495 million in 2006.

<b>Profit and loss account (MNOK)<sup>2</sup></b>	<b>2007</b>	<b>2006</b>
Operating revenues	0.00	N/A
Operating costs	0.01	N/A
Operating profit (loss)	<b>-0.01</b>	N/A
Net financial items	0.00	N/A
Profit before tax	<b>-0.01</b>	N/A
Tax	0.00	N/A
Profit after tax	<b>-0.01</b>	N/A

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	0	N/A
Tangible fixed assets	0	N/A
Fixed asset investments	16 065	N/A
Total fixed assets	<b>16 065</b>	N/A
Current assets	0	N/A
Total assets	<b>16 065</b>	N/A
Subscribed equity	16 065	N/A
Retained earnings/other equity	0	N/A
Total equity	<b>16 065</b>	N/A
Provisions for liabilities and charges	0	N/A
Long-term liabilities	0	N/A
Current interest-bearing liabilities	0	N/A
Current interest-free liabilities	0	N/A
Total liabilities	0	N/A
Total equity and liabilities	<b>16 065</b>	N/A

<b>Cash flow</b>	<b>2007</b>	<b>2006</b>
Operational activities	-0.01	N/A
Investment activities	0.00	N/A
Financing activities	0.10	N/A
Change in liquid assets	<b>0.09</b>	N/A

<b>Key figures</b>	<b>2007</b>	<b>2006</b>
Equity ratio	100%	N/A
Market value <sup>3</sup>	15 943	N/A

<b>Dividend</b>	<b>2007</b>	<b>2006</b>
Purchase of shares	4 819	N/A
Provisions for dividend <sup>4</sup>	0	N/A
Dividend ratio	0%	N/A
Dividend payable to the State	0	N/A

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	1	N/A
% of employees in Norway	100%	N/A
State shareholding at year-end	30%	N/A
Total % of women on the board	40%	N/A
% of female shareholder-elected directors	40%	N/A

<sup>2</sup> The company was established in 2007.

<sup>3</sup> Calculated as the value of the shareholding in Aker Solutions based on number of issued shares and the share price for Aker Solutions on 31.12.2007.

<sup>4</sup> In spring 2008, the general meeting of Aker Holding AS approved a capital reduction that will give shareholders a 2008 dividend equivalent to the dividend received from Aker Solutions ASA. This means that the State will receive NOK 99 million from Aker Holding AS in 2008.

<sup>1</sup> Not included in Report no. 13 (2006-2007) to the Storting.

## BaneTele AS

## BaneTele

**ADDRESS:** P.O. Box 4323 Nydalen, 0402 Oslo  
**TELEPHONE:** +47 21 00 00 00  
**INTERNET:** www.banetele.no  
**MANAGING DIRECTOR:** Jan Morten Ruud

**CHAIRMAN:** Stig Herbern  
**BOARD MEMBERS:** Jan T. Jørgensen,  
 Tone Bjørnov, Kjell Ivar Hansen Røsnes,  
 Grete Høiland, Bjarne Skaar, Bjørn Myhre\*,  
 Asbjørn Stuestøl\*

**AUDITOR:** Kjelstrup & Wiggen AS  
**STATE OWNERSHIP:** 50%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

**BaneTele** was established as an independent company in 2001 after its demerger from the Norwegian National Rail Administration. That same year, the company purchased a significant portion of Enitel's operations after Enitel declared bankruptcy.

As a nationwide, content-neutral provider of high-capacity online services, BaneTele AS is an important participant in the Norwegian broadband market. The basis for BaneTele's operations is the fibre-optic network that mainly follows the railway network and infrastructure of the energy companies in Norway. 13 000 km long, the network connects cities and towns throughout the country and branches out into larger, city-wide networks by means of a combination of fibre-optic cables and wireless technology.

BaneTele distinguishes between network operation and services and operates as both a carrier and a distributor on the Norwegian market.

The company's objective is to expand its operations and continue to develop its position as an important competitor in the telecommunications market. At year-end 2007, the company had 171 employees.

The Government's goal is for BaneTele's operations to be further developed and strengthened based on a network that is open to all suppliers of broadband services on commercial terms. The company is to be run on commercial principles. The network used by BaneTele comprises an important national infrastructure and is essential for the ability to ensure real competition in the broadband market.

### Key events

In February 2007, BaneTele entered into an agreement to purchase all the shares in the broadband company Broadnet Norge AS for

NOK 100 million. This purchase is in line with BaneTele's channel strategy relating to the market and will serve to strengthen the company's positions by means of more traffic and higher turnover.

In December 2007 Bredbåndstilliansen AS bought Ventelo's Norwegian operations for NOK 2.33 billion, with a view to further solidifying BaneTele's market position. It might be of interest to streamline BaneTele's and Ventelo's activities during the course of 2008.

Stig Herbern was elected chairman of the board of BaneTele AS at an extraordinary general meeting on 30 January 2008. Jan Morten Ruud was appointed managing director of BaneTele AS from the same date.

### Financial trends

BaneTele had a good year in 2007 as a result of Bredbåndstilliansen buying half the shares in November 2006. This has reinforced BaneTele financially and industrially.

BaneTele had consolidated operating revenues of NOK 747 million in 2007 – a 26 per cent increase on last year. Broadnet has now been consolidated into the group, with effect from 1 April 2007. 2007 was characterised by continued strong underlying growth in turnover. The company's debt was paid off at the end of 2006 when Bredbåndstilliansen became an owner.

The company returned an operating loss of NOK 9.4 million, which is NOK 12 million less than in 2006. The company made a loss for the year of NOK 5 million, compared with a loss of NOK 34 million the year before.

At year-end 2007 the company had book equity of NOK 717 million, equal to an equity ratio of approx. 68 per cent.

<b>Profit and loss account (MNOK) <sup>1</sup></b>	<b>2007</b>	<b>2006</b>
Operating revenues	747	593
Operating costs	756	591
Operating profit (loss)	-9	2
Net financial items	4	-36
Profit before tax	-5	-34
Tax	0	0
Profit after tax	-5	-34

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	110	19
Tangible fixed assets	683	647
Fixed asset investments	0.3	0.2
Total fixed assets	794	666
Current assets	271	300
Total assets	1 065	966

Subscribed equity	857	857
Retained earnings/other equity	-140	-135
Total equity	717	722
Provisions for liabilities and charges	17	9
Long-term liabilities	85	72
Current interest-bearing liabilities	0	0
Current interest-free liabilities	246	163
Total liabilities	348	244
Total equity and liabilities	1 065	966

<b>Cash flow</b>	<b>2007</b>	<b>2006</b>
Operational activities	146	82
Investment activities	-235	-73
Financing activities	0	137
Change in liquid assets	-89	146

<b>Key figures</b>	<b>2007</b>	<b>2006</b>
Capital employed	802	794
EBITDA	142	130
EBIT	-1	6
Equity ratio	67%	75%
Annual return on equity	-1%	-8%
Average return on equity over last 5 years	-29%	
Return on capital employed	0%	1%

<b>Dividend etc.</b>	<b>2007</b>	<b>2006</b>
Provisions for dividend	0	0
Dividend ratio	0%	0%
Average dividend ratio over last 5 years	0%	

<b>Other key figures</b>	<b>2007</b>	<b>2006</b>
Interest on loan from the State	0	20

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	203	143
% of employees in Norway	100%	100%
State shareholding at year-end	50%	50%
Total % of women on the board	25%	33%
% of female shareholder-elected directors	33%	29%

<sup>1</sup> The figures for 2007 are for the Bane Tele Group, the figures for 2006 are for Bane Tele AS.



Photo: NTE





## ELECTRONIC CHART CENTRE

## Electronic Chart Centre AS

**ADDRESS:** P.O. Box 60, NO-4001 Stavanger  
**TELEPHONE:** +47 51 93 95 00  
**INTERNET:** www.ecc.as  
**MANAGING DIRECTOR:** Asbjørn Kyrkjæide

**CHAIRMAN:** Siri Norset Christiansen  
**BOARD MEMBERS:** Peter Jacob Tronslin,  
 Ingvild Sæther

**AUDITOR:** KPMG AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Trade and Industry)

**Electronic Chart Centre AS (ECC)** helps develop and operate socially important infrastructure by compiling and operating an authorised electronic nautical chart service for the international maritime industry. The company is to operate on commercial principles and support Norway as a seafaring nation by contributing to increased safety at sea both in Norway and in international waters.

The main objective of the State's ownership of ECC is to comply with Norway's obligations pursuant to international conventions on safety at sea and to meet society's needs for safe navigation by administering and making available authorised electronic nautical charts owned by the nautical mapping authorities.

Operated under an agreement with the Maritime Division of the Norwegian Mapping Authority, the company currently manages 7 500 authorised nautical charts for navigation provided by 40 nations' nautical chart publishers through the international PRIMAR cooperation. This inter-governmental cooperation is organised and directed by the Maritime Division of the Norwegian Mapping Authority, while ECC is responsible for the daily operation and development of the countries' joint electronic navigational chart service. The navigational chart service is intended to provide continual access to authorised digital nautical charts across national borders.



Photo: Håkon Vold

Established as a limited company in 1999, ECC is wholly owned by the Norwegian State and has 15 employees.

#### Key events

In 2007 the number of nautical charts for sale increased by 39 per cent, and the number of ships using the electronic navigational chart service rose by 50 per cent. The sale of nautical chart data increased by 47 per cent. At year-end 2007, there were 750 government maritime users in the Nordic region, including all the pilots along the Norwegian coast.

ECC is working on developing a service whereby charts containing nautical data can be produced using free software on the Internet. Initially, this service will be for government users, such as the 590 state organisations, county administrations and local authorities linked to Norway digitally. ECC is also working on developing solutions to ensure up-to-date navigational charts in the Norwegian Maritime Directorate's systems for promoting safety at sea and emergency preparedness, and to enable marine surveyors to check via the Internet whether a ship has authorised electronic nautical charts onboard.

The UN maritime organisation, IMO is working on making electronic nautical charts mandatory on ships during the next decade (2011-2020). ECC is providing the software for the International Hydrographic Organization (IHO)'s global catalogue of electronic nautical charts. This catalogue forms the basis for IMO's work on making use of electronic navigational charts mandatory.

#### Financial trends

The company's profit for 2007 of NOK 3.2 million was down 22 per cent on 2006. This is due to the recognition of NOK 2.2 million in changes in deferred taxes in 2006, while the tax expense for the year was nil. Taking this into account, the profit for the year has increased by 65 per cent from NOK 1.9 million in 2006. The company has considerable deferred tax assets as a result of major losses in previous years. ECC had no interest-bearing debt and had bank deposits

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	17.2	13.0
Operating costs	14.4	11.3
Operating profit (loss)	<b>2.7</b>	<b>1.7</b>
Net financial items	0.5	0.3
Profit before tax	<b>3.2</b>	<b>1.9</b>
Tax	0.0	-2.2
Profit after tax	<b>3.2</b>	<b>4.1</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	2.8	2.8
Tangible fixed assets	1.3	1.0
Fixed asset investments	0.0	0.0
Total fixed assets	<b>4.1</b>	<b>3.8</b>
Current assets	17.2	14.5
Total assets	<b>21.2</b>	<b>18.3</b>

Subscribed equity	10.6	10.6
Retained earnings/other equity	6.2	4.0
Equity	<b>16.8</b>	<b>14.6</b>
Provisions for liabilities and charges	0.0	0.0
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	4.4	3.7
Total liabilities	<b>4.4</b>	<b>3.7</b>
Total equity and liabilities	<b>21.2</b>	<b>18.3</b>

<i>Key figures</i>	2007	2006
Capital employed	16.8	14.6
EBITDA	3.9	2.5
EBIT	3.2	1.9
Equity ratio	79%	80%
Annual return on equity	20%	31%
Average return on equity over last 5 years	16%	
Return on capital employed	20%	15%

<i>Dividend</i>	2007	2006
Provisions for dividend	1.0	1.2
Dividend ratio	30%	30%
Average dividend ratio over last 5 years	30%	
Dividend payable to the State	1.0	1.2

<i>Other information</i>	2007	2006
No. of employees	15	13
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	67%	67%
% of female shareholder-elected directors	67%	67%

of NOK 13.0 million at year-end 2007. The company's financial situation should be viewed in relation to its assignments for the Maritime Division of the Norwegian Mapping Authority, which is ECC's main customer. The global availability of authorised electronic nautical charts will be crucial to future market developments. The company is paying a dividend of NOK 1.0 million for 2007, which is 30 per cent of its after-tax profit.

# Kommunalbanken AS

**KBN** Kommunalbanken  
Norge

**ADDRESS:** P.O. Box 1210 Vika, NO-0110 Oslo  
**TELEPHONE:** +47 21 50 20 00  
**INTERNET:** www.kommunalbanken.no  
**MANAGING DIRECTOR:** Petter Skouen

**CHAIRMAN:** Else Bugge Fougner  
**BOARD MEMBERS:** Per N. Hagen, Iver Lund, Martha Takvam, Nanna Egidius, Svein Blix, Martin Spillum\*

**AUDITOR:** Ernst & Young AS  
**STATE OWNERSHIP:** 80%  
(Ministry of Local Government and Regional Development)

\* EMPLOYEE REPRESENTATIVES

Founded on 1 November 1999, **Kommunalbanken AS** carries on the operations of the state-owned bank Norges Kommunalbank, which was established in 1927. Kommunalbanken was wholly state-owned when it was founded. In 2000, 20 per cent of the share capital was sold to KLP.

Kommunalbanken provides loans to municipalities and counties and to municipal and inter-municipal companies in return for a municipal guarantee, State guarantee or other satisfactory security. The company may also perform other tasks closely related to its activities. At year-end 2007, the company had 41 employees.

The bank seeks to increase the competition on lending to municipalities and counties so that the municipal sector is ensured access to low-cost loans. The bank has the highest possible credit rating (AAA).

State ownership contributes to Kommunalbanken's especially strong credit rating and consequently to favourable lending terms. The bank offers the same lending terms to small and medium-sized municipalities as it does to large municipalities. In the lending market as a whole, small and medium-sized municipalities would not be eligible for such favourable borrowing terms as the larger municipalities and counties.

The bank must also take commercial considerations into account. It establishes a required rate of return, adjusted every three years, to ensure that a satisfactory risk-adjusted return on equity is achieved. Kommunalbanken has a licence to operate as a financial enterprise. The company is subject to the general legislation and regulations applicable to financial institutions, and it participates in the credit market on the same terms as other financial enterprises. Kommunalbanken is subject to the supervision of Kredittilsynet (the Financial Supervisory Authority of Norway).

## Key events

Kommunalbanken is the largest lender to the municipal sector. It has a market share of roughly 38 per cent, when loans to municipal enterprises, inter-municipal companies and

municipal private limited companies are taken into account. In 2007 a considerable share of the loans provided were related to investments in the school sector. Other important lending purposes were sheltered housing, nursing homes, kindergartens, water, sewage and refuse facilities, roads and other infrastructure. In 2007, Kommunalbanken borrowed NOK 46.8 billion, in 13 different currencies. Well over 90 per cent of the amount borrowed comes from abroad, with Japan being the most important market.

Kommunalbanken's equity was bolstered by all together NOK 100 million in 2007. The reason for increasing equity was the rapid growth in lending in recent years and the reduction in the bank's core capital adequacy.

## Financial trends

The demand for loans was good throughout 2007. The total lending amount was NOK 101.7 billion at the end of 2007, which is an increase in lending of NOK 14.2 billion or approximately 16 per cent. The accounts for 2007 show a net interest of NOK 281.7 million, profit before tax of NOK 199.8 million and profit after tax of NOK 143.5 million. The profit before tax equals a return on equity of 17.6 per cent. After tax, this equals a return on equity of 12.6 per cent. During its years as a limited company, the bank's earnings have been well over the required rate of return. The bank has never had a loss from lending.



<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Interest received	6 652	3 421
Interest costs	6 387	3 209
Net interest and credit-commission income	<b>265</b>	<b>213</b>
Other operating revenues	1	9
Operating costs	67	62
Net loss	0	0
Operating profit (loss)	<b>200</b>	<b>160</b>
Tax	56	45
Profit after tax	<b>143</b>	<b>115</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2 006</i>
Cash and receivables from credit inst.	189	870
Net loans	104 096	87 543
Securities	37 023	37 514
Other assets	1 115	697
Total assets	<b>142 423</b>	<b>126 623</b>

Liabilities to credit institutions	2 003	2 154
Deposits from customers	0	0
Other liabilities and commitments	137 837	122 169
Subordinated loan capital	1 275	1 201
Total liabilities	<b>141 115</b>	<b>125 524</b>
Subscribed equity	755	682
Earned equity	553	418
Total equity	<b>1 308</b>	<b>1 099</b>
Total equity and liabilities	<b>142 423</b>	<b>126 623</b>

<i>Cash flow</i>	<i>2007</i>	<i>2 006</i>
Operational activities	200	88
Investment activities	-15 864	-15 674
Financing activities	15 664	15 586
Change in liquid assets	<b>0.0</b>	<b>0.0</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Core capital coverage	6.0%	6.0%
Capital coverage	10.6%	11.0%
Cost/income ratio	25.0%	27.6%
Provision for loss as % of gross lending	0.0	0.0
Loss as % of lending	0.0	0.0
Annual return on equity	12.6%	10.9%
Average return on equity over last 5 years	10.8%	10.5%

<i>Values and dividend</i>	<i>2007</i>	<i>2006</i>
Capital contributed by the State	58.8	0.0
Provision for dividend	34.4	0.0
State's share of provisions for dividend	0.0	0.0
Dividend ratio	0%	0%
Average dividend ratio over last 5 years	19%	

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	41	37
% of employees in Norway	100%	100%
State shareholding at year-end	80%	80%
Total % of women on the board	43%	43%
% of female shareholder-elected directors	50%	60%



# NSB AS

**ADDRESS:** NO-0048 Oslo  
**TELEPHONE:** + 47 23 15 00 00  
**INTERNET:** www.nsb.no  
**CEO:** Einar Enger

**CHAIRMAN:** Ingeborg Moen Borgerud  
**BOARD MEMBERS:** Christian Brinch, Bente Hagem, Jon L. Gjemble, Tore Heldrup Rasmussen, Øystein Aslaksen\*, Ole Reidar Rønningen\*, Øystein Sneisen\*

**AUDITOR:** PricewaterhouseCoopers AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Transport and Communications)

\* EMPLOYEE REPRESENTATIVES

**Norges Statsbaner AS (NSB)** is one of Norway's largest transport groups, with traditions dating back to 1854. From 1 July 2002, NSB has been organised as a state-owned limited company. The Group's head office is in Oslo, but the operations are spread over most of Norway and parts of Sweden and Denmark.

The company's objectives are railway transport, other transport operations and operations that are naturally related to these. The Group's business areas are passenger trains (NSB, NSB Gjøvikbanen AS (formerly NSB Anbud AS) and Svenska Tågkompaniet AB), buses (Nettbuss AS), goods trains (NSB owns 55 per cent of the operation in CargoNet AS), real estate (ROM Eiendom AS) and support functions (Mantena AS, NSB Trafikkservice AS, Finse Forsikring AS and Arrive AS).

One of the reasons for the State ownership of NSB is to ensure that trains are in a strong position compared with other means of transport. It is important for environmental and safety reasons to take measures that make travellers choose to travel by train. The Ministry of Transport and Communications attaches importance to ensuring that rail traffic works well and is an attractive alternative for people who want to travel by public transport. NSB is a crucial player in realising these objectives.

Every second year the Ministry of Transport and Communications submits a report to the Storting on NSB's operations. This report forms the basis for its corporate governance in coming years. In Report no. 18 (2006-2007) to the Storting the Ministry reported on important matters that have been agreed to or implemented and on the company's main challenges, strategies and plans for the future.

## Key events

In January 2007, NSB bought the remaining 66 per cent of the shares in Svenska Tågkom-

paniet AB. In October 2007 NSB bought 20 per cent of the shares in the travel technology company Travel AS. This acquisition means that NSB now owns the same-sized stake in the company as SAS and Reitan Servicehandel. Ownership of Travel will ensure NSB access to development of solutions for its products and contract partners. The company's technology is important for NSB Passenger Trains' focus on tourism.

In February 2007 ROM Eiendom AS started construction work on a new office block to let near Oslo Central Station. This is a major building project that ROM is undertaking independently.

To ensure that people travelling by plane can get to the airport by train, NSB started taxi transport between Moss Airport Rygge and Rygge station. A similar shuttle system has been set up between Sandefjord Airport Torp and the new Torp station, here using buses.

An electrical fire in a cable in the Norwegian National Rail Administration's facility at Oslo Central Station in the early hours of 28 November 2007 stopped all train traffic in central eastern Norway for almost 24 hours.

A record number of people travelled with NSB Regional Trains and NSB Local Trains on the Bergen Line in 2007. There were approximately 75 000 more passengers than in 2006.

## Financial trends

The Group's after-tax profit came to NOK 545 million in 2007, NOK 34 million up on 2006. The operating profit amounted to NOK 731 million, which is NOK 63 million more than in 2006. NOK 45 million of this improvement is due to increased gains on sales. A dividend payment of NOK 402 million to the State has been proposed for the 2007 financial year.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	9 994	9 168
Operating costs	9 263	8 499
Operating profit (loss)	<b>731</b>	<b>668</b>
Net financial items	27	99
Profit before tax and minority interests	<b>758</b>	<b>767</b>
Tax	213	256
Minority interests	9	4
Profit after tax og minoritet	<b>536</b>	<b>507</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	300	234
Tangible fixed assets	8 690	7 946
Fixed asset investments	594	494
Total fixed assets	<b>9 584</b>	<b>8 674</b>
Current assets	4 637	4 665
Total assets	<b>14 220</b>	<b>13 339</b>

Subscribed equity	5 536	5 536
Retained earnings/other equity	1 068	915
Minority interests	217	208
Total equity	<b>6 821</b>	<b>6 659</b>
Provisions for liabilities and charges	1 726	1 736
Long-term liabilities	2 115	1 312
Current interest-bearing liabilities	41	775
Current interest-free liabilities	3 516	2 857
Total liabilities	<b>7 399</b>	<b>6 680</b>
Total equity and liabilities	<b>14 220</b>	<b>13 339</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	1 229	1 617
Investment activities	-1 686	-807
Financing activities	-259	-261
Currency effect	-5	0
Change in liquid assets	<b>-720</b>	<b>550</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	8 978	8 746
EBITDA	1 713	1 694
EBIT	849	885
Equity ratio	48%	50%
Annual return on equity	8%	8%
Average return on equity over last 5 years	5%	
Return on capital employed	10%	10%
No. of travellers (mill. passenger km)	2 622	2 416
Freight (mill. tonnes km)	2 713	2 629
Punctuality (trains on time at final destination)	87%	88%
Number of 1000 TEU (goods trains in Norway)	515	493

<i>Public procurements</i>	<i>2007</i>	<i>2006</i>
State procurements	1 593	1 557
Municipal procurements	619	579
Total public procurements	<b>2 212</b>	<b>2 136</b>

<i>Dividend</i>	<i>2007</i>	<i>2006</i>
Provisions for dividend	402	380
Dividend ratio	75%	75%
Average dividend ratio over last 5 years	64%	
Provisions for dividend payable to the State	402	380

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	11 035	10 474
% of employees in Norway	88%	90%
State shareholding at year-end	100%	100%
Total % of women on the board	25%	25%
% of female shareholder-elected directors	40%	40%





# Posten Norge AS



**posten**

**ADDRESS:** NO-0001 Oslo  
**TELEPHONE:** + 47 23 14 90 90  
**INTERNET:** www.posten.no  
**CEO:** Dag Mejdell

**CHAIRMAN:** Arvid Moss  
**BOARD MEMBERS:** Liv Stette, Eli Arnstad, Terje Christoffersen, Sigbjørn Molvik, Gry Mølleskog, Odd Christian Øverland\*, Ingeborg Sætre\*, Paul Magnus Gamlemshaug\*, Judith Olafsen\*

**AUDITOR:** Ernst & Young AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Transport and Communications)

\* EMPLOYEE REPRESENTATIVES

Norway established its own postal service in 1647, and this has been owned by the State since 1719. The Group has been organised as a state-owned limited company since 1 July 2002.

Norway Post is a postal and logistics group that has the Nordic region as its domestic area and operates in the postal, logistics and ICT segments. From 2007, the express segment was included in the logistics segment. The Group consists of the parent company Posten Norge AS and several wholly and partly owned subsidiaries, including ErgoGroup AS, CityMail Sweden AB, BoxGroup AS and Nor-Cargo AS. Norway Post is charged with providing mandatory postal services and basic banking services nationwide through its network of outlets, and with carrying out the tasks imposed by society in a good, uniform and cost-effective manner throughout the whole of Norway. The foundation of Norway Post's strategy is the goal of maintaining its position as market leader in the postal market in Norway and developing leading positions in the Nordic region within industrial post, logistics and ICT. The European post and logistics markets are undergoing massive changes, and competition is increasing as a result of globalisation and consolidation in the market, new technology and higher expectations from customers.

In February 2008 the Ministry of Transport and Communications submitted a report to the Storting on Norway Post's activities, cf. Report no. 12 (2007-2008) to the Storting. In this report, which forms the basis for corporate governance over the next few years, the Ministry provides information on important issues that have been agreed on or implemented, and on the company's main challenges, strategies and plans for the future. The Report proposes turning 124 of the current post offices into Post in Shops.

## Key events in 2007

Construction work on Norway Post's new mail-sorting centre for south-eastern Norway at Robsrud in Lørenskog outside Oslo started in 2007. The sorting centre will open in 2010 and will play a central role in Norway Post's future distribution system.

Along with eight other post companies in Europe, Norway Post has undertaken to reduce its CO<sub>2</sub> emissions by 10 per cent over the next five years. The environmental programme aims to reduce pollution from transport, buildings and machines, introduce more environmentally friendly products, increase use of renewable energy and use fuels with low CO<sub>2</sub> emissions. Norway Post is also one of 12 companies selected to take part in the national climate-change campaign Klimaløftet (the Climate Promise).

The licence requirement concerning delivery quality of minimum 85 per cent on a national basis for the year as a whole was met: 85.1 per cent of A-post was delivered overnight in 2007, compared with 82.4 per cent in 2006. The company's performance related to the five other licence requirements was well within the authorities' required levels in 2007. In the first quarter of 2007 (and in the fourth quarter of 2006) delivery quality fell below the required level. From the third quarter of 2007, additional regional measurements were therefore also introduced.

## Financial trends

Norway Post's operating revenue increased by 15.7 per cent in 2007 to NOK 27.4 billion. The Logistics and ICT segments achieved the largest growth, primarily through acquisitions. In 2007 the Post Segment generated 38 per cent of the Group's revenues, the Logistics segment 45 per cent and ICT 17 per cent. The turnover of companies outside Norway rose, representing 22.8 per cent of the Group's revenues in 2007. The Group achieved a profit before tax of NOK 955 million, compared with NOK 1 200 million in 2006, while the after-tax profit was NOK 796 million in 2007. The return on equity was 14 per cent, compared with 17 per cent in 2006. The Group's profitability was reduced as a result of higher personnel and transport costs, lower revenues from mandatory postal services, additional use of resources to improve delivery quality and start-up costs associated with the expansion of CityMail. A dividend payment of NOK 597 million to the State has been proposed for the 2007 financial year.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	27 400	23 668
Operating costs	26 320	22 355
Operating profit (loss)	<b>1 080</b>	<b>1 313</b>
Net financial items	-125	-113
Profit before tax and minority interests	<b>955</b>	<b>1 200</b>
Tax	159	344
Minority interests	0	-6
Profit after tax og minoritet	<b>796</b>	<b>862</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	6 755	5 104
Tangible fixed assets	4 037	3 624
Fixed asset investments	307	214
Total fixed assets	<b>11 099</b>	<b>8 942</b>
Current assets	6 279	6 740
Assets held for sale	37	136
Total assets	<b>17 415</b>	<b>15 769</b>

Subscribed equity	4 112	4 112
Retained earnings/other equity	1 666	1 439
Minority interests	8	15
Total equity	<b>5 786</b>	<b>5 566</b>
Provisions for liabilities and charges	2 233	1 982
Long-term interest-bearing liabilities	3 118	2 633
Long-term interest-free liabilities	166	28
Current interest-bearing liabilities	76	61
Current interest-free liabilities	6 036	5 548
Total liabilities	<b>11 629</b>	<b>10 252</b>
Total equity and liabilities	<b>17 415</b>	<b>15 818</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	1 714	2 065
Investment activities	-2 294	-2 849
Financing activities	-79	1 050
Change in liquid assets	<b>-659</b>	<b>266</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	8 980	8 298
EBITDA	2 327	2 376
EBIT	1 363	1 563
Equity ratio	33%	36%
Annual return on equity	14%	17%
Average return on equity over last 5 years	14%	
Return on capital employed	16%	22%
Manned stations	1 487	1 501
Delivery quality A-post (overnight delivery)	85	82
Customer satisfaction in the expedition network (max 100 points)	83	83
Volume development A and B post	-0.3%	-0.8%

<i>Dividend</i>	<i>2007</i>	<i>2006</i>
Provisions for dividend	597	488
Dividend ratio	75%	57%
Average dividend ratio over last 5 years	47%	
Provisions for dividend payable to the State	597	488

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	27 068	24 478
% of employees in Norway	85%	89%
State shareholding at year-end	100%	100%
Total % of women on the board	55%	50%
% of female shareholder-elected directors	57%	50%

# Statkraft SF



**ADDRESS:** P.O. Box 200 Lilleaker, NO-0216 Oslo  
**TELEPHONE:** + 47 24 06 70 00  
**INTERNET:** www.statkraft.no  
**CEO:** Bård Mikkelsen

**CHAIRMAN:** Arvid Grundekjøn  
**BOARD MEMBERS:** Ellen Stensrud, Aud Mork, Egil Nordvik, Berit Rødseth, Halvor Stenstadvoid, Thorbjørn Holøs\*, Astri Botten Larsen\*, Odd Vanvik\*

**AUDITOR:** Deloitte AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

The **Statkraft Group** is the Nordic region's third largest producer of electricity and Europe's second-largest producer of renewable energy. The Group has an annual mean production of 49.4 TWh. Most of its production comes from 164 HEP stations: 141 in Norway, 19 in Sweden and 4 in Finland. Statkraft also owns and operates three wind parks in Norway and produces electricity from three gas-fired power stations: One wholly owned and one partly owned in Germany and one partly owned in Norway. The Group trades in electricity from offices in the Nordic region and on the Continent. In Norway, its grid and end-user operations are run through regional companies in which Statkraft owns a stake. Statkraft's investments outside Europe are in the company SN Power, owned 50/50 by Statkraft and Norfund. SN Power operates development of hydro-electric power plants in new growth markets and has operations in Peru, Chile, India, Sri-Lanka, Nepal and the Philippines.

The State's acquisition of waterfall rights at the beginning of the 20th century and large-scale power plant developments after the Second World War form the basis for Statkraft's operations. Statkraft SF was spun off from Statkraftverkene in 1992, with the generation of hydro-electric power as its most important activity.

Statkraft's vision is to be a leader in Europe in the field of environmentally friendly energy.

## Key events

Trondheim Energi's new district heating plant was officially opened in September 2007, and Pålssbu HEP station was opened in October. In October 2007 Statkraft decided to build the world's first osmotic power plant prototype.

In September Statkraft signed a ten-year industrial power agreement with the Swedish company SCA to supply 500 GWh of power annually to SCA's forest industry operations in Sweden. At the same time, the two companies set up a joint company to develop wind power and assess potential HEP projects in Sweden.

In October 2007 Statkraft and the Germany-based power company E.ON AG signed a

letter of intent to allow E.ON AG to take over Statkraft's shares in E.ON Sverige AB (44.6 per cent). In exchange for this, Statkraft will get flexible power production assets and shares in E.ON AG. The total value of the asset swap is EUR 4.4 billion. A final agreement is expected to be signed in 2008. This agreement will make Statkraft the largest producer of renewable energy in Europe and the largest industrial owner of E.ON AG.

During the course of 2007, three gas-fired power plants were completed and opened: Knapsack (100 per cent ownership) and Herdecke (50 per cent) in Germany, and Kårstø (50 per cent) in Norway.

## Financial trends

The Statkraft Group achieved a profit after tax and minority interests of NOK 6 606 million in 2007. Starting from this year, Statkraft began keeping its consolidated accounts in accordance with the international accounting standard IFRS. The pro-forma IFRS figures for 2006 show a profit after tax and minority interests of NOK 7 404 million.

The decline is primarily due to large effects of unrealised changes in value accounted for according to IFRS, and non-recurring items. All together these items represented a loss of NOK 397 million in 2007, against a gain of NOK 790 million in 2006. Adjusted for this, the underlying operations have in fact improved slightly from 2006 to 2007.

Lower electricity prices and slightly smaller produced volume entailed a reduction in earnings from physical spot sales from NOK 8.6 billion in 2006 to NOK 5.5 billion in 2007. However, this was partially counteracted by the increase in hedging revenues of almost NOK 1.6 billion. The share of the profit from the Group's associates revealed an underlying improvement of over NOK 0.8 billion. Tax expenses were also significantly lower than in 2006.

The dividend of NOK 6.56 billion for 2007 equals 98 per cent of the consolidated profit after tax and minority interests adjusted for unrealised changes in value.

<b>Profit and loss account (MNOK) <sup>1</sup></b>	<b>2007</b>	<b>2006</b>
Net operating revenues	13 583	17 125
Operating costs	6 183	5 211
Operating profit (loss)	<b>7 400</b>	<b>11 914</b>
Net financial items	1 409	-336
Profit before tax and minority interests	<b>8 809</b>	<b>11 578</b>
Tax	2 037	3 787
Minority interests	166	387
Profit after tax and minority interests	<b>6 606</b>	<b>7 404</b>

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	1 657	2 195
Tangible fixed assets	56 957	56 753
Fixed asset investments	34 262	31 995
Total fixed assets	<b>92 876</b>	<b>90 943</b>
Current assets	17 416	12 698
Total assets	<b>110 292</b>	<b>103 641</b>

Subscribed equity	29 250	29 250
Retained earnings/other equity	9 583	10 170
Minority interests	2 817	2 934
Total equity	<b>41 650</b>	<b>42 354</b>
Provisions for liabilities and charges	9 603	10 439
Long-term liabilities	33 111	28 333
Current interest-bearing liabilities	6 923	6 438
Current interest-free liabilities	19 005	16 078
Total liabilities	<b>68 642</b>	<b>61 288</b>
Total equity and liabilities	<b>110 292</b>	<b>103 641</b>

<b>Cash flow</b>	<b>2007</b>	<b>2006</b>
Operational activities	6 171	6 392
Investment activities	-4 002	-4 144
Financing activities	-700	-4 985
Currency effect	-5	-2
Change in liquid assets	<b>1 464</b>	<b>-2 739</b>

<b>Key figures</b>	<b>2007</b>	<b>2006</b>
Capital employed	81 684	77 125
EBITDA	12 349	15 746
EBIT	10 693	14 237
Equity ratio	38%	41%
Annual return on equity	17%	18%
Average return on equity over last 5 years	15%	
Return on capital employed	13%	17%

<b>Dividend</b>	<b>2007</b>	<b>2006</b>
Provisions for dividend	6 560	5 857
Dividend ratio <sup>2</sup>	99%	98%
Average dividend ratio over last 5 years	90%	
Dividend payable to the State	6 560	5 857
State guarantee	11 398	15 343
Guarantee payment to the State	76	117

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	2 287	2 087
% of employees in Norway	94%	94%
State shareholding at year-end	100%	100%
Total % of women on the board	44%	44%
% of female shareholder-elected directors	50%	50%

<sup>1</sup> Starting from 2007, Statkraft began keeping its consolidated accounts in accordance IFRS (International Finance Reporting Standard).

<sup>2</sup> Adjusted for unrealised changes in value, the dividend ratio for 2007 is 98 per cent, cf. Proposition no. 1 (2007-2008) to the Storting.





# Store Norske Spitsbergen Kulkompani AS

**ADDRESS:** NO-9170 Longyearbyen  
**TELEPHONE:** +47 79 02 52 00  
**INTERNET:** www.snsk.no  
**MANAGING DIRECTOR:** Bjørn Arnestad

**CHAIRMAN:** Bård Mikkelsen  
**BOARD MEMBERS:** Ole Fredrik Hienn, Lisbeth Alnæs, Esther Kostøl, Lise Chatwin Olsen, Anita Johansen\*, Henning Kløften\*, Bjørn Helge Nygård\*

**AUDITOR:** KPMG AS  
**STATE OWNERSHIP:** 99.94%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

**Store Norske Spitsbergen Kulkompani AS (SNSK)** was founded in 1916. The Group consists of the parent company, Store Norske Spitsbergen Kulkompani AS, and the wholly owned subsidiaries Store Norske Grubekompani AS, Store Norske Gull AS and Store Norske Boliger. The company carries out coal mining operations in Svalbard through a wholly owned subsidiary, Store Norske Spitsbergen Grubekompani AS (SNSG). Roughly 95 per cent of its production is exported.

Mining operations are centred in Svea. Store Norske also has minor operations in Mine 7 in Longyearbyen, which delivers 35 per cent of its coal production to the local power network. Mining is to be operated without government support. At year-end 2007, the Group had 396 employees, of whom 337 were employed by the mining company.

## Key events

On 30 July 2005, fire broke out in the main gallery of the Svea Nord mine. After eight months of being shut down, Store Norske started production operations again in Svea Nord on 1 April 2006. The company has incurred considerable losses due to this fire. The company has filed a claim for around NOK 800 million. The insurance settlement was decided in Nord-Troms District Court in autumn 2007. The case has been appealed to Hålogaland Court of Appeal.

In 2007, the company asked its owners for NOK 250 million in new capital. The State signed an agreement with the company on 29 June 2007 and transferred NOK 250 million to the com-

pany in the form of a subordinated loan. The loan must be repaid to the State when the insurance settlement has been decided. Reference is made to the discussion in Proposition no. 69 (2006-2007) to the Storting and Recommendation no. 230 (2006-2007) to the Storting.

On 29 June 2007, the annual general meeting adopted a new objects clause for the company. An extra sentence was added to Article 1 of the Articles of Association: *"The company may utilise its expertise in environmental use of resources in Svalbard and in Finnmark and in Troms."*

In June 2007 the shares in Store Norske Boliger AS were transferred from Store Norske Grubekompani AS to SNSK AS.

## Financial trends

SNSK's consolidated operating revenues in 2007 amounted to NOK 1 827 million, yielding a profit of NOK 112 million. The corresponding figures for 2006 were NOK 1 267 million and a loss of NOK 77 million. Production volume was 4.1 million tonnes of coal in 2007 compared with 2.4 million tonnes in 2006. 3.6 million tonnes of coal were sold in 2007 at record-high prices.

SNSK is paying a dividend of NOK 7 million for the 2007 financial year.

<b>Profit and loss account (MNOK)</b>	<b>2007</b>	<b>2006</b>
Operating revenues	1 827	1 267
Operating costs	1 724	1 307
Operating profit (loss)	<b>102</b>	<b>-41</b>
Net financial items	27	-44
Profit before tax	<b>130</b>	<b>-85</b>
Tax	18	7
Profit after tax	<b>112</b>	<b>-77</b>

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	0	22
Tangible fixed assets	790	843
Fixed asset investments	12	10
Total fixed assets	<b>802</b>	<b>875</b>
Current assets	939	869
Total assets	<b>1 741</b>	<b>1 744</b>
Subscribed equity	164	164
Retained earnings/other equity	409	304
Total equity	<b>573</b>	<b>468</b>
Provisions for liabilities and charges	34	13
Long-term liabilities	367	439
Current interest-bearing liabilities	497	596
Current interest-free liabilities	270	227
Total liabilities	<b>1 168</b>	<b>1 275</b>
Total equity and liabilities	<b>1 741</b>	<b>1 744</b>

<b>Cash flow</b>	<b>2007</b>	<b>2006</b>
Operational activities	285	-235
Investment activities	-101	-80
Financing activities	-188	314
Change in liquid assets	<b>-4</b>	<b>-1</b>

<b>Key figures</b>	<b>2007</b>	<b>2006</b>
Capital employed	1 437	1 503
EBITDA	364	80
EBIT	211	-22
Equity ratio	33%	27%
Annual return on equity	21%	-15%
Average return on equity over last 5 years	20%	
Return on capital employed	29%	-3%

<b>Dividend</b>	<b>2007</b>	<b>2006</b>
Provisions for dividend	7	7
Dividend ratio	6%	N/A
Average dividend ratio over last 5 years	37%	
Dividend payable to the State	7	7

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	396	366
% of employees in Norway	100%	100%
State shareholding at year-end	99.94%	99.94%
Total% of women on the board	50%	50%
% of female shareholder-elected directors	60%	60%



# Veterinærmedisinsk Oppdragscenter AS

**ADDRESS:** P.O. Box 300 Sentrum, NO-0103 Oslo  
**TELEPHONE:** +47 22 96 11 00  
**INTERNET:** www.veso.no  
**CEO:** Arne Ruud

**CHAIRMAN:** Bjørn Kolltveit  
**BOARD MEMBERS:** Kristin Woje Ellingsen,  
 Per Folkestad, Marit Dille, Geir Kongsmo\*

**AUDITOR:** ESS Revisjon AS  
**STATE OWNERSHIP:** 51%  
 (Ministry of Agriculture and Food)

\* EMPLOYEE REPRESENTATIVES

Established in 1988, **Veterinary Science Opportunities (VESO)** is owned by the State, represented by the Ministry of Agriculture and Food (51 per cent) and the state-owned enterprise SIVA SF (49 per cent). VESO is a knowledge-based company with a scientific platform in Norwegian veterinary medicine and related fields. The company operates on the open market and is subject to the same commercial operation requirements as private participants in the market. The company has 37 employees.

VESO seeks to actively provide expertise and services to the veterinary research communities and the veterinary medical field. This includes the sale of veterinary medicines. A significant part of its operations relates to delivering products to and performing assignments for the Norwegian fish-farming and aquaculture industries. The company is a world leader in carrying out controlled infection experiments to test fish vaccines and ingredients. The research station at Vikan is vital to aquaculture activities, both in Norway and abroad.

This year the company has had a strategy that has led to acquisition of a consultancy firm within breeding and genetics (Akvaforsk Genetics Center (AFGC)), which the company believes will yield positive synergies with VESO's expertise in fish health.

## Key events

In 2007 VESO agreed to discontinue collaboration with a partner involved in distribution of veterinary medicines, and in this connection, receivables worth NOK 3 million were written down. VESO then applied for and was granted an owner's licence to operate a pharmacy. The pharmacy looks set to open in the first half of 2008. VESO Trondheim was transferred to the National Veterinary Institute. Akvaforsk Genetics Center (AFGC) was purchased, and VESO now owns 89.54 per cent of the shares in the company.

In early 2008, SIVA SF sold its stake in VESO AS.

## Financial trends

Because of the write-down of receivables the company did not perform as expected financially in 2007. However, overall developments in the company were positive, and Vikan in particular increased its turnover and improved its profit in 2007. Once again, the wholesale operations had lower margins and sales than in 2006 due to the restructuring operations. This trend looks set to continue in 2008. The company's equity was reduced as a result of changes in the pension liabilities.

The board has decided to recommend to the general meeting a dividend of NOK 1.5 million, in line with previous years.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	149.4	166.2
Operating costs	<b>149.5</b>	<b>163.1</b>
Operating profit (loss)	-0.1	3.2
Net financial items	<b>0.8</b>	<b>0.6</b>
Profit before tax	<b>0.7</b>	<b>3.8</b>
Tax	-0.4	1.1
Profit after tax	<b>1.1</b>	<b>2.7</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	0.5	1.0
Tangible fixed assets	13.7	12.1
Fixed asset investments	12.3	4.1
Total fixed assets	<b>26.5</b>	<b>17.3</b>
Current assets	39.4	49.8
Total assets	<b>66.0</b>	<b>67.1</b>

Subscribed equity	5.0	5.0
Retained earnings/other equity	29.0	32.3
Total equity	<b>34.0</b>	<b>37.3</b>
Provisions for other liabilities and charges	2.9	0.0
Long-term liabilities	5.8	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	23.3	29.8
Total liabilities	<b>32.0</b>	<b>29.8</b>
Total equity and liabilities	<b>66.0</b>	<b>67.1</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	39.8	37.3
EBITDA	0.9	3.8
EBIT	0.9	3.8
Equity ratio	52%	56%
Annual return on equity	3%	7%
Average return on equity over last 5 years	6%	
Return on capital employed	2%	7%

<i>Dividend</i>	<i>2007</i>	<i>2006</i>
Provisions for dividend	1.5	1.5
Dividend ratio	135%	56%
Average dividend ratio over last 5 years	43%	
Dividend payable to the State	0.8	0.8

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	37	46
% of employees in Norway	100%	100%
State shareholding at year-end	51%	51%
Total % of women on the board	40%	40%
% of female shareholder-elected directors	50%	50%







## Companies with sectoral policy objectives (category 4)



Companies with sectoral policy objectives are companies where the main goals of the State ownership are not commercial. State ownership of these companies is intended to achieve sectoral and societal objectives in several areas. Although the companies do not focus on commercial objectives, they may have business objectives in addition to their main goals. The companies' degree of commercial orientation varies. Several of these companies operate in natural monopolies markets. The State stipulates requirements for the companies to ensure that the sectoral policy objectives of its ownership are reached as efficiently as possible, and required rates of return are determined for several of the companies based on the company's risk profile.

	PAGE		PAGE		PAGE
<b>CATEGORY 4</b>		Kompetansesenter for IT i		SIVA SF	87
<b>Companies with sectoral policy objectives</b>		helse- og sosialsektoren AS	80	Statnett SF	88
Avinor AS	74	Norsk Eiendomsinformasjon AS	81	Statskog SF	89
Bjørnøen AS	75	Norsk Rikskringkasting AS	82	Uninett AS	90
Enova SF	76	Norsk samfunnsvitenskapelig datatjeneste AS	83	Universitetssenteret på Svalbard AS	91
Gassco AS	77	Norsk Tipping AS	84	AS Vinmonopolet	92
Itas amb AS	78	Petoro AS	85	Gassnova SF <sup>1</sup>	93
Kings Bay AS	79	Simula Research Laboratory AS	86	Innovasjon Norge <sup>1</sup>	94
				Norfund <sup>1</sup>	95

<sup>1</sup> Not included in Report no. 13 (2006-2007) to the Storting.





# AVINOR

## Avinor AS

**ADDRESS:** P.O. Box 150, NO-2061 Gardermoen  
**TELEPHONE:** + 47 815 30 550  
**INTERNET:** www.avinor.no  
**CEO:** Sverre Quale

**CHAIRMAN:** Inge K. Hansen  
**BOARD MEMBERS:** Kristin Vangdal, Oddbjørg Starrfelt, Anne Stärk-Johansen, Petter Jansen, Dag Helge Hårstad, Helge Løbergslis\*, Magne Jerpstad\*, Ingrid Synnøve Brendryen\*

**AUDITOR:** PricewaterhouseCoopers AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Transport and Communications)

\* EMPLOYEE REPRESENTATIVES

**Avinor AS** was established on 1 January 2003 by the conversion of the public sector enterprise Luftfartsverket into a state-owned limited company. The Avinor Group is comprised of the parent company Avinor AS and its subsidiaries Oslo Lufthavn AS, Oslo Lufthavn Eiendom AS, Avinor Parkeringsanlegg AS, Flesland Eiendom AS, Værnes Eiendom AS and Sola Hotel Eiendom AS. The parent company is divided into three divisions dealing with large airports, medium-sized airports and regional airports respectively and one division dealing with Air Traffic Management (ATM).

Avinor is responsible for planning, constructing and operating airports and the ATM division in Norway. The company is responsible for 46 state-owned airports, 12 of which are run in collaboration with the Norwegian Armed Forces. The ATM division provides services to the civilian and military sectors and includes control towers, control centres and navigation equipment. Avinor performs a number of mandatory tasks for society. The company's operations are funded by user fees and commercial revenues linked to the airports.

The objective of State ownership of Avinor is to facilitate safe, efficient and environmentally friendly air services throughout Norway. The company is to be self-financing and efficiently and well run, and provide the State with a fair increase in value over time.

Every second year the Ministry of Transport and Communications submits a report to the Storting on Avinor's operations. It forms the basis for its corporate governance in coming years. In Report no. 15 (2006-2007) to the Storting the Ministry reported on important matters that

have been agreed to or implemented and on the company's main challenges, strategies and plans for the future.

### Key events

The number of passengers increased by 6.8 per cent in 2007 to 38.7 million. The bulk of the growth in traffic is due to increased international traffic at the biggest airports.

In 2007 Avinor was certified as a supplier of ATM services in line with new EEA rules. 10 STOL airports were upgraded in line with new safety requirements. Avinor has begun introducing a satellite-based landing system at the STOL airports.

Greenhouse gas emissions from civil domestic aviation in Norway accounted for 1.7 per cent of the country's total CO<sub>2</sub> emissions in 2005. "The economic and environmental impact of air transport" project was initiated by the aviation industry in Norway in early 2007. The work concluded with that it is possible to achieve zero growth of greenhouse gas emissions from aviation up to 2020 even with considerable traffic growth.

### Financial trends

Operating revenue of the Avinor Group increased by 11 per cent to NOK 6 869 million in 2007 against NOK 6 198 million in 2006. Pre-tax profit in 2007 was NOK 845 million compared with NOK 536 million in 2006. Total operating costs increased by 9.4 per cent in 2007. Return on invested capital represented 4.26 per cent against 3.54 per cent in 2006. A dividend payment of NOK 397 million to the State has been proposed for the 2007 financial year.

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	6 689	6 018
Operating costs	5 750	5 257
Reversal of airport operations liability provision	180	180
Operating profit (loss)	<b>1 120</b>	<b>942</b>
Net financial items	-274	-406
Profit before tax	<b>845</b>	<b>536</b>
Tax	200	103
Profit after tax	<b>645</b>	<b>433</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	736	657
Tangible fixed assets	19 790	18 852
Fixed asset investments	22	24
Total fixed assets	<b>20 547</b>	<b>19 533</b>
Current assets	2 068	2 876
Total assets	<b>22 615</b>	<b>22 410</b>

Subscribed equity	5 905	5 905
Retained earnings/other equity	1 824	1 575
Equity	<b>7 728</b>	<b>7 480</b>
Provisions for liabilities and charges	5 955	6 075
Long-term interest-bearing liabilities	6 358	6 587
Long-term interest-free liabilities	67	68
Current interest-bearing liabilities	0	0
Current interest-free liabilities	2 507	2 199
Total liabilities	<b>14 887</b>	<b>14 930</b>
Total equity and liabilities	<b>22 615</b>	<b>22 410</b>

<i>Cash flow</i>	2007	2006
Operational activities	1 713	1 698
Investment activities	-1 989	-1 638
Financing activities	-552	-361
Change in liquid assets	<b>-828</b>	<b>-301</b>

<i>Key figures</i>	2007	2006
Capital employed	14 086	14 067
EBITDA	2 470	2 218
EBIT	1 246	1 033
Equity ratio	34%	33%
Annual return on equity	8%	6%
Average return on equity over last 5 years	4%	
Return on capital employed	9%	7%
Regularity (% of planned departures carried out)	98.4%	97.8%
Punctuality (% of departures carried out with max 15 minutes' delay)	82.2%	81.6%
Traffic (total number of passengers in 1000s)	38 681	36 204

<i>Dividend etc.</i>	2007	2006
Provisions for dividend	397	325
Dividend ratio	62%	75%
Average dividend ratio over last 5 years	67%	
Dividend payable to the State	397	325

<i>Other information</i>	2007	2006
No. of employees	2 889	2 792
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	44%	33%
% of female shareholder-elected directors	50%	50%



© Gaute Brøvik



# Bjørnøen AS

**BJØRNØEN AS**

**ADDRESS:** NO-9173 Ny-Ålesund  
**TELEPHONE:** +47 79 02 00  
**INTERNET:** www.kingsbay.no  
**MANAGING DIRECTOR:** Oddvar Midtkandal

**CHAIRMAN:** Knut M. Ore  
**BOARD MEMBERS:** Ann-Kristin Olsen, Kirsten Broch Mathisen, Pål Presterud, Egil Murud

**AUDITOR:** Ishavsbyen Revisjon AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Trade and Industry)

**Bjørnøen AS** owns all the land and several buildings with historical value on the Arctic island of Bjørnøya. Bjørnøen AS was acquired by the State in 1932, and in 1967 it was placed administratively under Kings Bay AS, which also provides management services to the company. Part of the government subsidy allocated to Kings Bay AS is transferred to Bjørnøen AS for its operations.

The Norwegian Meteorological Institute's weather forecasting division for northern Norway leases property for its meteorological station on Bjørnøya. This division is also responsible for coordinating the scientific activities conducted on the property that it leases on the island.

The Bjørnøya nature reserve was established on 16 August 2002. The conservation order encompasses the entire island except for one small tract of land. The Governor of Svalbard is the administrative authority with responsibility for supervising the nature reserve.

Bjørnøen AS's objective is to operate and utilise the company's properties on Bjørnøya and carry out other activities related to this. The purpose of the State's ownership of Bjørnøen AS is to safeguard Norwegian sovereignty by owning property on Bjørnøya, which the company is authorised to do. Bjørnøya has a strategically important geographical position, half way between Norway's mainland and Svalbard. A small tract of land on the island will be able to safeguard any supply and transport requirements and act as an emergency port in connection with any production of oil in the Barents Sea and other activities in the northerly areas.

## Financial trends

The company's operating revenues derive from the leasing of property and came to NOK 15 248 in 2007. Any operating costs that exceed this amount are covered by a subsidy transferred from Kings Bay AS, which is allocated in the national budget. The subsidy came to NOK 148 140 in 2007, compared with NOK 221 924 in 2006.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	0.16	0.24
Of which transferred from Kings Bay AS	0.15	0.22
Operating costs	0.16	0.24
Operating profit (loss)	<b>0.00</b>	<b>0.00</b>
Net financial items	0.00	0.00
Profit before tax	<b>0.00</b>	<b>0.00</b>
Tax	0.00	0.00
Profit after tax	<b>0.00</b>	<b>0.00</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	0.00	0.00
Tangible fixed assets	3.90	3.90
Fixed asset investments	0.00	0.00
Total fixed assets	<b>3.90</b>	<b>3.90</b>
Current assets	0.19	0.25
Total assets	<b>4.09</b>	<b>4.15</b>

Subscribed equity	4.00	4.00
Retained earnings/other equity	0.04	0.04
Equity	<b>4.04</b>	<b>4.04</b>
Provisions for liabilities and charges	0.00	0.00
Long-term liabilities	0.00	0.00
Current interest-bearing liabilities	0.00	0.00
Current interest-free liabilities	0.05	0.11
Total liabilities	<b>0.05</b>	<b>0.11</b>
Total equity and liabilities	<b>4.09</b>	<b>4.15</b>

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	0	0
% of employees in Norway	N/A	N/A
State shareholding at year-end	100%	100%
Total % of women on the board	40%	40%
% of female shareholder-elected directors	40%	40%



Photo: Kristian Thowesen

## Enova SF



**ADDRESS:** Abelsgate 5, NO-7030 Trondheim  
**TELEPHONE:** + 47 73 19 04 30  
**INTERNET:** www.enova.no  
**ACTING CEO:** Fridtjof Unander

**CHAIRMAN:** Jørn Rattsø  
**BOARD MEMBERS:** Eimund Nygård,  
 Karin Refsnes, Cathrine Hambro,  
 Andreas K. Enge\*

**AUDITOR:** Ernst & Young  
**STATE OWNERSHIP:** 100%  
 (Ministry of Petroleum and Energy)

\* EMPLOYEE REPRESENTATIVES

Enova SF was established by Royal Decree dated 1 June 2001 which came into force on 22 June 2001. This Royal Decree was based on the fact that the Storting had on 5 April 2001 agreed to the Government's proposal regarding a new funding model and reorganisation of the work of restructuring energy consumption and generation.

Enova's main objective is to promote an environmentally friendly restructuring of energy consumption and generation. In connection with this, Enova manages the Energy Fund.

The task of managing the Energy Fund was assigned to Enova through a long-term agreement between the Ministry of Petroleum and Energy and Enova. This agreement stipulates the goals of Enova's operations.

Enova's management of the Energy Fund is intended to contribute to:

- More efficient use of energy
- The increased use of energy carriers other than electricity and oil for heating
- Increased generation using renewable energy sources
- The introduction and development of new technologies and solutions in the energy market
- Well-functioning markets for efficient, environmentally friendly energy solutions
- Greater knowledge in society about the opportunities for using efficient, environmentally friendly energy solutions.

### Key events

Enova presented its annual report for 2007 in February 2008. It reported total contractually agreed energy results of 10.1 TWh for the 2001-2007 period. The target for the period was 10 TWh.

### Financial trends

The annual budget framework for Enova's operations is determined annually by the Ministry of Petroleum and Energy and is covered by the Energy Fund. Since the company does not generate revenue itself, no dividend is determined for distribution from Enova. Enova is not liable to pay tax. When Enova SF was established, NOK 5 million was contributed to the company as invested capital.

Enova's administration framework for 2007 was stipulated to be NOK 61 million, including VAT.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	51.0	38.8
Operating costs	51.1	39.2
Operating profit (loss)	<b>-0.1</b>	<b>-0.4</b>
Net financial items	0.7	0.4
Profit before tax	<b>0.6</b>	<b>0.0</b>
Tax	0.0	0.0
Profit after tax	<b>0.6</b>	<b>0.0</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	0.0	0.0
Tangible fixed assets	0.2	0.3
Fixed asset investments	0.0	0.0
Total fixed assets	<b>0.2</b>	<b>0.3</b>
Current assets	23.4	20.1
Total assets	<b>23.6</b>	<b>20.3</b>

Subscribed equity	5.0	5.0
Retained earnings/other equity	4.9	4.2
Total equity	<b>9.9</b>	<b>9.2</b>
Provisions for liabilities and charges	0.0	0.0
Long-term interest-bearing liabilities	0.0	0.0
Long-term interest-free liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	13.7	11.1
Total liabilities	13.7	11.1
Total equity and liabilities	23.6	20.3

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Energy target	10.0	7.0
Contractually agreed energy result	10.1	8.3

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	44	37
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	40%	40%
% of female shareholder-elected directors	50%	50%





# Gassco AS

**ADDRESS:** P.O. Box 93, NO-5501 Haugesund  
**TELEPHONE:** +47 52 81 25 00  
**INTERNET:** www.gassco.no  
**MANAGING DIRECTOR:** Brian Bjordal

**CHAIRMAN:** Brit Kristin Sæbø Rugland  
**BOARD MEMBERS:** Trygve Refvem, Elisabeth Krokeide, Mimi Berdal, Sverre Quale, Kjellaug Høie Jonassen\*, Bjarne Aarset\*

**AUDITOR:** Deloitte AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Petroleum and Energy)

\* EMPLOYEE REPRESENTATIVES

**Gassco AS** was established in 2001 as a wholly state-owned company managed by the Ministry of Petroleum and Energy. The company operates gas pipelines and transport-related gas processing facilities. This includes the operation and expansion of the gas transport system. Gas pipelines and transport-related gas processing facilities serve all producers of gas on the Norwegian continental shelf and promote the effective overall utilisation of the gas resources.

Gassco plays a key role in the ongoing development of the gas transport system and in coordinating the processes for further developing the infrastructure for transporting and processing gas from the Norwegian continental shelf. Gassco is also responsible for allocating capacity in the gas transport system.

The transport system is owned by a partnership comprised of companies that produce gas on the Norwegian continental shelf. Gassco's operations are conducted on behalf of the partnership at the partners' expense and risk, so Gassco has no earnings of its own. Companies wishing to transport gas pay transport tariffs, thus providing investors in the transport system with a reasonable rate of return.

Gassco is located in Bygnes in the municipality of Karmøy. At year-end 2007, the company had around 300 employees.

### Key events

In 2007, 86.7 billion standard cubic metres of gas were delivered from the Norwegian continental shelf through the integrated gas transport system. The transport network achieved a technical availability of 99.9 per cent.

On 1 July 2007 Gassco took over daily operation of the receiving terminals for Norwegian gas in Germany, Belgium and France.

The northern part of Langeled was opened for regular gas exports on 1 October 2007. On 1 September 2007, Gassco took over operating responsibilities for the Tampen Link pipeline put into operation on 10 October.

Gassco headed the work on a possible gas pipeline from Kårstø to Østlandet (Grenland), Western Sweden and Denmark. An overview showing the willingness to invest in the project was presented to the Minister of Petroleum and Energy on 29 January 2007. According to plan an investment decision can be made in October 2009, with start-up of operations in late 2012.

<b>Profit and loss account (MNOK)</b>	<b>2007</b>	<b>2006</b>
Operating revenues	0.0	0.0
Operating costs	0.0	0.0
Operating profit (loss)	<b>0.0</b>	<b>0.0</b>
Net financial items	0.5	0.3
Profit before tax	<b>0.5</b>	<b>0.3</b>
Tax	-0.2	-0.3
Profit after tax	<b>0.7</b>	<b>0.6</b>

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	0.1	0.0
Tangible fixed assets	65.1	52.7
Fixed asset investments	49.3	39.3
Total fixed assets	<b>114.4</b>	<b>92.0</b>
Current assets	247.7	174.9
Total assets	<b>362.1</b>	<b>266.9</b>

Subscribed equity	10.0	10.0
Retained earnings/other equity	3.6	2.9
Total equity	<b>13.6</b>	<b>12.9</b>
Provisions for liabilities and charges	22.0	26.5
Long-term interest-bearing liabilities	5.6	6.9
Current interest-bearing liabilities	16.9	14.4
Current interest-free liabilities	304.0	206.2
Total liabilities	<b>348.5</b>	<b>254.0</b>
Total equity and liabilities	<b>362.1</b>	<b>266.9</b>

<b>Cash flow</b>	<b>2007</b>	<b>2006</b>
Operational activities	12.9	79.1
Investment activities	-30.8	-15.3
Financing activities	-1.3	-4.4
Change in liquid assets	<b>-19.2</b>	<b>59.4</b>

<b>Other key figures</b>	<b>2007</b>	<b>2006</b>
Regularity	99.7%	99.6%
Gas transported to onshore		
terminals in Europe (billion Sm <sup>3</sup> )	86.7	84.6
Largest daily delivery (mill. Sm <sup>3</sup> )	314.7	300.0
Shipping arrival Kårstø	755.0	638.0
Income rates operator liability Gassco	26 416.0	27 231.0
Operator liability costs Gassco	4 101.0	3 958.0
Operator liability investments Gassco	618.0	578.0
Major projects	2 321	1 341

<b>State subsidy/public procurements</b>	<b>2007</b>	<b>2006</b>
Subsidy to CO <sub>2</sub> value-chain studies	8.9	11.5

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	302	155
% of employees in Norway	62%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	57%	50%
% of female shareholder-elected directors	60%	50%







# Itas amb AS

**ADDRESS:** P.O. Box 436 Økern, NO-0513 Oslo  
**TELEPHONE:** +47 23 37 17 00  
**INTERNET:** www.itasamb.no  
**MANAGING DIRECTOR:** Arne Smith

**CHAIRMAN:** Sissel Ose Pedersen  
**BOARD MEMBERS:** Ellen Catharina Bjercke, Olav Råmunddal, Harald Thomas Ellefsen, Birgit Skage\*, Morten Andersen\*

**AUDITOR:** Revisjonsfirmaet Åsvang & Co  
**STATE OWNERSHIP:** 46,1% (Ministry of Justice and the Police)  
 7,28 pst (Ministry of Labour and Social Inclusion)

\* EMPLOYEE REPRESENTATIVES

The company was established in 1966 and worked then for a normalised transition to working life for prisoners. Today the company is a labour market/rehabilitation company with company environments in sheet metal stamping, welding, logistics, sales, food service, switchboard, cleaning etc. The company offers labour market rehabilitation services to approximately 250 participants.

Itas amb shall offer persons of working age who are outside the workforce clarification, facilitation and qualification in a relevant company environment. Itas amb shall provide offers of adapted work for participants with little chance of finding work in ordinary working life.

The goal of rehabilitation is to activate and find jobs for more people and reduce the number of people collecting social security and benefits. The company's vision is "The path to work in an inclusive society".

## Key events

In 2007 the company was assigned a number of new authorisations for its rehabilitation work. Furthermore, its turnover of ordinary goods increased by almost 50 per cent compared with 2006. On 16 December 2005 the Storting consented to selling the State's shares in Industrijeneste AS (now ITAS amb AS), AS Rehabil and Blindes produkter AS, cf. Proposition no. 20 (2005-2006) to the Storting and Recommendation no. 47 (2005-2006) to the Storting. An attempt will be made to sell the State's shares in accordance with this decision. The process has been initiated.

## Financial trends

In all, turnover in 2007 rose by 34 per cent and earnings amounted to NOK 7.8 million, against NOK 0.6 million in 2006. As a rehabilitation undertaking the company does not pay tax. Nor are the owners permitted to take out a dividend from the company.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	49.7	37.1
Operating costs	42.1	36.5
Operating profit (loss)	<b>7.6</b>	<b>0.6</b>
Net financial items	0.2	0.0
Profit before tax	<b>7.8</b>	<b>0.6</b>
Tax	0.0	0.0
Profit after tax	<b>7.8</b>	<b>0.6</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	0.0	0.0
Tangible fixed assets	2.1	2.5
Fixed asset investments	0.0	0.0
Total fixed assets	<b>2.1</b>	<b>2.5</b>
Current assets	18.6	10.4
Total assets	<b>20.8</b>	<b>12.9</b>

Subscribed equity	0.7	0.7
Retained earnings/other equity	13.2	5.4
Equity	<b>13.9</b>	<b>6.1</b>
Provisions for liabilities and charges	0.0	0.0
Long-term interest-bearing liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	6.9	6.8
Total liabilities	<b>6.9</b>	<b>6.8</b>
Total equity and liabilities	<b>20.8</b>	<b>13</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	13.9	6.1
EBITDA	8.7	1.6
EBIT	7.9	0.7
Equity ratio	67%	47%
Annual return on equity	78%	10%
Average return on equity over last 5 years	24%	
Return on capital employed	79%	12%

<i>Dividend</i>	<i>2007</i>	<i>2006</i>
Provisions for dividend	0	0
Average dividend ratio over last 5 years	0%	

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	30	26
% of employees in Norway	100%	100%
State shareholding at year-end	53%	53%
Total % of women on the board	50%	50%
% of female shareholder-elected directors	33%	33%





# Kings Bay AS

**ADDRESS:** NO-9173 Ny-Ålesund  
**TELEPHONE:** +47 79 02 72 00  
**INTERNET:** www.kingsbay.no  
**MANAGING DIRECTOR:** Oddvar Midtkandal

**CHAIRMAN:** Knut M. Ore  
**BOARD MEMBERS:** Ann-Kristin Olsen,  
 Kirsten Broch Mathisen, Pål Presterud,  
 Egil Murud

**AUDITOR:** Ishavsbyen Revisjon AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Trade and Industry)

**Kings Bay AS** owns the land and most of the buildings in Ny-Ålesund on Svalbard. The company is responsible for the town's infrastructure, including the protection of the environment and cultural heritage sites. The operation of the infrastructure includes emergency preparedness, sea services, air transport, workshop services, accommodation, food/refreshments, and water and electricity supply. The company is responsible for land-use planning in Ny-Ålesund. The company has leased out some of its facilities and buildings to a number of Norwegian and foreign research institutions, which carry out extensive operations in Ny-Ålesund. Around 20 countries conduct research projects in the area around Ny-Ålesund each year. Emphasis has been placed on the company being a neutral organiser of infrastructure services for the various research environments on site, so that both Norwegian and foreign interests are safeguarded.

The company also supplies some tourism services, especially to the large tourist ships and other vessels that make daily port calls during the summer season.

As a result of the investments made in Ny-Ålesund in recent years, Ny-Ålesund serves today as a good and functional base for international research and environmental monitoring. Ny-Ålesund has become a research station with an advanced environmental profile and an international centre for research into climate and environment-related issues. The company's employees are equivalent to around 25 man-years.

The purpose of the State's ownership of Kings Bay AS is to ensure the development of Ny-Ålesund as a centre for scientific research on Svalbard. Ny-Ålesund is to be developed as a green research station, and it stipulated that Kings Bay AS must ensure that necessary measures are taken to reduce the environmental impact of the activities in the Ny-Ålesund area to a minimum.

## Key events

On 20-22 August 2007 Ny-Ålesund again played host to an international symposium. This year's topic was "Global Climate Change – the Need for Action". The Ny-Ålesund Symposium is a forum where invited participants, scientists, politicians and the business community have met to discuss economics, the environment, politics and society based on the changing Arctic. The intention is to make the symposium an annual event.

In 2007 the Office of the Auditor General of Norway carried out a performance audit of Svalbard. In the audit the comment was made that the measures to preserve Ny-Ålesund as a reference area for climate and environment-related research are still not considered sufficient. The Office of the Auditor General of Norway has also pointed out the need to assess measures for ensuring a high level of Norwegian research activities in Ny-Ålesund.

## Financial trends

Kings Bay AS aims for its management accounts to break even, while major investments and other extraordinary costs that are incurred due to the company's special obligations are covered by a State subsidy. Kings Bay AS's operating profit came to NOK 780 700, compared to NOK 236 587 in 2006. The annual result without the State subsidy and before tax was a profit of NOK 1 142 360, compared to a profit of NOK 220 830 for 2006. This positive earnings performance is mainly due to the number of guest nights increasing by just over 2 500 compared with the previous year while expenses were also kept under control. Another factor is the increase in the number of cruise ship tourists by 3 400 from 2006. Revenue increased in 2007 by NOK 4 million to NOK 40.7 million in 2007. The company received NOK 15 million in ordinary subsidy from the State in 2007. In 2007 the company undertook capital outlays totalling NOK 4.5 million on buildings and other infrastructure. Of the subsidy NOK 11.1 million was transferred to 2008. This applies to funds related to garage and provisions for the power station and airport.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	40.7	36.8
Operating costs	40.0	36.6
Operating profit (loss)	<b>0.8</b>	<b>0.2</b>
Net financial items	0.4	0.0
Profit before tax	<b>1.1</b>	<b>0.2</b>
Tax	0.1	0.0
Profit after tax	<b>1.0</b>	<b>0.2</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	0.1	0.2
Tangible fixed assets	0.0	0.0
Fixed asset investments	0.0	0.0
Total fixed assets	<b>0.1</b>	<b>0.2</b>
Current assets	25.0	18.6
Total assets	<b>25.1</b>	<b>18.9</b>

Subscribed equity	7.0	7.0
Retained earnings/other equity	1.4	0.4
Equity	<b>8.4</b>	<b>7.4</b>
Provisions for liabilities and charges	0.0	0.0
Long-term interest-bearing liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	16.7	11.5
Total liabilities	<b>16.7</b>	<b>11.5</b>
Total equity and liabilities	<b>25.1</b>	<b>18.9</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	9.6	2.4
Investment activities	0.0	0.0
Financing activities	0.0	0.9
Change in liquid assets	<b>9.6</b>	<b>3.3</b>

<i>State subsidy</i>	<i>2007</i>	<i>2006</i>
State subsidy	15.0	13.0
Other subsidies for investments	0.0	1.8
Transfer to Bjørnøen AS	-0.2	-0.2
Total subsidy to Kings Bay AS	<b>14.9</b>	<b>14.6</b>
Utilisation of subsidy		
Investments	7.4	13.7
Transferred from prior years	3.7	2.9
Transferred to next year	11.2	3.7
Coverage of loss	0.0	0.0
Total utilisation	18.5	17.4

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	25	23
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	40%	40%
% of female shareholder-elected directors	40%	40%





Kompetansesenter for IT  
i helse- og sosialsektoren AS

**ADDRESS:** Sukkerhuset, NO-7489 Trondheim  
**TELEPHONE:** +47 73 59 86 00  
**INTERNET:** firmapost@kith.no  
**CEO:** Jacob Hygen

**CHAIRMAN:** Ivar Gammelo  
**BOARD MEMBERS:** Evy-Anni Evensen,  
 Trude Mathisen, Elisabeth Sunde,  
 Ruth Astrid Mule, Kristin Bang, Grete Bach\*

**AUDITOR:** Ernst & Young  
**STATE OWNERSHIP:** 70%  
 (Ministry of Health and Care Services)  
 10,5% (Ministry of Labour and Social Inclusion)  
 \* EMPLOYEE REPRESENTATIVES

KITH AS was established in 1990 as a publicly-owned limited company. KITH (Norwegian Centre for Informatics in Health and Social Care) is owned today by the Ministry of Health and Care Services (70 per cent), Ministry of Labour and Social Inclusion (10.5 per cent) and Norwegian Association of Local Authorities (19.5 per cent).

The company's new strategy (2008-13) has increased electronic cooperation between service providers in the health and social services sector as a main goal, and as a main strategy KITH shall promote standardisation and coordination to strengthen the health and social sector's overall commitment to ICT and increasing the benefit of this commitment.

KITH carries out in part tasks funded by the central government health and social welfare administration in the fields of standardisation and coordination (concepts, encoders, information exchange standards, information security and electronic patient record systems, etc) and in part assignments for the health and social welfare sector's various players (central government authorities and administration, health authorities, municipalities, etc). KITH participates in international standardisation work and international professional networks.

**Key events**

The development of the company accords well with the strategy that has been laid down. The standardisation work has received increased attention and there is greater willingness to require the use of standards. The testing and approval scheme for the suppliers' implementa-

tion of electronic reports has been consolidated. For the eResept project, KITH is developing the electronic reports and is the testing coordinator. The company has had a considerable engagement under the general agreement with Nasjonal IKT (ICT in the hospital sector), and has been awarded many of the assignments that have been put out to bid. KITH has important assignments for many of the municipal Lighthouse Projects in the national IT plan, S@mspill 2007, particularly the project for electronic medicine cards in Trondheim municipality. There has been dialogue with the Ministry of Labour and Social Inclusion, and with NAV, but dealings with the social services sector could still be expanded.

**Financial trends**

The company was established with share capital of NOK 6 million. For most years, the company has made profits that have been added to the company's equity so that it is proportional to the relatively strong expansion that has been in the company's scope of activities. Equity at the end of 2007 was NOK 10.9 million.

In 2007 the company had operating revenues of NOK 29.2 million and operating costs of NOK 29.3 million. This yielded an operating loss of NOK 151 983. Total profit including financial income was NOK 175 013.

In line with established practice the owners have not taken a dividend, enabling the entire profit to be used to strengthen KITH's further development.

<b>Profit and loss account (MNOK)</b>	<b>2007</b>	<b>2006</b>
Operating revenues	29.2	30.6
Operating costs	29	30.5
Operating profit (loss)	<b>-0.2</b>	<b>0.1</b>
Net financial items	0.3	0.2
Profit before tax	<b>0.2</b>	<b>0.4</b>
Tax	0.0	0.0
Profit after tax	<b>0.2</b>	<b>0.4</b>

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	0.0	0.0
Tangible fixed assets	0.8	0.6
Fixed asset investments	1.7	1.4
Total fixed assets	<b>2.6</b>	<b>2.0</b>
Current assets	14.2	12.9
Total assets	<b>16.8</b>	<b>14.9</b>

Subscribed equity	6.0	6.0
Retained earnings/other equity	4.9	4.7
Equity	<b>10.9</b>	<b>10.7</b>
Provisions for liabilities and charges	0.0	0.0
Long-term interest-bearing liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	0.0	0.0
Total liabilities	<b>5.9</b>	<b>4.2</b>
Total equity and liabilities	<b>16.8</b>	<b>14.9</b>

<b>Key figures</b>	<b>2007</b>	<b>2006</b>
Capital employed	10.9	10.7
EBITDA	0.8	1.2
EBIT	0.2	0.4
Equity ratio	65%	72%
Annual return on equity	2%	3%
Average return on equity over last 5 years	5%	
Return on capital employed	2%	4%

<b>Dividend</b>	<b>2007</b>	<b>2006</b>
Provisions for dividend	0	0
Average dividend ratio over last 5 years	0%	

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	29	29
% of employees in Norway	100	100%
State shareholding at year-end	80.5%	80.5%
Total % of women on the board	86%	50%
% of female shareholder-elected directors	83%	50%

# Norsk Eiendomsinformasjon AS



**ADDRESS:** Haakon VII's gt. 2, 0117 Oslo  
**TELEPHONE:** +47 23 11 39 30  
**INTERNET:** www.eiendomsinfo.no  
**MANAGING DIRECTOR:** Per Chr. Selmer

**CHAIRMAN:** Erik Keiserud  
**BOARD MEMBERS:** Tore V. Knudsen,  
 Kari Johanne Bjørnøy, Ingeborg Moen  
 Borgerud, Ingvild Myhre, Sissel Skovly\*,  
 Geir Vidar Mørner\*

**AUDITOR:** KMPG AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Justice and the Police)

\* EMPLOYEE REPRESENTATIVES

**Norsk Eiendomsinformasjon AS (NE)** was founded in 1987 under the name of Tinglysningsdata AS. The company's business idea was originally to implement EDP in the court system so that official registration of documents by the courts could be done electronically. Parallel with the introduction of EDP in the court system the company implemented an extensive conversion of the Register of Land and Land Charges to an electronic platform. In 1992 the company was taken over by the State via the Ministry of Justice and the Police and since then NE has been a wholly state-owned limited company.

NE's objective is to operate and further expand the Property Register (EDR) and engage in other related activities. The company is responsible for performing socially important tasks that will ensure the operation, maintenance and system development of the Register of Land and Land Charges. The company had 68 employees at year-end 2007. Pursuant to agreements with the Ministry of Justice and the Police and the Ministry of the Environment, represented by the Norwegian Mapping Authority, NE is entitled and obliged to disseminate information from the Register of Land and Land Charges (Grunnboken) and the Register of Real Properties, Addresses and Buildings (GAB Register). Data from the Register of Land and Land Charges and the Register of Real Properties, Addresses and Buildings are available online via the EDR database. This company has taken over the dissemination of basic map information from the Norwegian Mapping Authority. Infoland® is the company's Internet portal and system for counting, authorisation and invoicing. The system makes it possible to place direct orders with municipalities, housing cooperatives and other information providers in addition to accessing information in the EDR Property Register. Through Infoland®, NE offers direct access to information such as location maps, development plans and information regarding property taxes and municipal taxes.

NE is one of 10 partners in EULIS (European Land Information Service), in which NE is responsible for operating and developing the

technological solution. EULIS is a web portal that enables users to have electronic access to property information across European national borders.

## Key events

In 2007 NE spent much of its resources on cooperating with the registration authorities at the Norwegian Mapping Authority, Ministry of Justice and the Police and DnBNOR as pilot users, to develop a system for electronic registration. Use of electronic documents will be able to provide efficiency benefits for both submitter and registration authorities.

In 2007, the company once again contributed resources to ensure the continued transfer of official registration data from the district courts to the Norwegian Mapping Authority. This process was successfully concluded in 2007, with all registration now taking place at the Norwegian Mapping Authority.

NE made the necessary changes to the EDR Property Register so that it is ready for the Norwegian Mapping Authority's new land register system, which will replace the GAB Register.

## Financial trends

NE had revenue of NOK 218.5 million in 2007, an increase of 14 per cent from 2006. The operating profit for 2007 was NOK 20.8 million, and earnings after tax came to NOK 15.8 million, which is NOK 6.6 million higher than in 2006. At year-end 2007, NE had an equity ratio of 41 per cent. For the 2007 financial year, NE will pay 80 per cent of its after-tax profit as dividend, i.e. NOK 13 million.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	218	192
Operating costs	198	31
Operating profit (loss)	<b>21</b>	<b>12</b>
Net financial items	2	1
Profit before tax	<b>23</b>	<b>13</b>
Tax	7	4
Profit after tax	<b>16</b>	<b>9</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	1	2
Tangible fixed assets	14	14
Fixed asset investments	5	6
Total fixed assets	<b>119</b>	<b>21</b>
Current assets	94	81
Total assets	<b>113</b>	<b>103</b>

Subscribed equity	6	6
Retained earnings/other equity	40	37
Equity	<b>46</b>	<b>43</b>
Provisions for liabilities and charges	3	1
Long-term interest-bearing liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	64	58
Total liabilities	<b>67</b>	<b>59</b>
Total equity and liabilities	<b>113</b>	<b>103</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	33	9
Investment activities	-8	-8
Financing activities	-7	-10
Change in liquid assets	<b>18</b>	<b>-10</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	46	43
EBITDA	31	22
EBIT	23	14
Equity ratio	41%	42%
Annual return on equity	36%	22%
Average return on equity over last 5 years	29%	
Return on capital employed	51%	32%

<i>Dividend</i>	<i>2007</i>	<i>2006</i>
Provisions for dividend	13	7
Average dividend ratio over last 5 years	34%	
Dividend payable to the State	13	7

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	68	65
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	57%	57%
% of female shareholder-elected directors	60%	60%



© Norsk Eiendomsinformasjon AS



# Norsk Rikskringkasting AS

**ADDRESS:** NO-0340 Oslo  
**TELEPHONE:** +47 23 04 70 00  
**INTERNET:** www.nrk.no  
**DIRECTOR GENERAL:** Hans-Tore Bjerkaas

**CHAIRMAN:** Hallvard Bakke  
**BOARD MEMBERS:** Valgerd Svarstad  
 Haugland, Stig Herbern, Kåre Lilleholt, Sif Vik,  
 Karin Julsrud, Else Barratt-Due\*,  
 Geir Helljesen\*, Per Ravnaas\*

**AUDITOR:** PriceWaterhouseCoopers AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Culture and Church Affairs)

\* EMPLOYEE REPRESENTATIVES

The **Norwegian Broadcasting Corporation (NRK)** was established in 1933. The mission of NRK is to create value by informing, developing, challenging and entertaining Norway with varied, credible, important and innovative content distributed as images, sound and print.

NRK currently has just over 3 500 employees calculated as full-time equivalents. It is represented throughout Norway and has correspondents in a number of locations abroad.

NRK is organised as a wholly state-owned limited company. Ownership is managed by the Ministry of Culture and Church Affairs. NRK's primary objective is to produce and transmit public service broadcasting via radio, television and interactive media.

NRK's share of radio listeners rose to almost 70 per cent in 2007. While its share of television viewers dropped slightly it was over 40 per cent. The number of users of NRK's website, nrk.no, increased considerably in 2007, and this website is now in third place among content websites. With wide public support and a solid reputation, NRK is the clear leader in providing news coverage and a broad range of self-produced programmes. In sum, this makes NRK the dominant broadcaster in Norway.

Public broadcasting is an important instrument in Norwegian cultural and media policy. To ensure that NRK plays an important role in society, the State is involved in the company by exercising its ownership function, providing funding from licensing and establishing the public broadcasting requirements. NRK has a particular responsibility for promoting democratic, social and cultural values in society.

## Key events

On 1 September 2007 the digital terrestrial television network was opened in Rogaland. Throughout 2008 the digital terrestrial network will be expanded to the entire country and take over as NRK's primary distribution of television broadcasts. This means that the old analogue network will be shut down and wound up over the course of 2009. As part of the expansion of its digital programming, NRK opened its third TV channel, NRK3, in September 2007. In December the channel was expanded even more with separate program-

ming for children in the morning, daytime and afternoon.

The board of NRK adopted a new strategic plan for the period 2007 to 2012. The plan elucidates NRK's role in society as a public broadcaster. On this basis NRK is to establish a digital media house in the years to come, and it will spend considerable resources in developing digital products and services.

In 2007, NRK decided to establish a special programme to bolster multi-cultural recruitment to NRK. The training programme will be anchored in Østlandssendingen, the regional news office covering Oslo and Akershus.

Regional editor Hans-Tore Bjerkaas took over on 19 March as new director general after John G. Bernander.

## Financial trends

In 2007, NRK had a turnover of NOK 4 134 million, an increase of approximately NOK 288 million compared with 2006. NRK is to deliver balanced financial results over time. NRK had budgeted a loss of NOK 81 million in 2007, as a result of costs from the start-up of NRK3 and dual distribution of television broadcasts (both analogue and digital broadcasts). NRK posted a loss of NOK 159 million, of which NOK 80 million is due to NRK having to change its calculation of pension costs as the result of the new pension standard in 2007. The issue of costs relating to the new pension standard is being followed up by the Ministry of Culture and Church Affairs.

TV licence fees account for approximately 95 per cent of NRK's income. At year-end, the number of licence fees collected came to 1 825 000, the highest figure ever recorded. Ten to 11 per cent of the households believed to be liable still do not pay a TV licence fee.

NRK's commercial activities are organised through a wholly owned subsidiary, NRK Aktivum AS. Profits from this company contributed around NOK 82 million to programming operations in 2007. Over the next few years NRK will spend considerable resources on establishing the digital terrestrial network, and losses for these years must be expected.

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	4 009	3 882
Operating costs	4 193	3 901
Operating profit (loss)	<b>-184</b>	<b>-18</b>
Net financial items	-28	17
Profit before tax	<b>-212</b>	<b>-2</b>
Tax	1	3
Profit after tax	<b>-212</b>	<b>-4</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	1	0
Tangible fixed assets	1 601	1 467
Fixed asset investments	162	176
Total fixed assets	<b>1 764</b>	<b>1 643</b>
Current assets	1 425	1 566
Total assets	<b>3 189</b>	<b>3 209</b>

Subscribed equity	1 000	1 000
Retained earnings/other equity	342	554
Equity	<b>1 342</b>	<b>1 554</b>
Provisions for liabilities and charges	525	431
Long-term interest-bearing liabilities	0	0
Current interest-bearing liabilities	682	0
Current interest-free liabilities	640	1 223
Total liabilities	<b>1 847</b>	<b>1 654</b>
Total equity and liabilities	<b>3 189</b>	<b>3 209</b>

<i>Cash flow</i>	2007	2006
Operational activities	65	244
Investment activities	-385	-327
Financing activities	0	-1
Change in liquid assets	<b>-321</b>	<b>-84</b>

<i>Key figures</i>	2007	2006
Capital employed	2 024	1 554
EBITDA	54	250
EBIT	-199	18
Equity ratio	42%	48%
Annual return on equity	-15%	0%
Average return on equity over last 5 years	-1%	
Return on capital employed	-8%	1%
Licence fees as percentage of total revenue	93.3%	92.2%
Licence fees per year per household (incl. VAT)	2 104	2 039
Market share NRK TV	41.4%	43.5%
Market share NRK Radio	68.4%	65.7%

<i>State subsidy/public procurements</i>	2007	2006
Directorate for Education and Training, digital video archive	8.0	0.0
Other	0.3	0.0

<i>Dividend etc.</i>	2007	2006
Provisions for dividend	0	0
Average dividend ratio over last 5 years	0%	

<i>Other information</i>	2007	2006
No. of employees	3 590	3 470
% of employees in Norway	99.7%	99.7%
State shareholding at year-end	100%	100%
Total % of women on the board	44%	44%
% of female shareholder-elected directors	50%	50%



# Norsk samfunnsvitenskapelig datatjeneste AS

**ADDRESS:** Harald Hårfagres gate 29,  
NO-5007 Bergen

**TELEPHONE:** +47 55 58 21 17

**INTERNET:** www.nsd.uib.no

**CEO:** Bjørn Henriksen

**CHAIRMAN:** Bernt Aardal

**BOARD MEMBERS:** Knud Knudsen, Inger Njølstad, Lawrence Rose, Anne Skranefjell, Toril Aalberg, Atle Jåstad\*, Alette Mykkeltvedt\*

**AUDITOR:** Ernst & Young AS

**STATE OWNERSHIP:** 100%  
(Ministry of Education and Research)

\* EMPLOYEE REPRESENTATIVES

**Norsk samfunnsvitenskapelig datatjeneste AS (NSD)** was established in 1971 as an interdisciplinary agency body under the Research Council of Norway. On 1 January 2003, NSD was established as Norsk samfunnsvitenskapelig datatjeneste AS owned by the Ministry of Education and Research. The operations of NSD are organised on the basis of NSD's national responsibility for providing key and important data services for Norwegian research.

NSD's main objective is to ensure that data are disseminated and services provided to the research sector. The Ministry has also emphasised this in its administration of the new company, which is reflected in both the articles of association and composition of the board. Together, the members of the board cover a broad range of fields.

The main goal is to improve opportunities and working conditions for empirical research that is dependent on data. NSD is one of the world's largest archives of research data that are disseminated to researchers and students in Norway and abroad. In addition, NSD is a centre of expertise that provides guidance to researchers in regard to collecting data, analysing data, methods, the protection of personal data and research ethics. NSD is currently the personal data protection ombudsman for 140 Norwegian institutions, including all the universities and scientific colleges in Norway, state and private university colleges and several regional health authorities, etc.

NSD contributes to the internationalisation of Norwegian research through participation in international organisations and projects. Through binding cooperation on a number of projects, NSD participates in the efforts to develop a European and international database for use in comparative analyses. This cooperation facilitates the participation of Norwegian researchers in international research projects by giving them access to international data. At the same time data relating to Norwegian factors becomes available to the rest of the world.

## Key events

The number of users of NSD's services has increased sharply and most of NSD's users are affiliated with universities, university colleges, the institutional sector and social science disciplines. The company is also increasingly serving other disciplines, particularly medicine and health care.

In 2007 it employed approximately 67 full-time equivalents, including students employed part-time. The number for 2006 was 62.

## Financial trends

Revenues in the company are relatively stable, increasing by approximately 4 per cent from 2006 to 2007.

NSD AS posted earnings of NOK 2.0 million in 2007, against NOK 2.8 million in 2006. At year-end 2007 the company had an equity ratio of 57 per cent. The Research Council of Norway funded 24 per cent of NSD's activities and provided 34 per cent of the company's total funding when project support is included. The company's own sales revenues comprised 21 per cent of NSD's funding, while the ministries, the EU and other public and private principals provided the rest.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	37.2	35.8
Operating costs	36.0	33.8
Operating profit (loss)	<b>1.2</b>	<b>2.0</b>
Net financial items	0.8	0.8
Profit before tax	<b>2.0</b>	<b>2.8</b>
Tax	0.0	0
Profit after tax	<b>2.0</b>	<b>2.8</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	0.0	0.0
Tangible fixed assets	0.6	0.8
Fixed asset investments	1.3	1.4
Total fixed assets	<b>1.9</b>	<b>2.1</b>
Current assets	33.8	30.7
Total assets	<b>35.7</b>	<b>32.9</b>

Subscribed equity	7.4	7.3
Retained earnings/other equity	13.0	10.9
Equity	<b>20.3</b>	<b>18.3</b>
Provisions for liabilities and charges	0.0	0.0
Long-term interest-bearing liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	15.3	14.5
Total liabilities	<b>15.0</b>	<b>14.5</b>
Total equity and liabilities	<b>35.7</b>	<b>32.9</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	20.0	18.3
EBITDA	3.0	3.0
EBIT	2.7	3.0
Equity ratio	57%	56%
Annual return on equity	10%	17%
Average return on equity over last 4 years	20%	
Return on capital employed	14%	18%

<i>State subsidy/public procurements</i>	<i>2007</i>	<i>2006</i>
Subsidy from Ministry of Education and Research and other ministries	8.6	8.3
Funding from NFR	12.3	12.5
Total subsidy	<b>20.9</b>	<b>20.8</b>

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	67	62
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	43%	43%
% of female shareholder-elected directors	33%	50%







# Norsk Tipping AS

## NORSK TIPPING

**ADDRESS:** NO-2325 Hamar  
**TELEPHONE:** +47 62 51 40 00  
**INTERNET:** www.norsk-tipping.no  
**CEO:** Axel Krogvig

**CHAIRMAN:** Sigmund Thue  
**BOARD MEMBERS:** Ingvild Myhre, Knut Brofoss, Silvija Seres, Siv Tørudbakken, Helle Stine Næss\*, Petter Torgerhagen\*

**AUDITOR:** The Office of the Auditor General in Norway

**STATE OWNERSHIP:** 100%  
 (Ministry of Culture and Church Affairs)

\* EMPLOYEE REPRESENTATIVES

Established in 1946, **Norsk Tipping** has since 1993 been a wholly state-owned company structured pursuant to specific legislation. Norsk Tipping's core operation is to operate gambling in a socially acceptable form under public control. The company has an exclusive right to provide sports betting and other certain types of lotteries in Norway. At year-end 2007, the company had 322 employees.

Through its ownership of Norsk Tipping, the State aims to ensure that the company channels the Norwegian public's interest in gambling towards moderate, responsible games that do not create problems for society at large. Within the framework stipulated by the authorities, the company is to offer entertainment through responsible gambling opportunities aimed at preventing negative consequences of gambling and generating a profit for socially benevolent causes. However, the State's primary objective will never be to achieve the largest possible profit. The State's objective for Norsk Tipping is that the company contributes to the development of the gambling market in a socially responsible direction.

### Key events

In 2003, the Storting granted Norsk Tipping an exclusive right to operate gaming terminals. The objective was to prevent crime and to offer responsible forms of gaming terminals in line with social policy objectives. Both the EFTA Surveillance Authority, ESA, and the slot machine industry brought legal action against the State to have the law declared invalid pursuant to Norway's EEA law obligations. The EFTA Court handed down a judgment in favour of the State on 14 March 2007. The Norwegian Supreme Court handed down its judgment on 26 June 2007. Like the EFTA Court, the Supreme Court found no grounds for assuming other than that the slot machine monopoly will function as planned. Accordingly, this means Norsk Tipping can begin deploying its gaming terminals over the course of 2008.

The prohibition against the old slot machines that went into effect the summer of 2007 led to a considerable decline in the total revenues of the gambling market. Preliminary estimates from

Lotteritilsynet, the lottery supervision authority, appear to indicate that the decline is about 23 per cent. At the same time, the absence of slot machines has led to a small increase in turnover in many parts of the gambling market. In addition, Norsk Tipping introduced the number game Keno in November 2007.

The international bookmaker company Ladbrokes has sued the State, partly because it believes Norsk Tipping's exclusive right to operate certain gambling services contravenes the EEA Agreement. This case is pending before the Oslo District Court, which on 1 August 2006 asked the EFTA Court for an opinion relating to the EEA legislation. The opinion of the EFTA Court was issued on 30 May 2007. The case has been docketed for further hearings in Oslo District Court in May 2008. On the basis of the EFTA Court's opinion, the State expects a favourable ruling in this case too.

### Financial trends

Norsk Tipping's total operating revenues in 2007 came to NOK 10.4 billion, against NOK 9.6 billion in 2006. This was an increase of NOK 769 million or 8 per cent compared to 2006.

As a result of the higher turnover and continuing streamlining of operations, the company also posted sound earnings of NOK 3.1 billion for 2007, against NOK 2.8 billion in 2006. This is an increase of NOK 261 million, or 9.2 per cent.

Following an allocation to the investment fund the objects of the surplus – sports and culture – will each receive NOK 1 250 million, while the organisations that had revenues from the slot machine market in 2001 will receive NOK 150 million. NOK 12 million was set aside for gambling addiction, equivalent to the 2006 allocation. The health and rehab foundation Stiftelsen Helse og rehabilitering will receive NOK 218 million, an increase of NOK 20 million compared with 2006.

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	10 517	9 798
Operating costs	7 537	7 049
Operating profit (loss)	<b>2 981</b>	<b>2 750</b>
Net financial items	119	88
Profit before tax	<b>3 100</b>	<b>2 838</b>
Tax	0	0
Profit after tax	<b>3 100</b>	<b>2 838</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	0	0
Tangible fixed assets	319	414
Fixed asset investments	56	70
Total fixed assets	<b>375</b>	<b>484</b>
Current assets	4 752	4 040
Total assets	<b>5 127</b>	<b>4 524</b>

Subscribed equity	0.2	0.2
Retained earnings/other equity	1 651	1 373
Equity	<b>1 651</b>	<b>1 374</b>
Provisions for liabilities and charges	48	10
Long-term interest-bearing liabilities	0	0
Long-term interest-free liabilities	298	267
Current interest-bearing liabilities	0	0
Current interest-free liabilities	3 130	2 874
Total liabilities	<b>3 476</b>	<b>3 150</b>
Total equity and liabilities	<b>5 127</b>	<b>4 524</b>

<i>Cash flow</i>	2007	2006
Operational activities	3 192	3 227
Investment activities	-60	-87
Financing activities	-2 538	-2 588
Change in liquid assets	<b>594</b>	<b>552</b>

<i>Key figures</i>	2007	2006
Capital employed	1 651	1 640
Equity ratio	32%	30%
Total profit	<b>3 100</b>	<b>2 838</b>
Profit Health and Rehabilitation	219	198
Profit Norsk Tipping AS	2 881	2 640
Provision for investment fund	219	128
Provision for preventing gambling problems	12	12
Profit allocated to sport and culture	2 500	2 500
Profit allocated for other objectives <sup>1</sup>	150	0
Total utilised	2 881	2 640

<i>Other information</i>	2007	2006
No. of employees	322	324
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	57%	43%
% of female shareholder-elected directors	60%	40%

<sup>1</sup> Organisations that received funds from gaming machines in 2001



# Petoro AS



**ADDRESS:** P.O. Box 300 Sentrum,  
NO-4002 Stavanger

**TELEPHONE:** +47 51 50 20 00

**INTERNET:** www.petoro.no

**CEO:** Kjell Pedersen

**CHAIRMAN:** Gunnar Berge

**BOARD MEMBERS:** Hilde Myrberg, Nils-Henrik Mørch von der Fehr, Per Arvid Schøyen, Mari Thjømøe, Ove Skretting\*, Britt Bjelland\*

**AUDITOR:** Erga revisjon AS

**STATE OWNERSHIP:** 100%  
(Ministry of Petroleum and Energy)

\* EMPLOYEE REPRESENTATIVES

The state-owned limited company **Petoro AS** manages the State's direct financial interest (SDFI) on behalf of the State. The company's operations are regulated by Chapter 11 of the Act relating to petroleum activities. The company has a relatively small, flexible organisation. Since its establishment the company has in practice had an upper limit of 60 employees. This limit was abolished in the revised national budget in 2007.

Petoro is the licensee for, not the owner of, the SDFI portfolio on the Norwegian continental shelf. The company is not an operator. As a licensee for this considerable portfolio, Petoro has an opportunity to be a driving force for implementing value-creation measures with a particular focus on area approaches and the coordination of fields to achieve efficiency gains, cost reductions and increased recovery.

The overall objective for the SDFI portfolio management is to achieve the greatest possible income for the State.

As part of the State's joint ownership strategy, StatoilHydro arranges for the sale of the State's petroleum along with its own petroleum, pursuant to its own sales instructions. Petoro ensures that StatoilHydro's sale of the State's petroleum is carried out in line with these instructions. Revenues from StatoilHydro's sale of the State's petroleum are transferred directly from StatoilHydro to the State's account.

### Financial trends

Petoro is operated on the basis of grants from the State, and its operating budget in 2007 was NOK 178 million excluding VAT. Petoro's operating budget was increased to NOK 194 million in 2008. This was done to enable the company to handle an increased number of tasks, in part as a result of the merger of Statoil's and Norsk Hydro's petroleum activities.

Separate accounts are maintained for SDFI and Petoro's operations. A clear distinction is therefore drawn between financial aspects related to the SDFI portfolio and those related to Petoro's operations.

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	178.8	185.3
Operating costs	185.5	169.9
Operating profit (loss)	<b>-6.8</b>	<b>15.4</b>
Net financial items	6.5	1.9
Profit before tax	<b>-0.2</b>	<b>17.3</b>
Tax	0.0	0.0
Profit after tax	<b>-0.2</b>	<b>17.3</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	0.0	0.0
Tangible fixed assets	7.6	7.8
Fixed asset investments	0.0	0.0
Total fixed assets	<b>7.6</b>	<b>7.8</b>
Current assets	91.0	73.6
Total assets	<b>98.6</b>	<b>81.4</b>

Subscribed equity	10.0	10.0
Retained earnings/other equity	22.7	22.9
Equity	<b>32.7</b>	<b>32.9</b>
Provisions for liabilities and charges	32.3	23.5
Long-term interest-bearing liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	33.7	24.9
Total liabilities	<b>65.9</b>	<b>48.5</b>
Total equity and liabilities	<b>98.6</b>	<b>81.4</b>

<i>Cash flow</i>	2007	2006
Operational activities	15.6	17.3
Investment activities	-3.5	-1.9
Financing activities	0.0	0.0
Change in liquid assets	<b>12.1</b>	<b>15.4</b>

<i>Dividend</i>	2007	2006
Provisions for dividend	0	0
Average dividend ratio over last 5 years	0%	

<i>State subsidy/public procurements</i>	2007	2006
State subsidy/public procurements	<b>177.6</b>	<b>180.0</b>
Used for salaries and social costs	82.2	74.6
Used for ICT	12.6	12.5
Used for accounting services	14.1	13.9
Used for general manager fees	2.8	2.3
Used for offices	8.1	7.4
Used for other	65.5	59.2
Total utilisation	<b>185.4</b>	<b>163.0</b>

<i>Other information</i>	2007	2006
No. of employees	56	53
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	43%	43%
% of female shareholder-elected directors	40%	40%



# Simula Research Laboratory AS

[ **simula** . research laboratory ]

**ADDRESS:** P.O. Box 134, NO-1325 Lysaker  
**TELEPHONE:** + 47 67 82 82 00  
**INTERNET:** www.simula.no  
**MANAGING DIRECTOR:** Aslak Tveito

**CHAIRMAN:** Ingvild Myhre  
**BOARD MEMBERS:** Anne-Brit Kolstø,  
 Gunnar Hartvigsen, Hilde Tonne, Mats Lundqvist,  
 Åshild Grønstad\*, Bjørn Fredrik Nielsen\*

**AUDITOR:** Lundes Revisjonskontor DA  
**STATE OWNERSHIP:** 80%  
 (Ministry of Education and Research)

\* EMPLOYEE REPRESENTATIVES

**Simula Research Laboratory AS (Simula)** was founded as a limited company in 2002, based on the research activities at the Institute for Informatics at the University of Oslo (UiO). Simula conducts research at a high international level, trains candidates in informatics in cooperation with UiO and promotes applications of the research in the centre. At the end of 2007 a total of 114 persons were employed at the centre.

Simula has three subsidiaries: Simula Innovation AS, Kalkulo AS and the Simula School of Research and Innovation at the University of Oslo.

## Key events

In 2007 Simula maintained and confirmed a high level of research. In all, six doctorates were awarded by Simula during the year, in cooperation with UiO. The number of scientific publications continues to be high.

Simula's Scientific Advisory Board (SAB) undertook a thorough review of Simula and its entire organisation in June. The SAB reports are positive both with respect to Simula's overall progress and that of the individual units. In general Simula is praised for having achieved a strong scientific position in a short amount of time, with good progress also noted in education and innovation.

In December 2006 the Research Council of Norway announced that it would award all together NOK 75 million over a ten-year period to a Centre for Excellent Research at Simula. The new centre, Center for Biomedical Computing (CBC), has its roots in the Scientific Computing department and was fully established in 2007. The Center is to conduct research in the calculation and simulation of fluid flows, particularly the flow of blood in the aorta.

The Simula School was established as a subsidiary in 2007. Simula is the majority owner, other shareholders are StatoilHydro, Bærum

Municipality, Telenor, SINTEF and the Norwegian Computing Centre. The object of the Simula School is to train business-related master and doctoral degree candidates in close cooperation with a range of business players and the UiO, where the doctorates are awarded. With the establishment of the Simula School, Simula is well equipped to be able to strengthen doctoral degree studies qualitatively and quantitatively.

The establishment of the CBC and the Simula School are the main reasons the Simula Group increased the number of employees in 2007, from all together 85 full and part-time employees at year-end 2006 to 114 one year later.

On 1 January 2007 Simula introduced a new set of rules for scientific publication, based on the ethical guidelines of the Vancouver Convention. Among other things, the rules state that all co-authors are to check that the manuscript is in accordance with the Convention, and that all data sets are checked by at least two researchers. The system worked well in 2007.

## Financial trends

In 2007 Simula received a basic grant of NOK 49 million from the Research Council of Norway. The Simula Group's total operating revenues were NOK 91.1 million. Earnings amounted to NOK 5.2 million.

<b>Profit and loss account (MNOK)</b>	<b>2007</b>	<b>2006</b>
Operating revenues	91.2	69.8
Operating costs	85.8	66.2
Operating profit (loss)	<b>5.4</b>	<b>3.5</b>
Net financial items	0.6	0.3
Profit before tax and minority interests	<b>6.0</b>	<b>3.8</b>
Tax	0.8	0.2
Minority interests	1.0	0.0
Profit after tax and minority interests	<b>4.3</b>	<b>3.7</b>

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	0.0	0.0
Tangible fixed assets	3.7	2.9
Fixed asset investments	1.2	1.4
Total fixed assets	<b>4.9</b>	<b>4.3</b>
Current assets	29.7	14.5
Total assets	<b>34.6</b>	<b>18.7</b>

Subscribed equity	1.5	1.5
Retained earnings/other equity	9.8	4.2
Minority interests	2.6	0.0
Equity	<b>13.9</b>	<b>5.7</b>
Provisions for liabilities and charges	0.0	0.0
Long-term interest-bearing liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	20.7	13.1
Total liabilities	<b>20.7</b>	<b>13.1</b>
Total equity and liabilities	<b>34.6</b>	<b>18.7</b>

<b>Key figures</b>	<b>2007</b>	<b>2006</b>
Capital employed	13.9	5.7
EBITDA	8.0	5.7
EBIT	6.3	3.9
Equity ratio	40%	30%
Annual return on equity	50%	96%
Average return on equity over last 5 years	7%	
Return on capital employed	64%	100%

<b>Other key figures</b>	<b>2007</b>	<b>2006</b>
Publications		
Books and doctoral theses	7	15
Articles in refereed journals	32	33
Refereed proceedings and chapters in books	63	64
Number of post-graduate fellowships	28	21
No. of post. doc.	14	13

<b>State subsidy</b>	<b>2007</b>	<b>2006</b>
Research grant	49	49

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	114	85
% of employees in Norway	96%	95%
State shareholding at year-end	80%	80%
Total % of women on the board	57%	43%
% of female shareholder-elected directors	43%	43%



© Simula Research Laboratory AS



# SIVA SF

**ADDRESS:** P.O. Box 1253 Pirsenteret,  
NO-7462 Trondheim

**TELEPHONE:** + 47 48 03 90 00

**INTERNET:** www.siva.no

**CEO:** Harald Kjelstad

**CHAIRMAN:** Siri Beate Hatlen

**BOARD MEMBERS:** Peter Arbo, Bertil Tiusanen,  
Per N. Hagen, Hilde Gjester Hoel, Siw Moxness,  
Tore Sannes

**AUDITOR:** BDO Noraudit Midt-Norge AS

**STATE OWNERSHIP:** 100%  
(Ministry of Trade and Industry)

The Industrial Development Corporation of Norway (SIVA) (Selskapet for industrivekst SF), was established in 1968 and has been organised as a state-owned enterprise since 1993. The company is a driving force and facilitator for the development of innovation and value-creation environments throughout Norway. The State's ownership interests are administered by the Ministry of Trade and Industry.

SIVA is to contribute to innovation and business development through its real estate operations and the development of strong regional innovation and value-creation environments throughout Norway. SIVA has a particular responsibility for contributing to an increased rate of growth in the regions.

In its real estate operations, SIVA had ownership interests in about 438 235 m<sup>2</sup> of floor space in more than 110 buildings as at 31 December 2007. Innovation operations include competence initiatives, investment activities and network building. SIVA is engaged in a total of 104 companies in business parks, science parks, research parks, business and industrial incubators, industrial hubs and network projects throughout the country. In addition, SIVA is involved in two industrial hubs. The company had 31 employees at the end of 2007.

SIVA's efforts in north-west Russia will be stepped up, and SIVA has been assigned the task of helping to develop tourist destinations.

## Key events

2007 was the first year where a management by objective and results system was implemented for SIVA's operations. The management by objective and results system includes paramount goal statements and focus areas and functions as a management tool for the allocating ministries and SIVA. For 2007 SIVA will submit its reports according to the management by objective and results system.

In 2007, SIVA received a grant of NOK 31 million via the Ministry of Trade and Industry's budget. This grant was spent on SIVA's incubator efforts in central areas, network activities, the follow-up of the clusters taking part in the

Norwegian Centres of Expertise (NCE) programme, regional seedcorn and venture funds, an innovation centre in north-west Russia and the administration of innovation activities.

In January 2007, NOK 50 million of SIVA's treasury debt was converted into invested capital, thereby completing a contribution of in all NOK 150 million over three years.

The Ministry of Local Government and Regional Development gave SIVA grants of NOK 65.8 million in 2007 and NOK 69.5 million in 2008. These grants are mainly to be spent on programmes for business parks and business and industrial incubators.

## Financial trends

SIVA's consolidated accounts for 2007 show a profit of NOK 42.9 million after tax and minority interests. The main reasons for the improved performance on 2006 is higher leasing activities in SIVA Eiendom Holding AS as a result of the completion of new investments, increased gains from the sale of properties and shares, higher income from investments in associated companies and lower interest costs on treasury loans owing to a lower loan balance. The scope of programme activities funded by the national budget increased in 2007.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Grants	96	86
Other operating revenues	170	166
Total operating revenues	<b>266</b>	<b>252</b>
Operating costs	200	198
Operating profit (loss)	<b>66</b>	<b>54</b>
Net financial items	-10	-45
Profit before tax and minority interests	<b>55</b>	<b>9</b>
Tax	14	14
Minority interests	-2	1
Profit after tax and minority interests	<b>43</b>	<b>-6</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	36	38
Tangible fixed assets	1 255	922
Fixed asset investments	678	727
Total fixed assets	<b>1 969</b>	<b>1 688</b>
Current assets	345	490
Total assets	<b>2 314</b>	<b>2 178</b>

Subscribed equity	767	717
Retained earnings/other equity	-75	-128
Minority interests	45	50
Equity	<b>737</b>	<b>640</b>
Provisions for liabilities and charges	37	35
Long-term interest-bearing liabilities	1 367	1 381
Current interest-bearing liabilities	75	42
Current interest-free liabilities	97	80
Total liabilities	<b>1 577</b>	<b>1 538</b>
Total equity and liabilities	<b>2 314</b>	<b>2 178</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	53	41
Investment activities	-298	53
Financing activities	93	-14
Change in liquid assets	-153	81

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Equity ratio	32%	29%
Annual return on equity	7%	-1%
Average return on equity over last 5 years	-6%	

<i>Other key figures</i>	<i>2007</i>	<i>2006</i>
State loan limit	700	750
State loans	580	700
Interest on State loans	31	40
Commissions on State loans	6	7

<i>State subsidy</i>	<i>2007</i>	<i>2006</i>
From the Ministry of Local Government and Regional Reform	69	66
From the Ministry of Trade and Industry	31	30

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	35	36
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	43%	57%
% of female shareholder-elected directors	43%	57%



Photo: Hege Johansen/Origo





# Statnett SF

**ADDRESS:** P.O. Box 5192 Majorstuen,  
NO-0302 Oslo

**TELEPHONE:** + 47 22 52 70 00

**INTERNET:** www.statnett.no

**CEO:** Odd Håkon Hoelsæter

**CHAIRMAN:** Svein Rennemo

**BOARD MEMBERS:** Grethe Høiland,  
Christine Meyer, Heidi Ekrem, Thor Håkstad,  
Ole Bjørn Kirstihagen\*, Kirsten Faugstad\*,  
Steinar Jøråndstad\*

**AUDITOR:** Ernst & Young AS

**STATE OWNERSHIP:** 100%  
(Ministry of Petroleum and Energy)

\* EMPLOYEE REPRESENTATIVES

Established on 1 January 1992, **Statnett SF** is the Transmission System Operator (TSO) for the Norwegian power system. The company is responsible for ensuring that a balance exists between the production and consumption of electricity in Norway at all times (system responsibility), including measures for handling critical energy situations. Furthermore, Statnett is responsible for ensuring the rational operation and development of the central electricity transmission network in accordance with socio-economic criteria. Statnett must otherwise comply with commercial principles.

Statnett currently owns roughly 85 per cent of the central grid in Norway as well as the connections to other countries. Statnett owns 50 per cent of the Nordic power exchange, NordPool ASA, and a total of 30 per cent of the electricity spot market, Nord Pool Spot AS.

Statnett is a monopoly regulated by the energy authorities. This means that the Norwegian Water Resources and Energy Directorate determines the annual maximum revenue allowed for the enterprise, just as it does for all other grid companies.

### Key events

In 2007, Nord Pool ASA, which is 50 per cent owned by Statnett SF, signed an agreement to sell shares in underlying operations to OMX. The sale includes Nord Pool ASA's shares in Nord Pool Consulting, Nord Pool Clearing and all product areas in Nord Pool ASA, with the exception of electricity derivatives based on Nordic spot. Furthermore, an agreement was signed with Eurex for the sale of Nord Pool ASA's 17.39 per cent share in the European Power Exchange (EEX). Completion of the agreement is expected for the middle of 2008.

Statnett's operations are characterised by the company currently making major investments in the transmission network. Statnett has announced plans for a new power line between Balsfjord and Hammerfest. In addition, licences have been applied for the Eidfjord-Samnanger, Ørskog-Fardal and Namsos-Roan power line projects. Licences have been issued for two reserve power plants for use only in extremely critical power situations.

The cable in the North Sea between Norway and the Netherlands, NorNed, was scheduled for completion in 2007. However, due to faults discovered during testing of the cable, further testing and commercial operation have been postponed. The cable is expected to come on stream in spring 2008. The cable will considerably increase the capacity for trading power between the Nordic countries and the continent.

### Financial trends

In 2007 the Group posted a profit of NOK 636 million after tax and adjusted for additional income/reduction in income after tax, against NOK 350 million in 2006. Operating revenues increased by NOK 210 million from 2006 to a total of NOK 3 415 million in 2007. The company's balance sheet total was NOK 16 439 million compared with NOK 13 938 million the year before.

In March, Standard & Poors downgraded Statnett's long-term credit rating from AA to AA-.

The established dividend policy of 50 per cent of the Group's profit after tax and adjusted for additional income/reduction in income after tax was continued in Proposition no. 1 (2007-2008) to the Storting. For 2007 this provides a dividend of NOK 318 million to the State.

<b>Profit and loss account (MNOK) <sup>1</sup></b>	<b>2007</b>	<b>2006</b>
Operating revenues	3 415	3 205
Operating costs	2 390	2 897
Operating profit (loss)	<b>1 025</b>	<b>308</b>
Net financial items	-145	-104
Profit before tax	<b>880</b>	<b>204</b>
Tax	229	41
Profit after tax	<b>651</b>	<b>163</b>

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	6	121
Tangible fixed assets	14 275	11 782
Fixed asset investments	664	483
Total fixed assets	<b>14 945</b>	<b>12 386</b>
Current assets	1 494	1 552
Total assets	<b>16 439</b>	<b>13 938</b>

Subscribed equity	2 700	2 700
Retained earnings/other equity	2 862	2 207
Total equity	<b>5 562</b>	<b>4 907</b>
Provisions for liabilities and charges	357	335
Long-term liabilities	6 732	7 077
Current interest-bearing liabilities	2 577	675
Current interest-free liabilities	1 211	944
Total liabilities	<b>10 877</b>	<b>9 031</b>
Total equity and liabilities	<b>16 439</b>	<b>13 938</b>

<b>Cash flow</b>	<b>2007</b>	<b>2006</b>
Operational activities	1 856	1 086
Investment activities	-3 019	-2 161
Financing activities	1 454	677
Change in liquid assets	<b>291</b>	<b>-398</b>

<b>Key figures</b>	<b>2007</b>	<b>2006</b>
Capital employed	14 871	12 659
EBITDA	1 697	1 144
EBIT	1 187	446
Equity ratio	34%	35%
Annual return on equity	12%	6%
Average return on equity over last 5 years	9%	
Return on capital employed	9%	5%

<b>Dividend</b>	<b>2007</b>	<b>2006</b>
Provisions for dividend	318	152
Dividend ratio	49%	50%
Average dividend ratio over last 5 years	68%	
Dividend payable to the State	318	152

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	664	613
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	44%	44%
% of female shareholder-elected directors	50%	50%

<sup>1</sup> Effective 1 January 2007, Statnett SF prepares its accounts in accordance with IFRS (International Financial Reporting Standard). The figures for 2006 are comparable pro-forma figures.



Photo: Trond Isaksen for Statnett



# Statskog SF

**ADDRESS:** Service Box 1016, NO-7800 Namsos  
**TELEPHONE:** +47 07800  
**INTERNET:** www.statskog.no  
**MANAGING DIRECTOR:** Øistein Aagesen

**CHAIRMAN:** Kirsti Kolle Grøndahl  
**BOARD MEMBERS:** Helene Falch Fladmark,  
 Karin Søråunet, Harald Ellefsen, Trond Loge,  
 Knut Røst\*, Olaf Landsverk\*, Kari Grønmo\*

**AUDITOR:** Ernst & Young AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Agriculture and Food)

\* EMPLOYEE REPRESENTATIVES

**Statskog SF** is Norway's largest landowner and manages around 70 000 km<sup>2</sup>, or more than 1/5 of Norway's surface area. Statskog SF is also Norway's largest forest owner and has around 7 per cent of the total productive forest area in the country. Forest covers just under 5 per cent of the total area owned by Statskog SF. The remaining land is mountain and wilderness areas, primarily in the counties of Troms and Nordland. In southern Norway, much of the area (around 27 000 km<sup>2</sup>) is Crown lands on which the local population have various rights of use (timber, wood, grazing, etc.). Statskog SF's commercial operations mainly consist of logging activities and property management, while the administrative tasks include the exercise of State authority, supervision of property and Crown land, and management of hunting and fishing on state-owned land. These tasks are carried out in accordance with authority delegated to the company and at the request of the Ministry of Agriculture and Food and the Ministry of the Environment.

The company's objective is to manage, run and develop state-owned forest and mountain property and associated resources and to carry out any operations related to this and other adjacent activities. Within this framework, the company may, through direct participation or in cooperation with others, manage and run properties and other forms of services within the company's sphere of activity. The properties must be run efficiently with the aim of achieving a satisfactory financial result. The company must actively seek to protect nature and take outdoor-life interests into account. The resources must be used in a well-balanced fashion and renewable resources must be safeguarded and further developed.

## Key events

Statskog underwent an extensive restructuring process in 2007 as a result of the land in

Finnmark being spun off to the newly established Finnmark Estate in 2006. In this connection, the company was divided into four business areas: Property, Energy, Forest and Outdoor Life.

In September 2007 the Government adopted a new code of practice concerning ground lease for the State. This code lays down that housing leaseholders who live on the land are entitled to redeem the site at 30 times the original ground rent, adjusted according to changes in monetary value, or to continue to lease the land at the original rent, adjusted according to changes in the consumer price index. This code of practice is scheduled to come into effect on 1 July 2008 and will apply to Statskog SF.

## Financial trends

Statskog has incurred substantial costs in the last two years linked to the restructuring necessitated by the demerger of the properties to Finnmark Estate in July 2006. Profit after tax amounted to NOK 35 million in 2007 – an increase of NOK 28 million on 2006. This increase is largely due to the fact that restructuring costs in 2007 were half what they were in 2006, plus the fact that Statskog had a higher proportion of one-off land revenues linked to forest protection and sale of land in 2007 than in 2006.

Statskog's financial management practices have a low-risk profile. The objective is to achieve an even and satisfactory return on investment. The financial portfolio has been built up largely through the sale of land. Statskog had an equity ratio of 76 per cent at year-end 2007. Most of its equity is tied up in fixed assets and receivables. From an accounting perspective, liquid holdings comprise a large portion of the company's assets. This is due to the fact that the balance sheet value of the company's properties is very low.

Statskog is paying a dividend of NOK 13 million for fiscal year 2007.

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	230	220
Operating costs	195	226
Operating profit (loss)	<b>35</b>	<b>-6</b>
Net financial items	2	10
Profit before tax	<b>37</b>	<b>5</b>
Tax	2	-2
Profit after tax	<b>35</b>	<b>7</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	11	11
Tangible fixed assets	88	86
Fixed asset investments	27	28
Total fixed assets	<b>125</b>	<b>126</b>
Current assets	238	198
Total assets	<b>363</b>	<b>323</b>

Subscribed equity	104	111
Retained earnings/other equity	171	142
Total equity	<b>275</b>	<b>253</b>
Provisions for liabilities and charges	4	0
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	84	69
Total liabilities	<b>88</b>	<b>70</b>
Total equity and liabilities	<b>363</b>	<b>323</b>

<i>Cash flow</i>	2007	2006
Operational activities	60	6
Investment activities	-35	-11
Financing activities	-5	-7
Change in liquid assets	<b>20</b>	<b>-12</b>

<i>Key figures</i>	2007	2006
Capital employed	275	253
EBITDA	49	9
EBIT	46	6
Equity ratio	76%	78%
Annual return on equity	13%	3%
Average return on equity over last 5 years	9%	
Return on capital employed	17%	2%

<i>Other key figures</i>	2007	2006
Division of revenue		
Outdoor life	10%	11%
Property	35%	28%
Woodland	28%	27%
Service sale	24%	31%
Other income	3%	4%
No. of hunting and fishing permits sold	29 567	30 994
State subsidy/public procurements <sup>1</sup>	18	20

<i>Dividend</i>	2007	2006
Provisions for dividend	13	5
Dividend ratio	37%	74%
Average dividend ratio over last 5 years	39%	
Dividend payable to the State	13	5

<i>Other information</i>	2007	2006
No. of employees	152	165
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	50%	50%
% of female shareholder-elected directors	60%	60%

<sup>1</sup> Includes only sales to the Ministry of Agriculture and Food, and not sales to SNO, Forsvaret and Opplysningsvesenets fond.



Photo: Statskog



# UNINETT AS

**ADDRESS:** NO-7465 Trondheim  
**TELEPHONE:** +47 73 55 79 00  
**INTERNET:** www.uninett.no  
**CEO:** Petter Kongshaug

**CHAIRMAN:** Bjørn Henrichsen  
**BOARD MEMBERS:** Siri Jansen, Benedicte Rustad, Britt Elin Steinveg, Hans Jørgen Binningsbø, Frode Storvik\*

**AUDITOR:** Deloitte AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Education and Research)

\* EMPLOYEE REPRESENTATIVES

UNINETT AS develops and operates the academic research network in Norway on behalf of the Ministry of Education and Research. The company supplies web infrastructure with production services and own testing network with experimental services. UNINETT aims to be a driving force in the use of future-oriented, open standards for electronic infrastructure in Norway, and to promote development and competition in this field.

UNINETT AS has four wholly owned subsidiaries: UNINETT ABC AS develops architecture and strategies for expanding infrastructure, services and teaching systems for the entire education sector. UNINETT FAS AS is the technical operator of administrative systems for university colleges and universities. UNINETT Norid AS is the registration unit for the .no domain. UNINETT Sigma AS is responsible for operating and developing Norwegian advanced computing.

The objective of all the companies in the Group is to maintain a financial balance, and no dividend is paid from any of the companies.

GigaCampus is a four-year programme running from 2006 to 2009. The programme is focused on ICT infrastructure at the country's state universities and university colleges. Resource persons from the university and university college sector and from UNINETT AS are working closely to further develop infrastructure, network and services in line with agreed recommendations and standards. Active use of common purchasing agreements yields major savings and inspires introduction of common solutions.

### Key events

In 2007 UNINETT AS completed the giganet expansion according to the original plans. To deal with potential capacity problems in advance, the network was upgraded from 1 Gbit/sec to 10 Gbit/sec.

Simultaneously with expanding the research network with gigabit capacity, UNINETT AS has prepared the basis for hybrid functionality. An expansion of the existing agreement with BaneTele was negotiated last year and means that UNINETT AS is making necessary investments in equipment in BaneTele's fibre optic network, thereby multiplying the capacity. Both BaneTele and UNINETT AS

derive benefits from this technology upgrade. After an extensive round of tenders Siemens was chosen to supply the equipment, and the expansion is well under way. The hybrid upgrades will continue in 2008 and will require considerable portions of UNINETT's capital reserves.

Feide is the education sector's initiative for obtaining a cost-efficient, future oriented, technology independent and generally applicable authentication system that meets the needs of web services for personal data and individuals for privacy. An increasing number of educational institutions are introducing Feide, and now upper secondary schools are also participating. Introduction of new standards and new technology is demanding, but operative services are in place. Participation in international partnerships has given Feide a leading position and international interconnection for logging on is being developed. UNINETT has carried out the work on Feide in the university and university college sector since 2000.

### Financial trends

The Group's operating revenues increased significantly in 2007 from earlier years, mainly as a result of an additional allocation from the Research Council of Norway to UNINETT Sigma AS. Earnings were somewhat negatively affected, following negative results in UNINETT AS and UNINETT Norid AS. This was according to budget, as a result of larger investments in UNINETT AS, and a change in price model in UNINETT Norid AS. As the result of profits in the other companies in the Group were positive, overall Group's earnings were negative in the amount of NOK 1 million in 2007.

The Group has sufficient equity. They are largely invested in UNINETT Norid AS, and strict requirements are in place regarding their management.



<b>Profit and loss account (MNOK)</b>	<b>2007</b>	<b>2006</b>
Operating revenues	229.9	181.7
Operating costs	233.3	169.1
Operating profit (loss)	<b>-12.2</b>	<b>7.2</b>
Net financial items	11.3	5.8
Profit before tax	<b>-0.9</b>	<b>13.0</b>
Tax	0.0	0.0
Profit after tax	<b>-0.9</b>	<b>13.0</b>

<b>Balance sheet</b>	<b>2007</b>	<b>2006</b>
Intangible assets	48.7	53.5
Tangible fixed assets	15.5	0.7
Fixed asset investments	2.0	2.0
Total fixed assets	<b>66.2</b>	<b>56.2</b>
Current assets	313.6	231.3
Total assets	<b>379.8</b>	<b>287.5</b>

Subscribed equity	3.0	3.0
Retained earnings/other equity	133.7	134.6
Total equity	<b>136.7</b>	<b>137.6</b>
Provisions for liabilities and charges	47.9	36.9
Long-term liabilities	0.0	1.7
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	195.2	111.3
Total liabilities	<b>243.1</b>	<b>149.9</b>
Total equity and liabilities	<b>379.8</b>	<b>287.5</b>

<b>Cash flow</b>	<b>2007</b>	<b>2006</b>
Operational activities	106.6	56.8
Investment activities	-18.8	0.0
Financing activities	-9.5	7.3
Change in liquid assets	<b>78.3</b>	<b>-64.1</b>

<b>Key figures</b>	<b>2007</b>	<b>2006</b>
Capital employed	136.7	139.3
EBITDA	7.9	18.4
EBIT	-0.9	13.1
Equity ratio	36%	48%
Annual return on equity	-1%	10%
Average return on equity over last 5 years	10%	
Return on capital employed	-1%	10%

<b>State subsidy</b>	<b>2007</b>	<b>2006</b>
Subsidy from Ministry of Education and Research	65.3	72.4
Other subsidies	94.6	35.7
Total subsidies	<b>159.9</b>	<b>108.4</b>

<b>Other information</b>	<b>2007</b>	<b>2006</b>
No. of employees	88	85
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	50%	50%
% of female shareholder-elected directors	60%	60%



# Universitetscenteret på Svalbard AS

**POSTADDRESS:** P.O. Box 156,  
NO-9171 Longyearbyen  
**TELEPHONE:** + 47 79 02 33 00  
**INTERNET:** www.unis.no  
**DIRECTOR:** Gunnar Sand

**CHAIRMAN:** Kjell A. Sælen  
**BOARD MEMBERS:** Annik M. Myhre,  
Else Nøst Hegseth, Steinar Nordal, Kjell Mork,  
Hanne H. Christiansen\*, Ragnhild Lundmark  
Daae\*\*

**AUDITOR:** PriceWaterhouseCoopers AS  
**STATE OWNERSHIP:** 100%  
(Ministry of Research and Education)

\* EMPLOYEE REPRESENTATIVES \*\* STUDENT REPRESENTATIVE

The University Centre in Svalbard (UNIS) (Universitetscenteret på Svalbard AS) was established as a state-owned limited company in 2002. The company replaced the foundation known as the University Graduate Centre in Svalbard that was established by the four Norwegian universities in 1994.

The company offers courses and conducts research based on Svalbard's geographic location in the high Arctic region, which affords students and researchers the opportunity to use the archipelago's unique environment as a laboratory and arena for observation and data collection and analysis.

UNIS offers four areas of study: Arctic biology, Arctic geology, Arctic geophysics and Arctic technology. The courses are taught at university level as a supplement to the education provided at universities on the mainland. The courses have an international focus, and lectures are given in English. The State ownership of UNIS is intended to safeguard these education and research policy objectives.

UNIS operating and investment funds are allocated in the Ministry of Education and Research's budget.

## Key events

A total of 357 students from 26 nations attended courses or worked on master's or doctoral theses at UNIS in 2007. This corresponds to 145 full-time students: an increase of 32 full-time students compared to 2006 and the highest number of students in UNIS's history.

The Kjell Henriksen Observatory for aurora studies was completed in time for the

2007-2008 season and is a marvellous addition to UNIS and the other institutions that have instruments here. The Observatory was officially opened by the Norwegian Minister of Research and Higher Education Tora Aasland in February 2008 and is a significant part of the development of the geophysics department at UNIS. Atmospheric studies is an exciting area of education and research at UNIS.

A consortium headed by UNIS started drilling near Longyearbyen in 2007, with a view to investigating the possibilities for storing CO<sub>2</sub> in the rock. The project is being undertaken in collaboration with the Geological Survey of Norway (NGU), SINTEF, the University of Bergen, Store Norske Spitsbergen Kulkompani, ConocoPhillips and Gassnova. Activity is expected to increase sharply in 2008, assuming the geological conditions fulfil expectations.

## Financial trends

In 2007, it received a total grant of NOK 75.5 million, of which NOK 74.0 million was spent on operations and NOK 1.5 million was spent on equipment and fixtures. UNIS had income of NOK 26.3 million in addition to its grant from the Ministry, NOK 21.4 million of which came from external project revenues related to research. The remainder came from consultant services and rents. UNIS's external revenues from research increased from 8 per cent of gross income in 2001 to 21 per cent in 2007.

The accounts for 2007 show that 41 per cent of UNIS's goods and services were bought locally in Longyearbyen. The accounts show an operating profit of NOK 242 225. After financial items, the accounts show a loss of NOK 345 522.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	100.3	79.3
Operating costs	100.1	74.7
Operating profit (loss)	<b>0.2</b>	<b>4.7</b>
Net financial items	-0.6	0.0
Profit before tax	<b>-0.3</b>	<b>4.7</b>
Tax	0.0	0.0
Profit after tax	<b>-0.3</b>	<b>4.7</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	0.0	0.0
Tangible fixed assets	28.4	20.2
Fixed asset investments	0.0	0.0
Total fixed assets	<b>28.4</b>	<b>20.2</b>
Current assets	29.1	37.8
Total assets	<b>57.6</b>	<b>58.0</b>

Subscribed equity	2.1	2.1
Retained earnings/other equity	9.5	9.8
Total equity	<b>11.5</b>	<b>11.9</b>
Provisions for liabilities and charges	0.2	12.3
Long-term liabilities	19.1	14.7
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	26.7	19.1
Total liabilities	<b>46.1</b>	<b>46.1</b>
Total equity and liabilities	<b>57.6</b>	<b>58.0</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	30.6	26.6
EBITDA	0.8	5.2
EBIT	0.9	5.2
Equity ratio	20%	21%
Annual return on equity	-3%	49%
Average return on equity over last 5 years	29%	36%
Return on capital employed	3%	27%

<i>State subsidy</i>	<i>2007</i>	<i>2006</i>
Investments in Forskningsparken	0.0	23.6
Other investments	1.4	1.4
Operation of UNIS AS	74.0	67.3
Rent	0.0	2.5
Total subsidy	<b>75.5</b>	<b>94.8</b>

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	73	66
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	57%	57%
% of female shareholder-elected directors	60%	60%



© Stefan Claes



## AS Vinmonopolet



**ADDRESS:** P.O. Box 1944 Vika, NO-0125 Oslo  
**TELEPHONE:** +47 04560  
**INTERNET:** www.vinmonopolet.no  
**MANAGING DIRECTOR:** Kai G. Henriksen

**CHAIRMAN:** Siri Beate Hatlen  
**BOARD MEMBERS:** Elsbeth Tronstad, Sverre Bugge, Thorbjørn Myhre, Margrethe Sunde, Ingvild Wold Strømsheim, Juul Lyseggen\*, Helge Storvik\*, Elianne Ingebrigtsen\*

**AUDITOR:** Ernst & Young AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Health and Care Services)

\* EMPLOYEE REPRESENTATIVES

**AS Vinmonopolet** is a state-owned company with exclusive rights to sell alcoholic drinks containing over 4.7 per cent alcohol volume to consumers through retail outlets. Vinmonopolet was founded on 30 November 1922. To ensure legitimacy with the general public, the company places emphasis on being a specialised trade chain with a wide range of products and personal customer service.

AS Vinmonopolet is one of the most important instruments in Norway's alcohol policy and is intended to help limit alcohol consumption by regulating accessibility. The alcohol-policy responsibilities safeguarded by Vinmonopolet are expressed through effective social control, measures to create positive attitudes, efficient operations and no pressure to buy.

The company is a sector-policy tool and is organised as a company established pursuant to the AS Vinmonopolet Act of 10 June 1931. The framework conditions are also stipulated in the Act relating to the trade in alcoholic drinks of 2 June 1989. Pursuant to the EEA Agreement, Vinmonopolet must ensure that all suppliers and products have access to the market on equal terms and conditions. Regulations governing the company's purchasing operations have been issued, and an independent board has been established to review purchasing decisions.

### Key events

At year-end 2007, Vinmonopolet had 222 shops throughout Norway, of which 215 are self-service shops. To bolster support for the monopoly system, the geographical distribution of shops must provide reasonable coverage for people in remote areas. In June 2006, the Government decided to initiate a process to see whether municipalities that want a Vinmonopol ought to be granted one, as a general rule. The Ministry of Health and Care Services asked Vinmonopolet to assess a number of different solutions.

In May 2007, Vinmonopolet submitted a report to the Ministry and was authorised to start a trial project with nine shop-in-shop outlets. The first shop-in-shop branch opened in Løten on 14 December 2007. Sales are predicted to vary between 12 000 and 50 000 litres a year. The shop-in-shop trial scheme will be evaluated in 2009 with a view to opening more outlets.

### Financial trends

Vinmonopolet's revenue (excluding VAT) came to NOK 9 743 million, of which 5 393 million comprised alcohol duties. This was an increase in revenue of NOK 581.5 million compared to 2006. The operating profit after cost of sales and other operating costs was NOK 122.8 million. The operating profit was NOK 32.7 million better than in 2006. The profit before payment of the Vinmonopolet dues was NOK 167.2 million, which is NOK 56.9 million more than in 2006. This increase is mainly due to higher gross profit, sale of a commercial building, higher financial income, and lower depreciation amounts. These positive effects were partially counteracted by increased payroll and pension costs.

The Vinmonopolet dues, which are paid to the State in lieu of ordinary tax, are estimated to be NOK 37.0 million in 2007. The Storting has stipulated that 40 per cent of the profit after payment of the Vinmonopolet dues is to be paid to the State. This sum amounted to NOK 52.1 million. The profit for the year after payment of the Vinmonopolet dues and the State's share of profits was NOK 78.1 million. The book equity as at 31 December 2007 was NOK 407.6 million, which corresponds to an equity ratio of 16.7 per cent. By comparison, the equity as at 31 December 2006 was NOK 287.2 million – an equity ratio of 12.3 per cent.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	9 743	9 161
of which alcohol duties	5 393	5 085
Operating costs	9 620	9 071
Operating profit (loss)	<b>123</b>	<b>90</b>
Net financial items	44	20
Profit before Vinmonopolet dues	<b>167</b>	<b>110</b>
Vinmonopolet dues	37	23
Profit after Vinmonopolet dues	<b>130</b>	<b>88</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	182	185
Tangible fixed assets	213	249
Fixed asset investments	4	4
Total fixed assets	<b>400</b>	<b>438</b>
Current assets	2 048	1 897
Total assets	<b>2 448</b>	<b>2 335</b>

Subscribed equity	0.1	0.1
Retained earnings/other equity	408	287
Total equity	<b>408</b>	<b>287</b>
Provisions for liabilities and charges	632	642
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 408	1 406
Total liabilities	<b>2 040</b>	<b>2 048</b>
Total equity and liabilities	<b>2 448</b>	<b>2 335</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	171	239
Investment activities	-20	-35
Financing activities	0	0
Change in liquid assets	<b>151</b>	<b>204</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Capital employed	408	287
EBITDA	235	192
EBIT	170	112
Equity ratio	17%	12%
Annual return on equity	37%	27%
Average return on equity over last 5 years	23%	
Return on capital employed	49%	34%

<i>Dividend</i>	<i>2007</i>	<i>2006</i>
State's share of profit and dividend	52	35
Dividend ratio	40%	40%
Average profit ratio and dividend ratio last 5 years	44%	

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	1 787	1 743
% of employees in Norway	100%	100%
State shareholding at year-end	100%	100%
Total % of women on the board	56%	56%
% of female shareholder-elected directors	67%	67%



© AS Vinmonopolet





# Gassnova SF<sup>1</sup>

**ADDRESS:** Dokkvegen 10, NO-3920 Porsgrunn  
**TELEPHONE:** +47 40 00 59 08  
**INTERNET:** www.gassnova.no  
**MANAGING DIRECTOR:** Bjørn Erik Haugan

**CHAIRMAN:** Johan Nic. Vold  
**BOARD MEMBERS:** Hilde Tonne, Endre Skjørestad, Gro Bakstad, Bjørn Sund

**AUDITOR:** Deloitte AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Petroleum and Energy)

**Gassnova SF** was founded 3 July 2007. It is the Government's view that the State's activities relating to specific carbon capture and storage projects are best organised in an undertaking outside the State, cf. Proposition no. 49 (2006-2007) to the Storting. *Om samarbeid om håndtering av CO<sub>2</sub> på Mongstad (Regarding cooperation on carbon capture and storage at Mongstad)*, which was passed by the Storting on 24 May 2007, cf. Recommendation no. 205 (2006-2007) to the Storting. Placing the responsibility for managing the State's interests relating to the capture, transport and storage of CO<sub>2</sub> with a state-owned enterprise with its own board and administration ensures an appropriate division of work and responsibilities.

By Royal Decree of 29 June 2007 the decision was made to establish Gassnova SF by restructuring the administrative agency Gassnova, and the enterprise was founded by the Ministry of Petroleum and Energy on 3 July 2007. Beginning 1 January 2008 all of the activities of the administrative agency Gassnova were transferred to Gassnova SF.

The objects and duties of Gassnova SF are:

- To manage the State's interests relating to CO<sub>2</sub> capture and storage and carry out the projects determined by the general meeting.
- Give advice to the Ministry of Petroleum and Energy regarding questions concerning CO<sub>2</sub> capture and storage.
- In cooperation with the Research Council of Norway Gassnova SF shall manage the subsidy scheme for CO<sub>2</sub> capture and storage technologies, CLIMIT. The CLIMIT programme is the Norwegian national programme for research, development and demonstration of technology for capturing and storing CO<sub>2</sub> in connection with gas-based energy production. The programme is administrated by Gassnova SF in cooperation with the Research Council of Norway. The responsibility is divided so that the Research Council of Norway is responsible for the research projects and Gassnova for the prototype and demonstration projects.

Gassnova SF is located in Porsgrunn.

## Key events

The most important events in 2007 are related to the foundation of the company and the enterprise general meeting's decision that Gassnova SF shall manage the State's interests in the following CO<sub>2</sub> capture and storage projects:

- Test centre for CO<sub>2</sub> capture at Mongstad (TCM)
- Full-scale CO<sub>2</sub> capture at Kårstø
- Transport and storage of CO<sub>2</sub> from Mongstad and Kårstø

## Financial trends

The annual budget framework for Gassnova SF's operations is allocated in the national budget. In 2007, NOK 32.5 million was transferred to Gassnova SF to meet the costs relating to restructuring, establishing and operating the enterprise in 2007. Because the company does not generate revenues itself apart from assignments from the State, no dividend is determined for distribution from Gassnova. When Gassnova SF was established, NOK 10 million was contributed to the company as invested capital.

<sup>1</sup> Not included in Report no. 13 (2006-2007) to the Storting.

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	5.4	N/A
Operating costs	5.7	N/A
Operating profit (loss)	-0.3	N/A
Net financial items	0.3	N/A
Profit before tax	0.0	N/A
Tax	0.0	N/A
Profit after tax	0.0	N/A

<i>Balance sheet</i>	2007	2006
Intangible assets	0.0	N/A
Tangible fixed assets	0.5	N/A
Fixed asset investments	0.0	N/A
Total fixed assets	0.5	N/A
Current assets	40.2	N/A
Total assets	40.7	N/A
Subscribed equity	10.0	N/A
Retained earnings/other equity	0.0	N/A
Total equity	10.0	N/A
Provisions for liabilities and charges	0.0	N/A
Long-term liabilities	0.0	N/A
Current interest-bearing liabilities	0.0	N/A
Current interest-free liabilities	30.7	N/A
Total liabilities	30.7	N/A
Total equity and liabilities	40.7	N/A

<i>Values</i>	2007	2006
Capital contributed by the State	10.0	N/A
Provision for dividend	0.0	N/A

<i>State subsidy</i>	2007	2006
Subsidy for operations	32.5	N/A

<i>Other information</i>	2007	2006
No. of employees	1	N/A
% of employees in Norway	100%	N/A
State shareholding at year-end	100%	N/A
Total % of women on the board	40%	N/A
% of female shareholder-elected directors	40%	N/A



# Innovasjon Norge<sup>1</sup>

**ADDRESS:** P.O. Box 448 Sentrum, NO-0104 Oslo  
**TELEPHONE:** +47 22 00 25 00  
**INTERNET:** www.innovasjon Norge.no  
**MANAGING DIRECTOR:** Gunn Ovesen

**CHAIRMAN:** Kjell A. Storeide  
**BOARD MEMBERS:** Eli Blakstad, Elin Tveit Sveen, Siri Bye G. Johansen, Arild Øien, Roar Flåthen, Kirsti Saxi, Harald Milli, Eva Toril Strand, Grethe Hindersland, Egil Hagen\*, Randi Abrahamsen\*

**AUDITOR:** KPMG AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Trade and Industry)

\* EMPLOYEE REPRESENTATIVES

**Innovation Norway's** objectives are to promote nationwide industrial developments that are profitable for Norway's business economy and national economy alike and to trigger various regions' industrial opportunities by contributing to innovation, internationalisation and promotion.

The company's role is to contribute, link and trigger financing, expertise and a network for innovation projects in companies.

Innovation Norway is owned by the Ministry of Trade and Industry. The company administers funds from the Ministry of Trade and Industry, Ministry of Local Government and Regional Development, Ministry of Fisheries and Coastal Affairs, Ministry of Agriculture and Food and all the county councils and county governors. Innovation Norway's head office is in Oslo, but most of the employees are located either near the customers in offices in all Norwegian counties or near the market in offices in 34 countries around the world.

Innovation Norway was established on 1 January 2004 with its own management and administration. The company is a merger of the former organisations: The Norwegian Industrial and Regional Development Fund (SND), the Norwegian Trade Council, the Norwegian Tourist Board and the Government Consultative Office for Inventors (SVO).

## Key events

In 2007 Innovation Norway laid the foundation for better coordination and collaboration throughout the organisation. A comprehensive organisation development project has resulted in more systematic development of services and better exchange of knowledge and experience. In this way, Innovation Norway has built a firm basis for its effort to promote increased innovation and internationalisation.

In 2007 Innovation Norway focused on its collaboration with the tourism industry and implementing plans to promote more innovation through collaboration. Permanent forums for collaboration with the tourism industry have been established on the strategic, operative and project levels. In close consultation with the industry, Innovation Norway has revised the brand "Norway" to ensure a more distinct profile, and the revised brand has been launched and

implemented. Innovation Norway has increased its focus on innovation in the tourism industry through new skills development services, new Arena projects within tourism and new advisory services.

For the second time Innovation Norway took part in the TV2 programme "Skaperen" in 2007, partly to raise awareness about entrepreneurialism and people setting up businesses. Innovation Norway wants to demonstrate that if you have a good idea and good business sense, it is possible to start your own company.

In the national budget for 2008, the Government proposed establishment of a new state-owned investment company with an equity capital of NOK 2.2 billion. Based in Trondheim, Statens Investerings selskap AS was founded on 21 February 2008 as a subsidiary of Innovation Norway. The purpose of the new investment company is to promote greater value creation by making risk capital available to competitive, internationally oriented companies, primarily new companies. The company will give priority to companies in the five focus areas the environment, energy, tourism, the marine industry and the maritime sector, with a special focus on climate-change and environmental projects.

In 2007, at the request of the Ministry of Foreign Affairs, Innovation Norway agreed to administer the Norwegian collaboration programmes for economic growth and sustainable development in Bulgaria and Romania. The programmes are part of Norway's commitments under the EEA Agreement regarding the new EU member states Romania and Bulgaria. In this connection, Innovation Norway will be administering a new grant scheme of EUR 68 million in the period 2008–2011.

## Financial trends

Innovation Norway's annual profit of NOK 74 million is NOK 37 million higher than in 2006. This increase is primarily due to reduced losses on loans and guarantees. The operating profit before losses on loans and guarantees was NOK 76 million in 2007, which is the same as in 2006.

<sup>1</sup> Not included in Report no. 13 (2006-2007) to the Storting.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Grants taken to income	804	644
Other operating revenues	223	215
Total operating revenues	<b>1 026</b>	<b>859</b>
Operating costs	1 160	982
Net financial items	210	200
Operating profit before losses on loans and guarantees	<b>76</b>	<b>77</b>
Net loss	2	40
Profit (loss)	<b>74</b>	<b>37</b>
Transfers to the State	38	32
Transfers to/from funds and equity	36	5
Total utilised	<b>74</b>	<b>37</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Bank deposit	4 386	4 057
Net loans	11 531	12 098
Securities	23	17
Tangible fixed assets	100	109
Other assets	<b>293</b>	<b>253</b>
Total assets	<b>16 333</b>	<b>16 534</b>

Deposits from the State	9 177	9 603
Net bonded debt	0	1
Other liabilities and commitments	498	489
Provisions for other liabilities and charges	3 722	3 533
Total lending and investment funds	2 064	2 132
Total liabilities	<b>15 461</b>	<b>15 758</b>
Subscribed equity	656	656
Earned equity	216	120
Total equity	<b>872</b>	<b>776</b>
Total equity and liabilities	<b>16 333</b>	<b>16 534</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	69	-46
Investment activities	-17	1
Financing activities	277	-486
Change in liquid assets	<b>329</b>	<b>-531</b>

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	730	693
% of employees in Norway	74%	75%
State shareholding at year-end	100%	100%
Total % of women on the board	58%	55%
% of female shareholder-elected directors	60%	56%



## Norfund<sup>1</sup>

**ADDRESS:** P.O. Box 1280 Vika, NO-0111 Oslo  
**TELEPHONE:** +47 22 01 93 93  
**INTERNET:** www.norfund.no  
**MANAGING DIRECTOR:** Kjell Roland

**CHAIRMAN:** Kristin Clemet  
**BOARD MEMBERS:** Karl-Christian Agerup, Borghild Holen, Stein Tønnesson, Mari Skjærstad

**AUDITOR:** KPMG AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Foreign Affairs)

Norfund's objective is to reduce poverty by investing knowledge and risk capital in profitable business ventures in developing countries. Norfund must always invest with other investors and in poorly developed markets with a shortage of capital. The fund is to conduct its operations in accordance with the fundamental principles of Norwegian development aid policy, and it accumulates its capital through annual allocations from the national budget. Norfund invests in poor developing countries within the following areas: Fund investments, microfinance institutions and other financial institutions, as well as direct investments in a range of industries, including development of sustainable energy. The investments in sustainable energy have mainly been via Statkraft Norfund Power Invest AS (SN Power), of which Norfund owns 50%.

### Key events

In 2007, Norfund devised a new, more focused strategy. With a view to enhancing its focus on combating poverty, Norfund has chosen to further concentrate its investments geographically in order to ensure maximum investment in the least developed countries (LDCs).

Norfund made 16 new investments in 2007, which is the highest number of new investments in any single year since it was established. A total of almost NOK 1.5 billion was disbursed for investment. The company sold its holdings in three projects, and one loan commitment was terminated.

In 2007, the Office of the Auditor General of Norway carried out a performance audit on Norfund's activities. Norfund's decision to prepare a new strategy was partly based on the Office of the Auditor General's comments and observations. Norfund's new strategy attaches importance to concentrating activities geographically, to ensure greater compliance with the Storting's decision to give highest priority to the least developed countries and Africa. The company made a number of changes in the way it prepares its profit and loss statement in 2007, in accordance with the Office of the Auditor General's recommendations, with a view to ensuring that the company's activities are reflected more accurately.

### Financial trends

In 2007 Norfund made a profit of NOK 202 million, compared with NOK 18 million in 2006. The largest single positive contribution came from SN Power, in which Norfund's share of the profit in 2007 was NOK 151 million. Norfund also had NOK 72 million in interest received.

The operating revenues of NOK 85 million were up by NOK 9 million as a result of increased yields on fund investments and realised gains from sales. Norfund's operating costs are very susceptible to currency effects on the portfolio. Norfund follows up its investments in the investment currency. Adjusting the figures for these currency effects thus provides a truer picture of developments in the company. Norfund's operating profit, adjusted for currency effects on write-downs in 2007, was NOK 83 million, of which NOK 63 million came from the reversal of previous write-downs in investment currencies. The underlying operating costs increased by 5 per cent to NOK 65 million.

In 2007, Norfund had a good return on its investments, and there are considerable unrealised gains in the portfolio. This is primarily due to strong growth in the developing countries. Norfund's investments within sustainable energy, financial institutions and funds also developed positively. At the end of 2007, the book value of Norfund's investments was NOK 2.9 billion, and it had investment commitments of NOK 3.6 billion.

<sup>1</sup> Not included in Report no. 13 (2006-2007) to the Storting.

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	85	76
Operating costs	100	135
Operating profit (loss)	<b>-14</b>	<b>-59</b>
Net financial items	216	77
Profit before tax	<b>202</b>	<b>18</b>
Tax	0	0
Profit after tax	<b>202</b>	<b>18</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	0	0
Tangible fixed assets	2	1
Fixed asset investments	2 045	811
Total fixed assets	<b>2 047</b>	<b>812</b>
Current assets	1 985	2 602
Total assets	<b>4 032</b>	<b>3 414</b>

Subscribed equity	3 580	3 095
Retained earnings/other equity	339	204
Equity	<b>3 919</b>	<b>3 299</b>
Provisions for liabilities and charges	6	5
Long-term interest-bearing liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	107	111
Total liabilities	<b>113</b>	<b>115</b>
Total equity and liabilities	<b>4 032</b>	<b>3 414</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	57	69
Investment activities	-1 381	-373
Financing activities	484	493
Change in liquid assets	<b>-840</b>	<b>189</b>

<i>Values, dividend and State subsidy</i>	<i>2007</i>	<i>2006</i>
Capital contributed by the State	485	495
Provision for dividend	0	0
Average dividend ratio over last 5 years	0	
State subsidy	8	9

<i>Other information</i>	<i>2007</i>	<i>2006</i>
No. of employees	35	31
% of employees in Norway	86%	90%
State shareholding at year-end	100%	100%
Total % of women on the board	60%	60%
% of female shareholder-elected directors	60%	60%

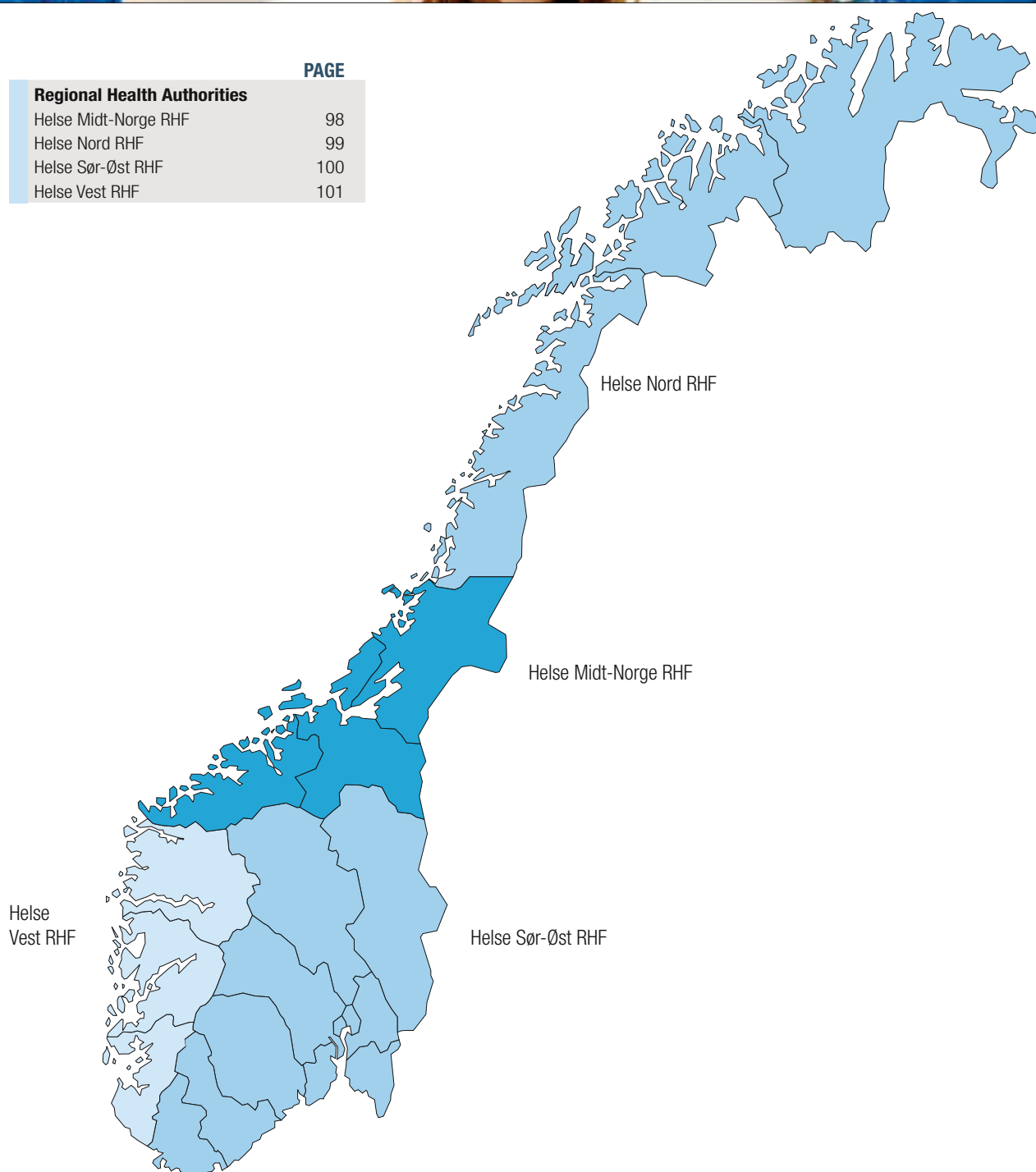








# Regional Health Authorities



# Helse Midt-Norge RHF



**ADDRESS:** P.O. Box 464, NO-7501 Stjørdal  
**TELEPHONE:** +47 74 83 99 00  
**INTERNET:** www.helse-midt.no  
**CEO:** Jan Eirik Thoresen

**CHAIRMAN:** Kolbjørn Almlid  
**BOARD MEMBERS:** Tove Røsstad, Kirsti Leirtrø, Merete Storødegård, Olav Georg Huseby, Oskar J Grimstad, Jan Magne Dahle, Ellen Engdahl, Joar Olav Grøtting, Ellen Marie Wøhni\*, Ingegjerd S Sandberg\*, Karl Wesenberg\*, Bjørg Henriksen\*

**AUDITOR:** PricewaterhouseCoopers  
**STATE OWNERSHIP:** 100%  
 (Ministry of Health and Care Services)

\* EMPLOYEE REPRESENTATIVES

**The Central Norway Regional Health Authority** is one of four regional health authorities with responsibility for the specialist health services in Norway. The regional health authority was established when the State took over responsibility for the specialist health services from the counties on 1 January 2002. The health trust group Helse Midt-Norge encompasses the counties of Møre og Romsdal, Sør-Trøndelag and Nord-Trøndelag. Helse Midt-Norge consists of six health trusts owned by the Central Norway Regional Health Authority. This includes the hospital pharmacies under the Central Norway Pharmaceutical Trust. The State has the overall responsibility for ensuring that the population is offered the requisite specialist health services in accordance with the objectives set forth in Section 1-1 of the Specialist Health Services Act and Section 1-1 of the Patients' Rights Act. The regional health authorities are charged with planning and organising the specialist health services and facilitating research and educational activities according to guidelines set by the owner (see Section 1 of the Health Authorities and Health Trusts Act). In 2007 the Ministry of Health and Care Services exercised its ownership control of the regional health authorities through annual general meetings and through terms for allocations set forth in special regulatory documents.

## Key events

The Strategy for Helse Midt-Norge 2010 has been approved, with the following priority areas: Mental health and drug/alcohol abuse, coordination between treatment services, the chronically sick and elderly, safety and availability in the event of acute illness, documentation and highlighting of quality, and improved use of available resources. On the basis of the Ownership Strategy 2010, the Central Norway Regional Health Authority has initiated studies in several areas to coordinate and develop services in the region. The revision of the programme for mental health care calls for further expansion of services in order to ensure proximity and greater availability after completion of the national action plan for mental health. The focus on interdisciplinary specialised services for treating drug and alcohol dependence is still being organised through a dedicated health trust, but the long-term goal is that the other health trusts will eventually assume responsibility for treatment of drug and alcohol dependence.

At the start of 2008 the Central Norway Regional Health Authority had an average waiting period of 110 days, compared with 97 days in 2006. 1 475 patients had had to wait more than one year for treatment, one year ago this figure was 775 patients. Although waiting time has increased, a record number of patients were treated in 2007. A number of measures were introduced in 2007 to improve cost control and help the Authority remain within budget.

The Central Norway Regional Health Authority achieved a good financial result in 2007. At the beginning of 2007 the restructuring challenge for the Central Norway Regional Health Authority was NOK 457 million. Throughout the whole of 2007, all the health trusts have undergone major reshuffles. The U-turn that has dominated 2007 has been challenging for employees, managers and the governing bodies of the group of health trusts alike. Close follow-up of restructuring efforts and ascribing responsibilities to managers on all levels have ensured that the Central Norway Regional Health Authority has come a long way towards achieving the goal of maintaining a financial balance without this entailing deterioration of quality or affecting the services offered to patients.

In addition to better internal collaboration in hospitals, the degree of collaboration with the primary health service will also be decisive for the ability to meet the challenges entailed by growing numbers of patients with serious chronic disorders, eating disorders, clinical obesity, drug and alcohol problems and mental health problems. The Central Norway Regional Health Authority is therefore going to give priority to development work in collaboration with users and local authorities in the future.

## Financial trends

After a poor result in 2006, the Central Norway Regional Health Authority almost broke even in 2007 in terms of the State's requirements. The Central Norway Regional Health Authority has an annual budget of roughly NOK 12.1 billion. Operating revenues come primarily from the owner, the Ministry of Health and Care Services. Operating revenues increased by approx. NOK 1 083 million, while the total operating costs increased by approx. NOK 652 million from 2006. The increase in wage and other personnel costs compared with 2006 was roughly NOK 585 million. At year-end 2007 the Central Norway Regional Health Authority had long-term liabilities related to investments of approx. NOK 2 186 million. The

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	12 116	11 032
Operating costs	12 574	11 922
Operating profit (loss)	<b>-459</b>	<b>-890</b>
Net financial items	-101	-40
Tax	0	0
Annual result	<b>-560</b>	<b>-930</b>
Adjustments		72
Increased pension costs - excepted from the performance requirement	465	139
Performance requirement set in annual meeting February 2007	-85	
Deviation from the performance requirement set by the Ministry of Health and Care Services	<b>-10</b>	<b>-719</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	175	171
Tangible fixed assets	13 082	11 793
Fixed assets investments	895	1 004
Total fixed assets	<b>14 152</b>	<b>12 968</b>
Goods	190	190
Accounts receivables	534	459
Cash and bank balances	248	244
Total current assets	973	894
Total assets	<b>15 125</b>	<b>13 862</b>
Subscribed equity	6 485	6 508
Earned equity	-3 344	-2 811
Total equity	<b>3 141</b>	<b>3 697</b>
Provisions	5 678	5 217
Long-term liabilities	2 207	1 878
Current liabilities	4 099	3 070
Total liabilities	<b>11 984</b>	<b>10 165</b>
Total equity and liabilities	<b>15 125</b>	<b>13 862</b>

<i>Cash flow</i>	2007	2006
Operational activities	672	-302
Investment activities	-2 082	-679
Financing activities	676	-1 780
Change in liquid assets	<b>-735</b>	<b>-2 760</b>

<i>Key figures</i>	2007	2006
Number of inhabitants in Helse Midt-Norge's area	659 621	653 290
Number of DRG points produced	151 416	148 485
Number of out-patients' consultations.		
Somatic	628 089	615 148
Number of 24 h stay, physic health care	7 324	7 011
Number of 24 h staty interdisciplinary treatment for intoxicant users	1 330	1 271
Number of patients on waiting list	40 900	37 992
Number of average waiting days	110	97
State subsidy/procurements	11 026	10 019

<i>Other information</i>	2007	2006
Number of employees in the Authority	13 282	13 580
State shareholding at year-end	100%	100%
Total % of women on the board	54%	54%
% of female shareholder-elected directors	56%	56%

authority had a working capital facility during the same period of roughly NOK 1 587 billion.

# Helse Nord RHF



**ADDRESS:** Helse Nord RHF, NO-8038 Bødø  
**TELEPHONE:** +47 75 51 29 00  
**INTERNET:** www.helse-nord.no  
**MANAGING DIRECTOR:** Lars H. Vorland  
**CHAIRMAN:** Bjørn Kaldhol

**BOARD MEMBERS:** Wenche Pedersen, Trygve Myrvang, Inger Lise Strøm, Line Miriam Haugen, Terje Olsen, Kåre Simensen, Inge Myrvoll, Tone Finnesen, Kirsti Jacobsen\*, Kari B. Sandnes\*, Stig-Arild Stenersen, Odd Oskarsen\*

**AUDITOR:** Ernst & Young AS  
**STATE OWNERSHIP:** 100%  
 (Ministry of Health and Care Services)

\* EMPLOYEE REPRESENTATIVES

## The Northern Norway Regional Health Authority

is one of four regional health authorities with responsibility for the specialist health services in Norway. The regional health authority was established when the State took over responsibility for the specialist health services from the counties on 1 January 2002.

The health trust group consists of four health trusts: The Finnmark Hospital Trust, the University Hospital of North Norway Trust, the Nordland Hospital Trust, the Helgeland Hospital Trust and the Hospital Pharmacy of North Norway Trust. The Northern Norway Regional Health Authority is intended to be a regional institution with a distinctly northern Norwegian profile with responsibility for ensuring that the population in northern Norway and on Svalbard receives high-quality health services on a level comparable with other regions of the country.

The State has the overall responsibility for ensuring that the population is offered the requisite specialist health services in accordance with the objectives set forth in Section 1-1 of the Specialist Health Services Act and Section 1-1 of the Patients' Rights Act. The regional health authorities are charged with planning and organising the specialist health services and facilitating research and educational activities according to guidelines set by the owner (see Section 1 of the Health Authorities and Health Trusts Act).

In 2007 the Ministry of Health and Care Services exercised its ownership control of the regional health authorities through annual general meetings and through terms for allocations set forth in special regulatory documents.

## Key events

In 2007, the Northern Norway Regional Health Authority continued work to enhance its mental health services in connection with the National Escalation Plan by earmarking funds and by continuing to give priority to training of specialists. The services linked to rehabilitation and services for patients with chronic illnesses have been improved through establishment of new services and training of specialists. To ensure activity in priority areas, activities related to somatic health care remained at the same high level as in 2006, in accordance with the owner's instructions. This ensures the population continued good access to the services without any significant increase in waiting times.

Pre-hospital services have been enhanced in

2007 by the regional health authorities taking over responsibility for operations, staff increases, new equipment and decentralisation to ensure local presence. The restructuring of activities to ensure operation in keeping with the defined financial framework has entailed closer, more target-oriented follow-up of the health trusts. The main challenge has been achieving a high enough degree of implementation of the approved restructuring measures. Work continued on introducing a common ICT strategy, and the foundation has been laid for a common ICT platform for the entire region. A new investment regime will ensure the necessary governance of the various projects.

Major individual events in 2007 include the integration of Hålogaland Hospital Trust into the University Hospital of North Norway, which took over Narvik and Harstad, and Nordland Hospital Trust, which took over Stokmarknes. At Nordland Hospital Bodø the first phase in the modernisation project was completed, resulting in greatly increased capacity within radiotherapy in this part of the country due to establishment of a new unit in Bodø.

## Financial trends

The Northern Norway Regional Health Authority has an annual budget of roughly NOK 10.0 billion. Operating revenues come primarily from the owner, the Ministry of Health and Care Services. Operating revenues increased by NOK 468 million, while total operating expenses rose by NOK 438 million from 2006. The increase in wage and other personnel costs compared with 2006 was roughly NOK 560 million. In 2007 loans had to be assumed to fund investments. Loans from the Ministry of Health and Care Services for investments increased from NOK 1 016 million in 2006 to approximately NOK 1 197 million in 2007. The Northern Norway Regional Health Authority had a working capital facility of NOK 398 million at the close of 2007.



<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	10 028	9 561
Operating costs	10 726	10 288
Operating profit (loss)	<b>-697</b>	<b>-727</b>
Net financial items	<b>-25</b>	<b>10</b>
Tax	<b>0</b>	<b>0</b>
Annual result	<b>-723</b>	<b>-718</b>
Adjustments		172
Increased pension costs - excepted from the performance requirement	325	113
Performance requirement set in annual meeting February 2007	-135	
Deviation from the performance requirement set by the Ministry of Health and Care Services	<b>-263</b>	<b>-433</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	67	64
Tangible fixed assets	8 361	8 446
Fixed assets investments	634	694
Total fixed assets	<b>9 062</b>	<b>9 204</b>
Goods	149	145
Accounts receivables	320	289
Cash and bank balances	241	237
Total current assets	<b>710</b>	<b>671</b>
Total assets	<b>9 772</b>	<b>9 875</b>
Subscribed equity	7 994	8 059
Earned equity	-2 403	-1 795
Total equity	<b>5 541</b>	<b>6 264</b>
Provisions	678	606
Long-term liabilities	1 197	1 016
Current liabilities	2 356	1 989
Total liabilities	<b>4 231</b>	<b>3 611</b>
Total equity and liabilities	<b>9 772</b>	<b>9 875</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	28	133
Investment activities	-581	-865
Financing activities	558	409
Change in liquid assets	<b>5</b>	<b>-324</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Number of inhabitants in Helse Nord's area	462 037	462 237
Number of DRG points produced	105 866	106 068
Number of out-patients' consultations. Somatic	415 593	416 465
Number of 24 h stay, physic health care	5 763	5 496
Number of 24 h staty interdisciplinary treatment for intoxicant users	406	439
Number of patients on waiting list	34 189	31 649
Number of average waiting days	105	93
State subsidy/procurements	9 487	9 068

<i>Other information</i>	<i>2007</i>	<i>2006</i>
Number of employees in the Authority	12 377	11 784
State shareholding at year-end	100%	100%
Total % of women on the board	46%	55%
% of female shareholder-elected directors	44%	50%

# Helse Sør-Øst RHF



**ADDRESS:** Grønneggt 52, Postboks 404, 2303 Hamar

**TELEPHONE:** + 47 02411

**INTERNET:** www.helse-sorost.no

**MANAGING DIRECTOR:** Bente Mikkelsen

**CHAIRMAN:** Hanne Harlem

**BOARD MEMBERS:** Harry Konterud, Anne Marie B. Jøranli, Andreas Kjær, Kirsten Huser Leschbrandt, Knut Even Lindsjørn, Berit Eivi Nilsen, Dag Stenersen, Randi Talseth, Anne Carine Tanum, Finn Wisløff, Kirsten Brubakk\*, Lars Kristian Eikvar\*, Morten Falkenberg\*, Lizzie

Irene Ruud Thorkildsen\*, Svein Øverland\*

**AUDITOR:** PricewaterhouseCoopers AS

**STATE OWNERSHIP:** 100%  
(Ministry of Health and Care Services)

\* EMPLOYEE REPRESENTATIVES

**The South-Eastern Norway Regional Health Authority** is one of four regional health authorities with responsibility for the specialist health services in Norway. In February 2007, the Government decided to merge the former regional health authorities for southern Norway and eastern Norway, Helse Sør RHF and Helse Øst RHF, to form the South-Eastern Norway Regional Health Authority (Helse Sør-Øst RHF). As of 1 June 2007, the two former regional health authorities' activities were taken over by the new South-Eastern Norway Regional Health Authority. The Southern Norway Regional Health Authority and the Eastern Norway Regional Health Authority were dissolved in June 2007.

The South-Eastern Norway Regional Health Authority is Norway's largest regional health authority and covers the counties of Østfold, Akershus, Oslo, Hedmark, Oppland, Buskerud, Vestfold, Telemark, Aust-Agder and Vest-Agder, with a total population of 2.6 million inhabitants, which is almost 56 per cent of Norway's population.

On 1 January 2008, the South-Eastern Norway Regional Health Authority owned 16 health trusts. The regional health authority has long-term agreements with five private, not-for-profit, non-commercial hospitals. The South-Eastern Norway Regional Health Authority has agreements with some 1 070 contract specialists and a large portfolio of agreements relating to treatment of alcohol and drug dependence, psychiatry, surgery, laboratories and radiology, physiotherapy, training and rehabilitation. The South-Eastern Norway Regional Health Authority has its head office in Hamar and its administrative site in Skien.

## Key events

2007 was a demanding year for the South-Eastern Norway Regional Health Authority. The merger of the activities of the former regional health authorities for southern and eastern Norway to form the South-Eastern Norway Regional Health Authority has been carried out in accordance with the owner's instructions. The board finds that the patients have been offered adequate services, and that overall the South-Eastern Norway Regional Health Authority has fulfilled its assigned duty to ensure provision of services.

When Helse Sør and Helse Øst were merged, the new regional health authority was ascribed an additional task by Minister of Health and Care Services Sylvia Brustad. The minutes from the annual enterprise meeting read:

"The main reasons (for the merger) are:

- The need and potential for more cohesive management and more efficient utilisation of resources in the capital city area in particular and in the new health region in general
- Coordination of professional and research communities
- More efficient exploitation and coordination of staff, hospital space, expensive medical equipment, ICT, auxiliary functions, future investments, etc..."

The Group's profit for accounting purposes for 2007 shows that the total activities of the group of health trusts were not managed within the financial framework made available by the owner. This is largely due to the restructuring measures within the Group not having the expected effect. The board wants to make sure that the activities of the group of health trusts are adapted to the financial framework.

In order to be able to attain the top-priority targets that the owner and board have set for activities, the South-Eastern Norway Regional Health Authority has established a dedicated "Programme for development and reorganisation".

In 2007 the South-Eastern Norway Regional Health Authority has given priority to efforts in the areas training and rehabilitation, treatment of alcohol and drug dependence, mental health care and specialist health services for senior citizens, in keeping with guidelines in the regulatory documents and the enterprise general meetings.

Activity has increased in all service areas, with the relatively largest growth within mental health care and interdisciplinary specialised services for treating drug and alcohol dependence. There has been particularly rapid growth in out-patient activities.

## Financial trends

The South-Eastern Norway Regional Health Authority has an annual budget of roughly NOK 47 billion. Operating revenues come primarily from the owner the Ministry of Health and Care Services. Total operating revenues increased by around NOK 3 billion, while total operating expenses rose by approx. NOK 5 billion, compared with 2006. This increase is partly due to increased pension costs of roughly NOK 1.9 billion as a result of changes in economic assumptions. The increase in expenses has not been taken into account in the owner's definition of performance requirements. Loans from the Ministry of Health and Care Services for investments increased from approximately NOK 5.4 billion in 2006 to about NOK 6.7 billion in

<i>Profit and loss account (MNOK)</i>	<i>2007</i>	<i>2006</i>
Operating revenues	47 210	44 097
Operating costs	51 029	45 905
Operating profit (loss)	<b>-3 818</b>	<b>-1 808</b>
Net financial items	-44	12
Tax	0	5
Annual result	<b>-3 862</b>	<b>-1 800</b>
Adjustments		961
Increased pension costs - excepted		
from the performance requirement	1 895	528
Performance requirement set		
in annual meeting February 2007	-880	
Deviation from the performance		
requirement set by the Ministry of		
Health and Care Services	<b>-1 087</b>	<b>-312</b>

<i>Balance sheet</i>	<i>2007</i>	<i>2006</i>
Intangible assets	685	571
Tangible fixed assets	39 598	38 391
Fixed assets investments	2 544	2 773
Total fixed assets	<b>42 827</b>	<b>41 735</b>
Goods	280	287
Accounts receivables	2 028	1 868
Cash and bank balances	1 503	1 223
Total current assets	<b>3 813</b>	<b>3 378</b>
Total assets	<b>46 638</b>	<b>45 113</b>
Subscribed equity	32 467	32 850
Earned equity	-9 552	-6 046
Total equity	<b>22 915</b>	<b>26 804</b>
Provisions	5 014	3 184
Long-term liabilities	8 016	5 700
Current liabilities	10 692	9 424
Total liabilities	<b>23 722</b>	<b>18 309</b>
Total equity and liabilities	<b>46 638</b>	<b>45 113</b>

<i>Cash flow</i>	<i>2007</i>	<i>2006</i>
Operational activities	2 683	1 700
Investment activities	-4 628	-4 496
Financing activities	2 225	2 839
Change in liquid assets	<b>280</b>	<b>43</b>

<i>Key figures</i>	<i>2007</i>	<i>2006</i>
Number of inhabitants in		
Helse Sør-Øst's area	2 600 000	2 600 000
Number of DRG points produced	637 760	617 360
Number of out-patients' consultations.		
Somatic	2 066 109	1 995 247
Number of 24 h stay, physic health care	21 847	22 275
Number of 24 h staty interdisciplinary		
treatment for intoxicant users	5 646	6 141
Number of patients on waiting list	108 614	112 451
Number of average waiting days	69	68
State subsidy/procurements	43 545	40 374

<i>Other information</i>	<i>2007</i>	<i>2006</i>
Number of employees in the Authority	53 613	50 202
State shareholding at year-end	100 %	100 %
Total % of women on the board	50 %	48 %
% of female shareholder-elected directors	55 %	50 %

2007. The South-Eastern Norway Regional Health Authority has withdrawn some NOK 2.7 billion from the working capital facility provided by the owner at the close of 2007.



# Helse Vest RHF



**ADDRESS:** Nådlandskroken 11, 4034 Stavanger  
**TELEPHONE:** + 47 51 96 38 00  
**INTERNET:** www.helse-vest.no  
**MANAGING DIRECTOR:** Herlof Nilssen

**CHAIRMAN:** Oddvard Nilsen  
**BOARD MEMBERS:** Kari Oftedal Lima, Ohene Aboagye, Gunnar Berge, Gerd Dvergsdal, Gisle Handeland, Torhild Selsvold Nyborg, Gro Skartveit, Nils P. Støyva, Helge Espelid\*, Inger F. Hamorg\*, Aslaug Husa\*

**AUDITOR:** Ernst & Young  
**STATE OWNERSHIP:** 100%  
 (Ministry of Health and Care Services)

\* EMPLOYEE REPRESENTATIVES

**The Western Norway Regional Health Authority** has the overall responsibility for the specialist health services in the counties of Rogaland, Hordaland, and Sogn og Fjordane. The Western Norway Regional Health Authority owns five health trusts: Helse Førde, Helse Bergen, Helse Fonna, Helse Stavanger and Apoteka Vest, as well as the limited company Helse Vest IKT AS.

The specialist health services in the region comprise 50 hospitals and institutions and provide health services for 967,000 inhabitants. The gross budget for 2007 was around NOK 15.4 billion.

## Key events

In 2007, a strategy was adopted for the health region until 2020. The strategy is based on available knowledge about the future. The vision for the specialist health services in western Norway is to promote health and quality of life. In 2007, the Western Norway Regional Health Authority pioneered a telephone system for patients in the region who need helping choosing or changing hospitals. By ringing 800 41 005 patients can receive practical advice to help them navigate the hospital system.

In spring 2007 the Western Norway Regional Health Authority decided to establish a regional centre of expertise for research on alcohol and drugs. The centre opened at the Stavanger health trust in September 2007. The main objective of the centre of expertise is to encourage more research, develop knowledge in the field, improve education and raise levels of competence. The Western Norway Regional Health Authority has decided to establish a new regional centre of expertise for training and rehabilitation. The centre was set up at Bergen health trust in 2007. Its main tasks are to perform research, generate new knowledge, provide tuition and help build networks for communicating knowledge to the entire region.

In 2007 the Western Norway Regional Health Authority doubled its capacity for offering surgical treatment to clinically obese people. Last year, 118 individuals were operated for clinical obesity, compared with 60 in 2006. 40 patients were operated on at Haugesund hospital and 78 at Førde Central Hospital.

The Western Norway Regional Health Authority was the best health region in Norway in terms of getting sick people treated and back at work in 2007 through the scheme "Raskare tilbake" (Back quicker). At the beginning of November 2007, 1 700 patients had been treated through this scheme.

In December 2007 the Western Norway Regional Health Authority signed a contract with DIPS concerning delivery of an electronic system for patients' records in the health region.

The Western Norway Regional Health Authority adopted a single common environmental policy and environmental targets for all the health trusts in the health region in 2007. Its goal is to be a leader in terms of environmental work in hospitals.

## Financial trends

The Western Norway Regional Health Authority has an annual budget of roughly NOK 15.3 billion. Operating revenues come primarily from the owner, the Ministry of Health and Care Services. The 2007 accounts show that operating revenues have increased by NOK 1.10 billion, while total operating expenses have increased by approx. NOK 1.13 billion from 2006. This increase is partly due to increased pension costs of NOK 575 million, as a result of changes in economic assumptions. The increase in costs is not included in the owner's measurement of performance. In addition, there was also an increase in wage and other personnel costs from 2006 of approx. NOK 416 million. The increase in other operating expenses compared with 2006 came to NOK 139 million. In 2007 loans had to be assumed to fund investments. Loans from the Ministry of Health and Care Services for investments increased from NOK 1.61 billion in 2006 to about NOK 2.07 billion in 2007. The Western Norway Regional Health Authority had a working capital facility of about NOK 1.31 billion at the close of 2007.

<i>Profit and loss account (MNOK)</i>	2007	2006
Operating revenues	15314	14214
Operating costs	16222	15094
Operating profit (loss)	<b>-908</b>	<b>-880</b>
Net financial items	-58	-36
Tax	0	-1
Annual result	<b>-965</b>	<b>-915</b>
Adjustments	575	517
Adjusted annual result	<b>-390</b>	<b>-394</b>

<i>Balance sheet</i>	2007	2006
Intangible assets	158	103
Tangible fixed assets	11 986	11 824
Fixed assets investments	1 066	1 234
Total fixed assets	<b>13 210</b>	<b>13 161</b>
Goods	88	83
Accounts receivables	542	546
Cash and bank balances	411	380
Total current assets	1 041	1 009
Total assets	<b>14 251</b>	<b>14 170</b>

Subscribed equity	10 686	10 802
Earned equity	-3 587	-2 731
Total equity	<b>7 098</b>	<b>8 071</b>
Provisions	1 064	908
Long-term liabilities	2 071	1 611
Current liabilities	4 018	3 580
Total liabilities	7 153	6 099
Total equity and liabilities	<b>14 251</b>	<b>14 170</b>

<i>Cash flow</i>	2007	2006
Operational activities	364,4	120,0
Investment activities	-1 129,5	-958,5
Financing activities	796,2	620,0
Change in liquid assets	<b>31</b>	<b>-218</b>

<i>Key figures</i>	2007	2006
Number of inhabitants in Helse Vest's area	967 471	966 863
Number of DRG points produced	194 516	192 814
Number of out-patients' consultations.		
Somatic	701 185	680 406
Number of 24 h stay, physic health care	9 368	9 369
Number of 24 h stady interdisciplinary treatment for intoxicant users	527	530
Number of patiens on waiting list	45 953	44 847
Number of average waiting days	101	89
State subsidy/procurements	14 469	13 563

<i>Other information</i>	2007	2006
Number of employees in the Authority	17 441	17 534
State shareholding at year-end	100%	100%
Total % of women on the board	50%	55%
% of female shareholder-elected directors	33%	36%



# Contact information

## **Ministry of Fisheries and Coastal Affairs**

### **Department of Coastal Affairs**

Tel: +47 22 24 64 13,  
Fax: +47 22 24 95 85  
(Secora AS)

## **Ministry of Health and Care Services**

### **Ownership Department**

Tel: +47 22 24 82 99,  
Fax: +47 22 24 27 92  
(The regional health authorities, KITH AS)

### **Public Health Department**

Tel: +47 22 24 87 01,  
Fax: +47 22 24 86 56  
(AS Vinmonopolet)

## **Ministry of Justice and the Police**

### **The Department of Civil Affairs**

Tel: +47 22 24 54 51,  
Fax: +47 22 24 27 22  
(Norsk Eiendomsinformasjon AS)

### **The Correctional Services Department**

Tel: +47 22 24 55 01,  
Fax: +47 22 24 55 90  
(Itas Amb AS)

## **Ministry of Local Government and Regional Development**

### **The Department of Local Government**

Tel: +47 22 24 72 01,  
Fax: +47 22 24 27 35  
(Kommunalbanken AS)

## **Ministry of Culture and Church Affairs**

### **The Department of Administrative Affairs**

Tel: +47 22 24 78 11,  
Fax: +47 22 24 78 16  
(Norsk Tipping AS)

## **The Department of Media Policy and Copyright**

Tel: +47 22 24 80 07,  
Fax: +47 22 24 80 39  
(Norsk Rikskringkasting AS)

## **Ministry of Education and Research**

### **The Department of Higher Education**

Tel: +47 22 24 77 01,  
Fax: +47 22 24 27 33  
(Uninett AS, NSD AS, UNIS AS, Simula Research Laboratory AS)

## **Ministry of Agriculture and Food**

### **Department of Research, Innovation and Regional Policy**

Tel: +47 22 24 92 50,  
Fax: +47 22 24 91 50  
(Veterinærmedisinsk Oppdragscenter AS)

### **Department of Forest and Natural Resource Policy**

Tel: +47 22 24 92 51,  
Fax: +47 22 24 27 53  
(Statskog SF)

## **Ministry of Trade and Industry**

### **The Department of Ownership**

Tel: +47 22 24 01 41,  
Fax: +47 22 24 01 45  
(Aker Holding AS, Argentum Fondsinvesteringer AS, BaneTele AS, Bjørnøen AS, Cermaq ASA, Electronic Chart Centre AS, DnB NOR ASA, Eksportfinans ASA, Entra Eiendom AS, Flytoget AS, Kings Bay AS, Kongsberg Gruppen ASA, Mesta AS, Nammo AS, Norsk Hydro ASA, SAS AB, Statkraft SF, Store Norske Spitsbergen Kullkompani AS, Telenor ASA, Venturefondet AS, Yara International ASA)

## **The Department of Business Development and Internationalisation**

Tel: +47 22 24 04 01,  
Fax: +47 22 24 04 05  
(Innovation Norway, SIVA SF)

## **Ministry of Petroleum and Energy**

### **Department for Economic and Administrative Affairs**

Tel: +47 22 24 61 11,  
Fax: +47 22 24 65 53  
(StatoilHydro ASA, Petoro AS)

### **Oil and Gas Department**

Tel: +47 22 24 62 09,  
Fax: +47 22 24 27 78  
(Gassco AS, Gassnova SF)

### **Energy and Water Resources Department**

Tel: +47 22 24 63 01,  
Fax: +47 22 24 95 68  
(Statnett SF, Enova SF)

## **Ministry of Transport and Communications**

### **The Department of Public Roads and Rail Transport**

Tel: +47 22 24 83 01,  
Fax: +47 22 24 56 08  
(Baneservice AS, NSB AS)

### **The Department of Civil Aviation, Postal Services and Telecommunications**

Tel: +47 22 24 83 53,  
Fax: +47 22 24 56 09  
(Avinor AS, Posten Norge AS)

## **Ministry of Foreign Affairs**

### **The Department for Regional Affairs and Development**

Tel: +47 22 24 35 66,  
Fax: +47 22 24 95 80 (Norfund)



# Comments and definitions



## Comments

- All figures are reported as at 31 December 2007. They are taken from current company accounts and are in conformity with Norwegian accounting standards, with the exception of SAS. For SAS, the accounts are submitted according to Swedish accounting standards and have been converted into Norwegian currency in accordance with the exchange rates stated by the company.
- The following companies have made the transition to financial reporting in conformity with IFRS: Argentum Fondsinvestering AS, Cermaq ASA, DnB NOR ASA, Entra Eiendom AS, Kongsberg Gruppen ASA, Norsk Hydro ASA, NSB AS, Posten Norge, SAS AB, StatoilHydro ASA, Statkraft SF, Statnett SF, Telenor ASA and Yara International ASA. All the accounting figures for these companies for 2007 and 2006 are in conformity with IFRS.
- The stated accounting figures are taken from the companies' annual reports, but the key figures are calculated using a common method for all the companies in accordance with the definitions provided. For this reason, some of the key figures deviate from those stated by the companies in their annual reports.
- In order to measure the financial development of the regional health authorities, two profit concepts are used: The profit for the year for accounting purposes taken from the audited accounts, and the deviation from the performance requirement set by the Ministry of Health and Care Services.
- The companies' board composition and proportion of State ownership are updated as of 31 March 2008. The State's semi-annual report for 2008, published in September, will contain an updated overview of the boards following ordinary board appointments during 2008.
- The Ministry of Trade and Industry cannot be held responsible for any errors in the figures and calculations. More information on the individual companies can be found in the companies' annual reports.



## Definitions

The list below contains definitions of the concepts used in this report. Please note that these definitions may deviate from those used by the companies, as several of these concepts are defined differently by the companies.

- **Capital employed** – Equity plus interest-bearing debt
- **Cost ratio** – Operating costs divided by the sum of net interest and credit-commission income and other operating revenues
- **Directors' fees** – Remuneration paid to the directors for their work on the board, as reported in the companies' annual reports
- **Dividend ratio** – Funds set aside for dividends as a proportion of the annual profit for the group
  - The geometric average has been used to calculate the average profit share.
- **EBIT** – Operating profit plus share of profit made by associated companies and financial income
- **EBITDA** – EBIT before depreciation/amortisation and write-downs
- **Equity ratio** – Equity as a percentage of total capital
- **Number of employees** – The number of employees at year-end or on average for the year; some companies use full-time equivalents. The reporting method varies between the companies, but is used consistently for each company over time.
- **Rate of return** – Here used with regard to shares. The rate of return consists of the change in value of the share plus the dividends paid. The geometric average is used to calculate the average annual rate of return, and account has been taken of the increase in the value of dividends paid by assuming that dividends have been reinvested to give a rate of return corresponding to five-year state bonds.
- **Return** – Here used with regard to accounting items
  - Return on equity – The annual profit after minority interests and taxes divided by the majority's share of the average book equity
  - Return on capital employed – EBIT divided by the average capital employed
  - The arithmetic average has been used to calculate average return on equity
- **Total remuneration to the Chief Executive Officer** – Salaries, pensions and other forms of remuneration in accordance with information provided by the companies in their annual reports







**NORWEGIAN MINISTRY  
OF TRADE AND INDUSTRY**

**Ministry of Trade and Industry**

P.O. Box 8014 Dep  
NO-0030 Oslo

**Visiting address**

Einar Gerhardsens plass 1

**Telephone** +47 22 24 90 90

**Fax** +47 22 24 01 30

**E-mail** [postmottak@nhd.dep.no](mailto:postmottak@nhd.dep.no)

**Internet**

[www.regjeringen.no/nhd](http://www.regjeringen.no/nhd)  
[www.ownershipreport.net](http://www.ownershipreport.net)